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Vision 2025

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Table of contents

- | | |
|--|--|
| <p>1 Economy of Odisha – Page 2</p> <p>2 Employment Scenario of Odisha – Page 6</p> <p>3 Sectoral Performance of Odisha – Page 8</p> <p>4 Infrastructure Scenario of Odisha – Page 17</p> <p>5 Export – Import Scenario of Odisha Page 20</p> | <p>6 Why Invest in Odisha? – Page 23</p> <p>7 Incentive Frameworks for various sectors – Page 30</p> <p>8 Which sector to Invest in Odisha ? – Page 36</p> <p>9 Recent Investments in Odisha – Page 42</p> |
|--|--|

Economy of Odisha - Overview

Odisha : at a glance

Orissa, situated in the northeastern part of the Indian peninsula, spans an area of 1,55,707 square kilometers.

The state is bordered by the Bay of Bengal to the east, Chhattisgarh to the west, Jharkhand to the north, Andhra Pradesh to the south, and West Bengal to the northeast.

Geographically, Orissa is characterized by five major geo-morphological regions. The Orissa coastal plain stretches along the eastern region, while the middle mountainous and highlands region, central plateaus, and western rolling uplands provide diverse topographies. Additionally, the major flood plains add to the state's varied landscape.

Orissa boasts an extensive coastline of approximately 480 km, graced with some of the world's most beautiful beaches. Among the coastal attractions, the Chilka Lake stands out as a remarkable brackish water lagoon in the southern part of Orissa's coastal plain. This vast water body serves as a sanctuary for millions of birds, making it a haven for birdwatchers and nature enthusiasts.

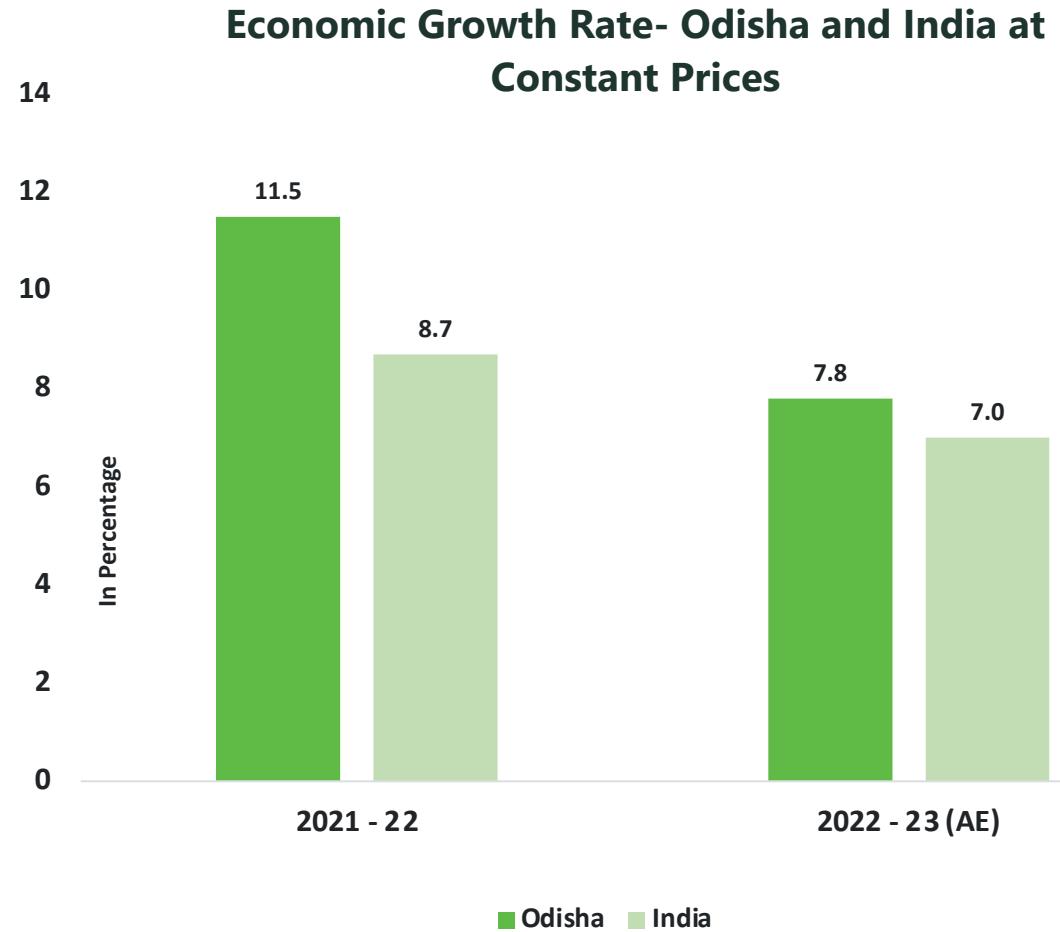


State of the Economy – A Macro View

The share of Odisha in India's GDP has improved from 2.64% in 2011–12 to 2.8% in 2022–23 (AE)

Despite global challenges, Odisha's economy showcased strong growth in 2022-23, achieving one of the highest performances worldwide. Pre-pandemic, it maintained an average growth rate of 7.1% from 2012-13 to 2019-20.

Looking ahead, the decade from 2021-30 is projected to be a period of prosperity for the state, with an anticipated real growth rate of 8 to 8.5% in 2023-24, contingent on normal monsoon, stable global supply chains, and controlled inflation. These factors are expected to bolster Odisha's economic development during the mentioned period.



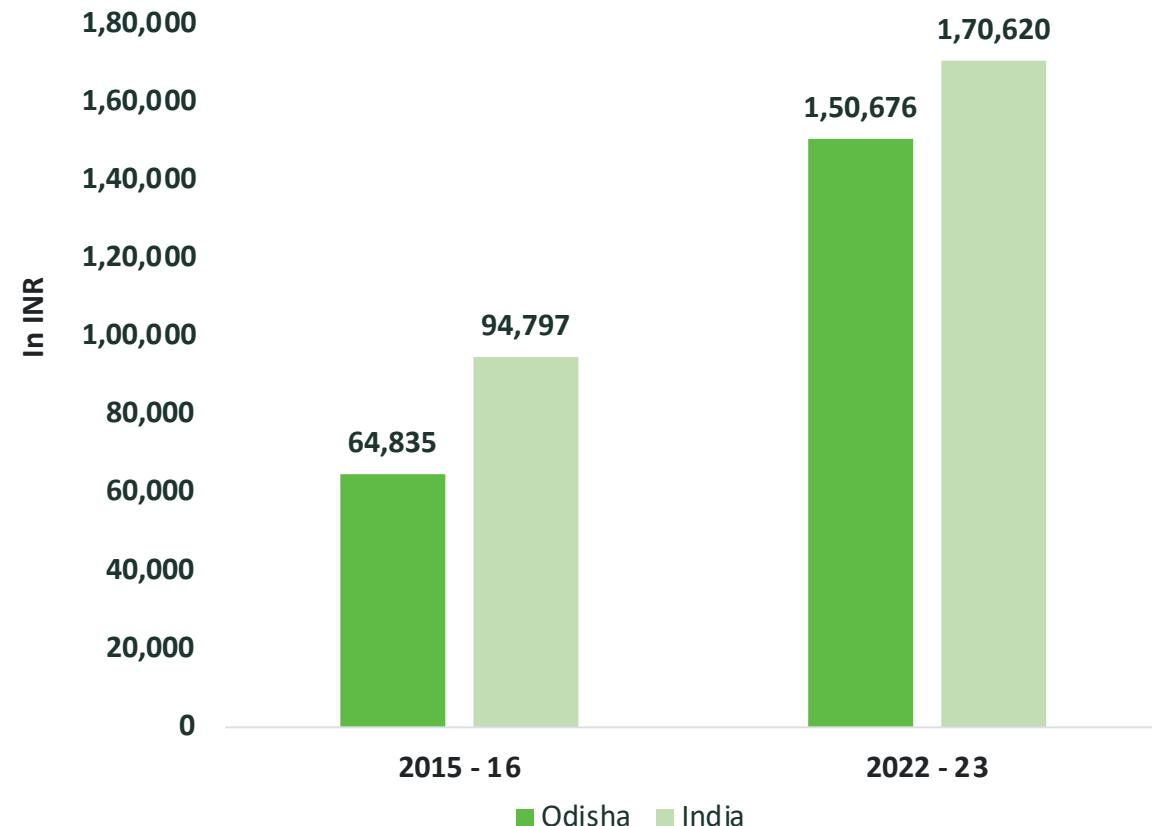
State of the Economy – A Macro View

Odisha's impressive growth is evident in its per capita income, reflecting a strong economic performance since 2011-12.

As of 2022-23, Odisha's per capita income stands at INR 150,676 in current prices, while the All-India average per capita income is INR 170,620 (current prices). Over the past 7 years, the state has consistently narrowed the gap between its per capita income and the national average from 31.6% in 2015-16 to 12% in 2022-23.

The Compound Annual Growth Rate (CAGR) of Odisha's per capita income from 2011-12 to 2022-23 was an impressive 10.9%, surpassing India's per capita income CAGR of 9.4%. This highlights Odisha's faster rate of growth in per capita income, successfully reducing the disparity between the state and the national average.

Per Capita Income at Current Prices (INR) – Odisha and India



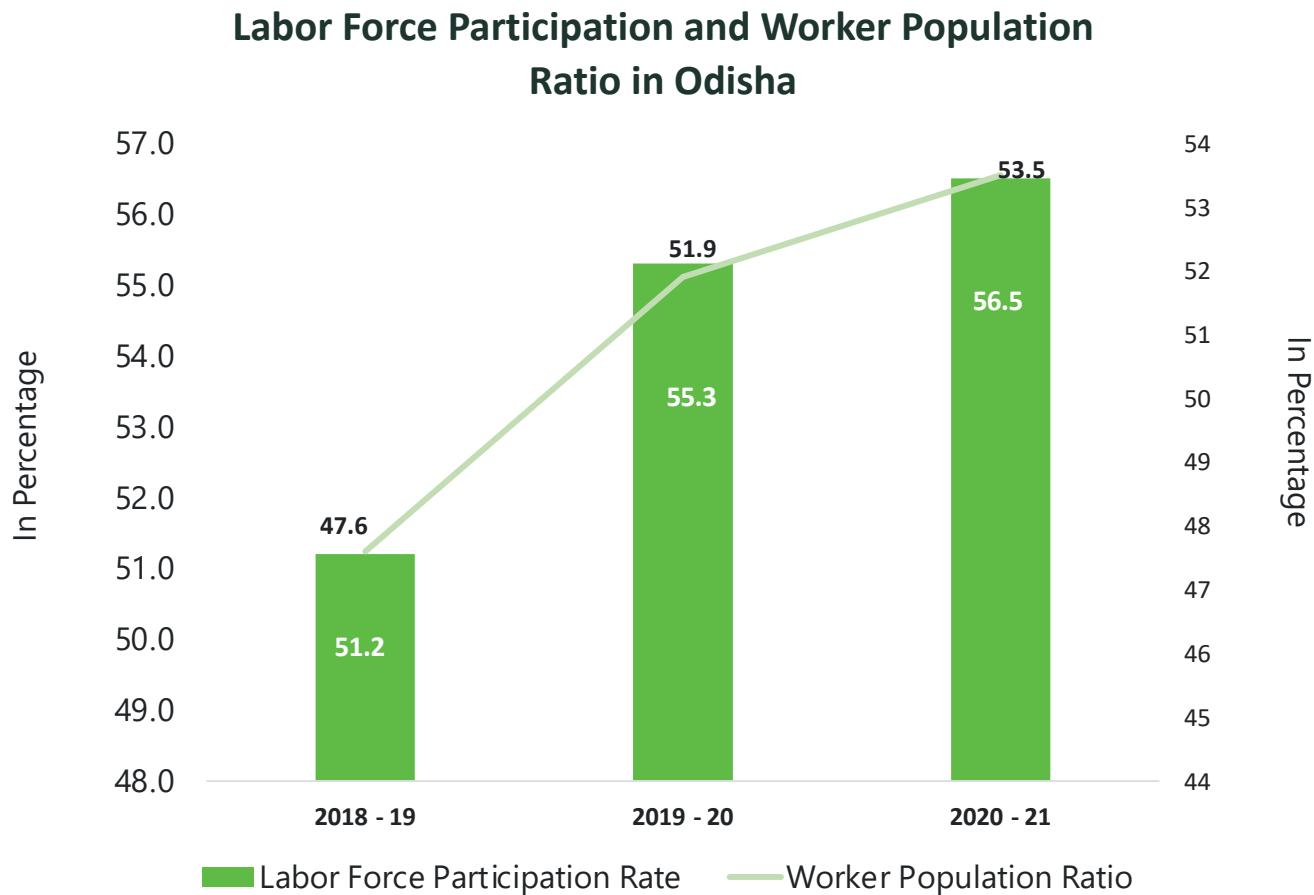
Source: DE&S, GoO; MoSPI, Gol

Employment Scenario of Odisha

Employment Scenario

According to the Periodic Labor Force Survey 2020-21, Odisha's Labor Force Participation Rate (LFPR) showed improvement, reaching 56.5% compared to 55.3% in 2019-20. Around 53.5% of the population aged 15 and above were engaged in work during 2020-21, outperforming the All-India level of 52.6%.

The unemployment rate in Odisha for 2020-21 was 5.3%, notably lower than high-income states like Kerala at 10.1%. Moreover, Odisha exhibits a better performance in terms of female labor force participation, with a rate of 33.2% in 2020-21 compared to the All-India average of 32.5%.



Source: Periodic Labour Force Survey (PLFS), NSSO, MoSPI, GoI (multiple rounds - 2018-19, 2019-20, 2020-21)

Sectoral Performance of Odisha

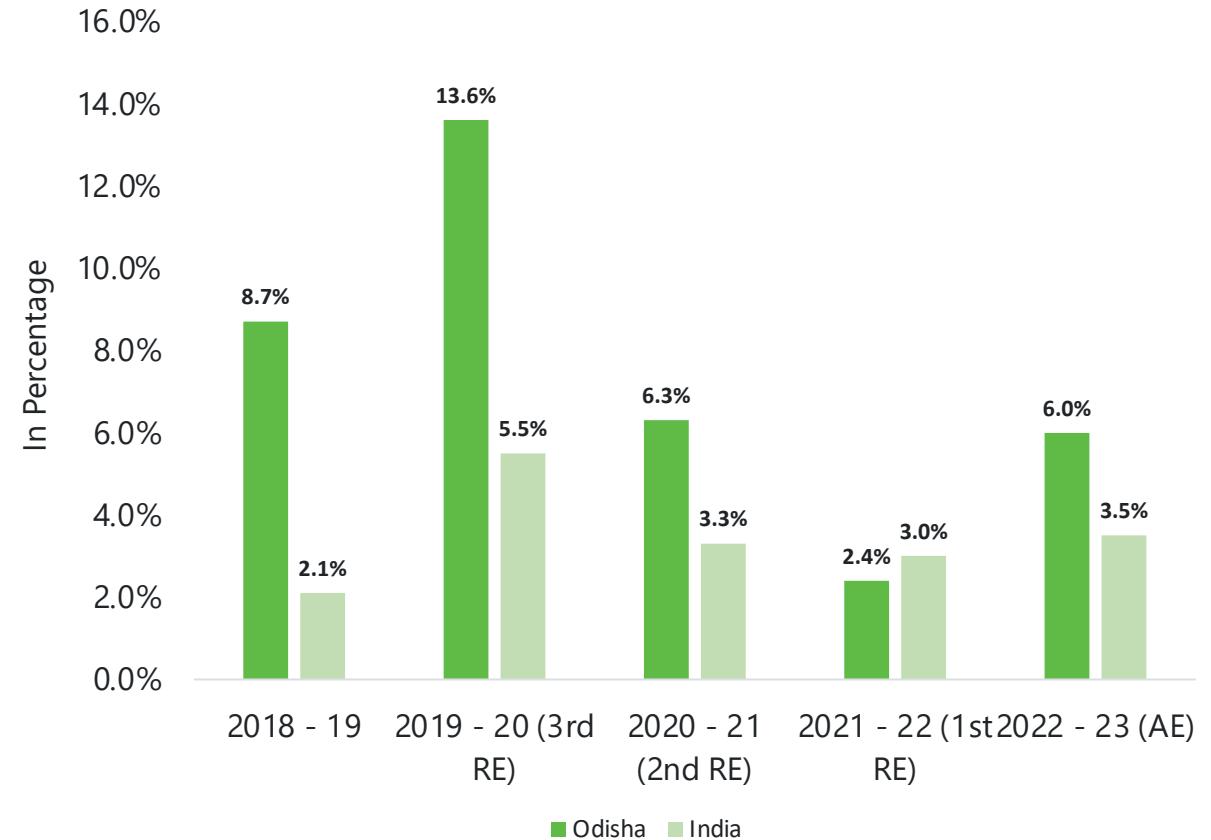
Agricultural and Allied Sector - Overview

In the fiscal year 2022-23 (AE), the agriculture sector accounted for 22.5% of Odisha's Gross State Value Added (GSVA), and it is projected to experience a robust real growth rate of 6%, surpassing the national average growth of 3.5%.

The Agriculture and Allied sector employed approximately 46.8% of the state's workforce in 2020-21, like the all-India level of 46.5%. This higher growth in the agricultural sector indicates a positive sign of inclusive growth, with benefits reaching a wider population.

Notably, the Fishing and Aquaculture sub-sector within Agriculture and Allied sector has exhibited remarkable growth over the past decade, averaging 11.2% growth and reaching an impressive 13.3% in 2022-23. This growth is primarily attributed to the active efforts of the State Government in promoting this sector, as evident in increased budgetary allocations. As a result, Odisha is among the top five major states in the country in terms of growth in the fishing and aquaculture sector from 2012-13 to 2020-21.

Growth of Agriculture and Allied Sectors at Constant Prices – Odisha and India



Source: DE&S, GoO & MoSPI, Gol

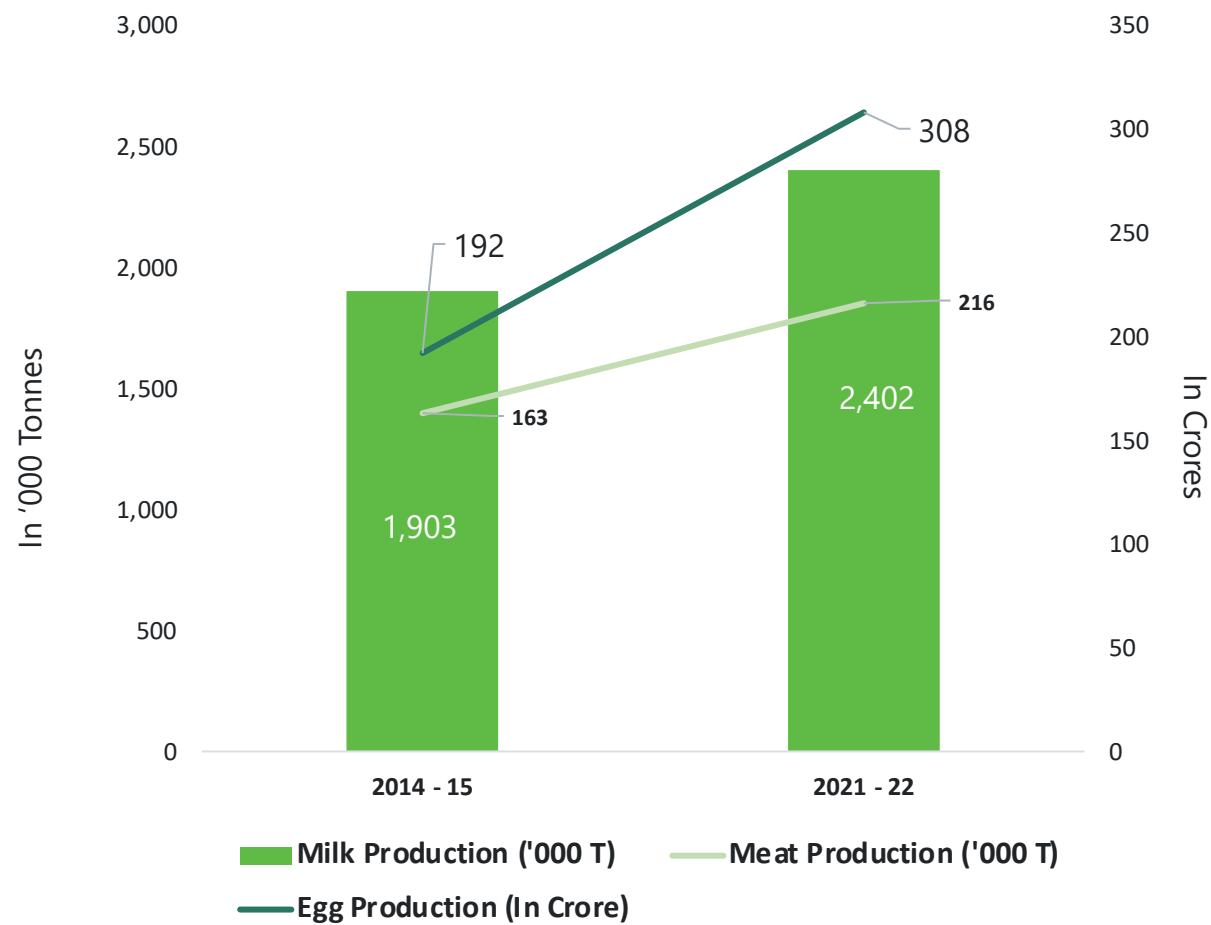
Livestock

According to the livestock census of 2019, Odisha accounts for 3.4% of India's total livestock population and 3.2% of the total poultry population. In 2019, the state's livestock population was INR 182 lakhs, while the poultry population was INR 274 lakhs.

Over the years, Odisha has witnessed a significant increase in milk production, rising from 1903 thousand MT in 2014-15 to 2402 thousand MT in 2021-22. This growth has led to an improvement in per capita milk availability, increasing from 114 gm/day in 2012-13 to 135 gm/day in 2021-22.

Similarly, meat production in Odisha has also shown positive growth, surging from 163 thousand MT in 2014-15 to 216 thousand MT in 2021-22. This has resulted in an enhanced per capita availability of meat, rising from 3.66 kg/annum to 4.42 kg/annum during the same period. Egg production in the state has experienced remarkable progress, reaching INR 308 crores in 2021-22 compared to INR 192 crores in 2014-15. Consequently, the per capita availability of eggs has increased to 63 per year in 2021-22.

Milk, Meat & Egg Production in Odisha



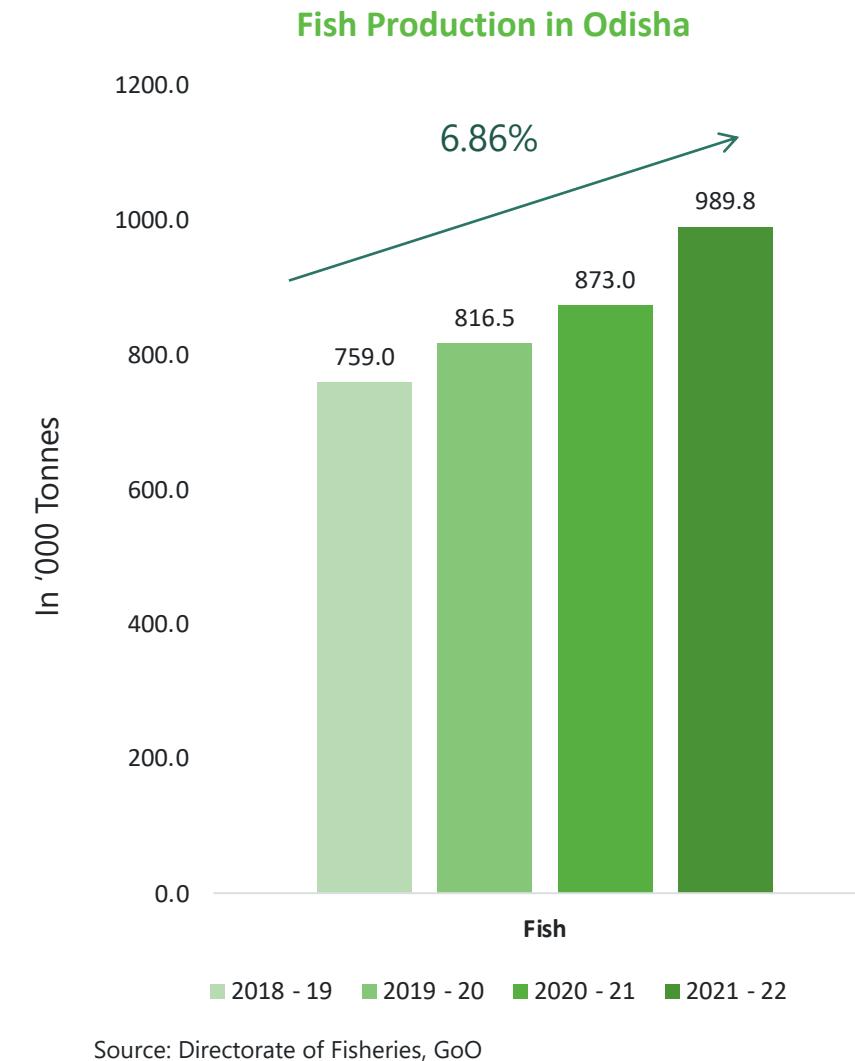
Source: F&ARD Department, Odisha

Fishery & Aquaculture

The fish production in Odisha has witnessed remarkable growth, more than doubling between 2013-14 and 2021-22, with a Compound Annual Growth Rate (CAGR) of 11.5% during the same period. In 2021-22, fish production further increased by 13.4% to reach 990 thousand MT, with freshwater fish contributing 66% of the total fish production, followed by marine fish at 20% and brackish fish at 14%.

The state has also experienced significant growth in crab and shrimp production. Crab production surged from 5.69 thousand MT in 2020-21 to 7.5 thousand MT in 2021-22, marking a growth rate of 32.5%. Similarly, shrimp production grew by 12.7% during the same period, increasing from 108.31 thousand MT to 122.11 thousand MT. As a result, the per-capita annual fish consumption in Odisha has risen from 11.1 kg in 2014-15 to 17.2 kg in 2021-22.

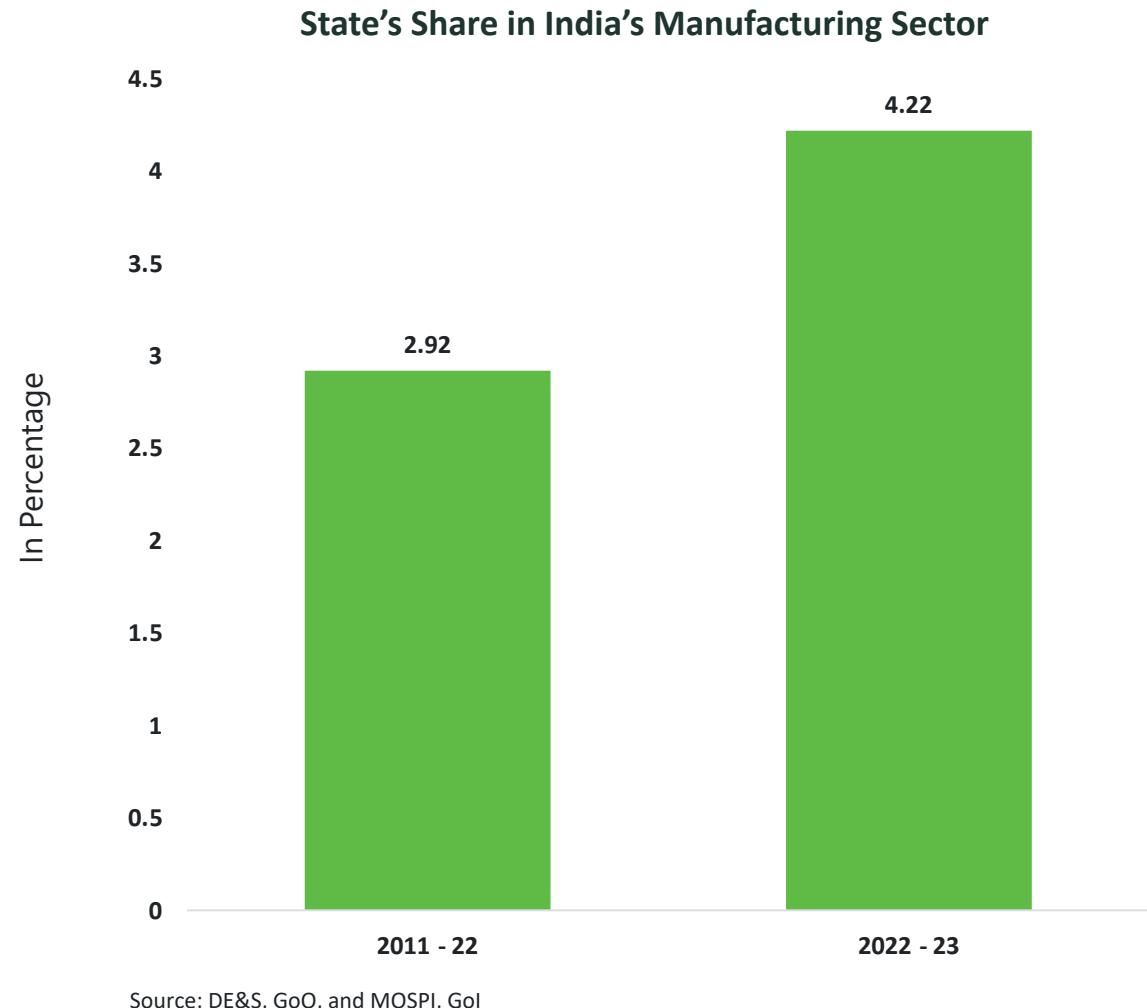
Moreover, the state has seen an increase in fish and shrimp exports, with a notable 18.6% growth in total fish exports during 2021-22 compared to 2020-21. Marine fish and brackish water fish constituted a significant portion, accounting for 79% of the total fish exports from Odisha.



Manufacturing - Overview

The manufacturing sector in Odisha has been growing steadily in recent years. In 2022-23, it grew at 5.2%, on top of 9.3% growth in the previous year. This growth is due to several factors, including the state's enabling policy environment, investment incentives, and effective governance.

As a result of this growth, Odisha's share of India's manufacturing sector has increased from 2.92% in 2011-12 to 4.22% in 2022-23. By the end of March 2022, a cumulative total of 5,35,913 MSMEs have been established in Odisha, with an investment of INR 25,655.90 crore and the creation of 19,34,893 jobs. The advances to MSMEs have also grown significantly, from INR 13,795 crores in 2011-12 to INR 49,971 crores in 2021-22.

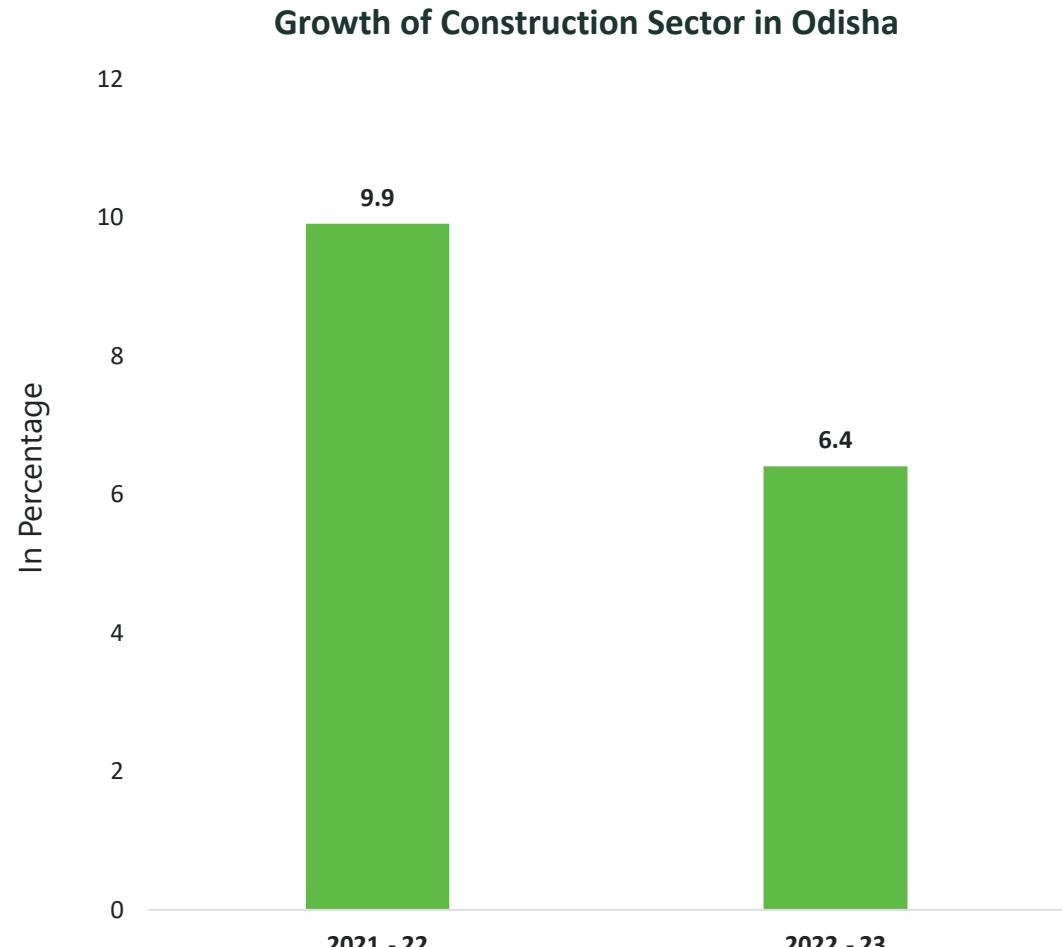


Construction - Overview

The construction sector is another important contributor to the Odisha economy. It is the second-largest employer in the state after agriculture, and it contributed 5.62% of the state's GSVA in 2022-23. The sector grew at 6.4% in 2022-23, on top of 9.9% growth in the previous year.

Meanwhile, the share of construction sector within the Industry sector has witnessed a downward growth from 17.16% in 2018 – 19 to 13.61% in 2022 – 23 (AE).

The sector's significance is evident in its role as a gateway for surplus labor transitioning from agriculture, mainly due to its minimal skill demands. Consequently, it offers a substantial opportunity for absorbing a considerable workforce that is moving away from agriculture in Odisha.



Source: DE&S, GoO

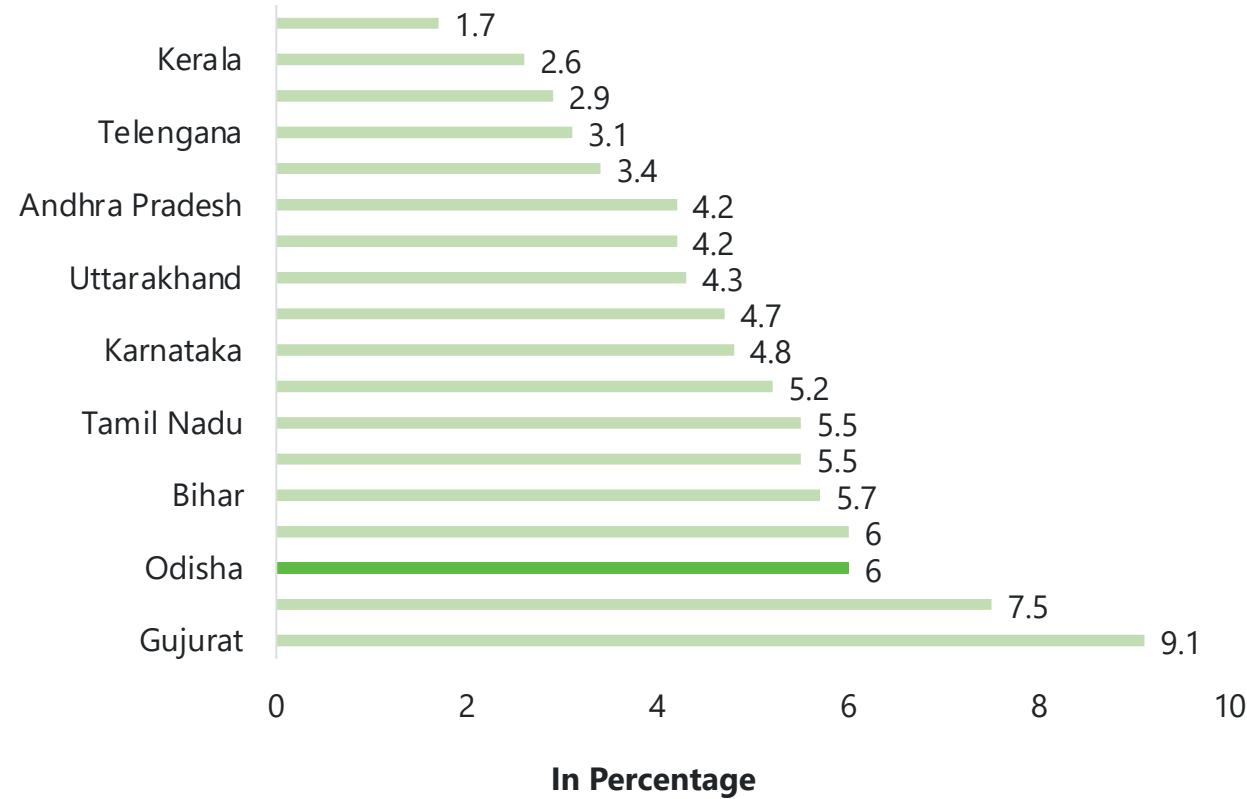
Inter-state comparisons of Industrial Growth

From 2012-13 to 2020-21, Odisha secured the third position among India's major states in terms of the average annual growth rate of the industry sector.

The graph illustrates the average annual growth rate of the industry sector in the major states of the country from 2012-13 to 2020-21. Notably, Odisha achieved the 3rd rank among the 18 major states, with a commendable growth rate of 6 per cent during the mentioned period.

However, Gujarat (9.1 per cent) and Haryana (7.5 per cent) outperformed Odisha in terms of industrial growth. On the other hand, states like Tamil Nadu, West Bengal, Karnataka, Maharashtra, Andhra Pradesh, and Telangana recorded lower industrial growth rates compared to Odisha.

Average Growth Rate in Industrial GSVA at Constant Prices for Major States between 2012-13 to 2020-21



Source: Ministry of Statistics and Programme Implementation, GoI

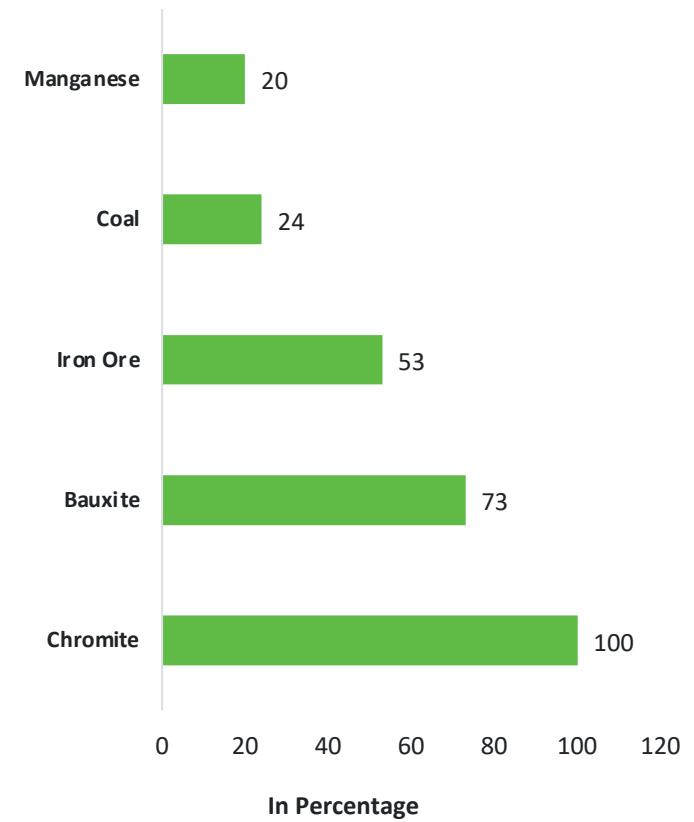
Mineral

Located strategically in India, Odisha possesses abundant mineral reserves comprising 28% of the country's iron ore, 24% coal, 59% bauxite, and 98% chromite deposits. The state's oldest mines were Talcher and Ib Valley coal mines. Following the nationalization of coal in 1975 and a focused energy sector policy, numerous power plants have emerged in Odisha.

Major industries include integrated steel plants in Rourkela, Kalinga Nagar, Jharsuguda, and Angul, along with NALCO, boasting an alumina plant at Damanjodi and an aluminum smelting complex in Angul. Additional industries in the state encompass fertilizer plants, pulp and paper industries, ferro alloy plants, cement plants, and more. Odisha's economic landscape is thus marked by its rich resource endowment and diverse industrial portfolio.

In addition to the substantial reserves of major minerals like chromite, nickel, bauxite, iron-ore, and coal, Odisha is rich in other valuable minerals such as china clay, fire clay, limestone, quartz, precious and semi-precious stones, copper, manganese, graphite, and vanadium. The major coal-bearing areas that are currently under exploitation are Talcher and the Ib valley. Odisha's diverse mineral wealth contributes significantly to its economic potential.

Share of Odisha in Mineral Production in India, 2021 - 22



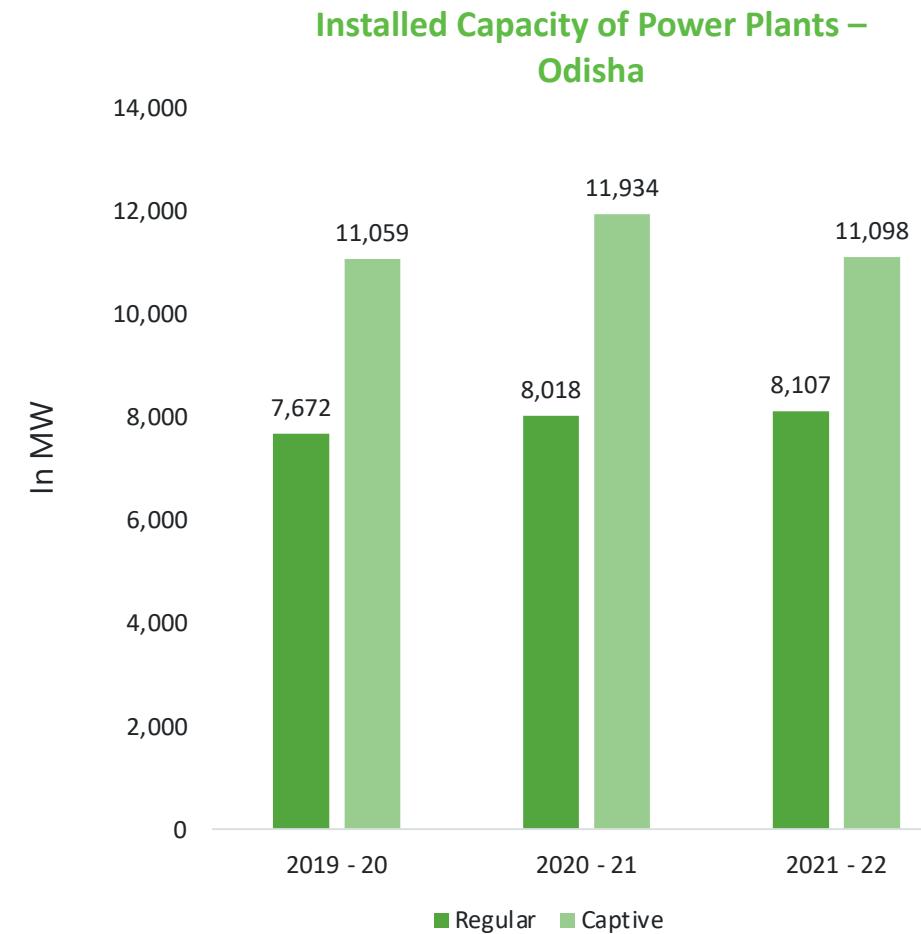
Source: Directorate of Mines, GoO

Energy

Odisha is a power surplus state with an installed capacity of 8107 MW in 2021-22. This is a 45% increase from 2015-16. The demand for power has also increased during this period, but it has not kept pace with the increase in supply. As a result, Odisha has a surplus of power.

Electricity along with gas, water supply, and utility services contribute 2.8% to the state's GSVA. Odisha has achieved the mission of "Electricity to All" through constant and dedicated efforts to ensure the availability of power. The state has also achieved 100% electrification of villages by March 2020. Rural consumers constitute 77% of the total power consumers in Odisha as of 2021-22.

The "Make in Odisha Conclave" of 2022 attracted investment proposals worth INR 2.4 lakh crore in the power, renewable energy, and green energy sectors. The Odisha government is taking steps to diversify energy production by emphasizing on other sources like biomass and solar power.



Source: GRIDCO, Odisha; Office of EIC-cum-Principal Chief Electrical Inspector, GoO

Infrastructure Scenario of Odisha

Transport

- Odisha's transportation landscape is primarily dominated by road transport, contributing approximately 56 percent of the Gross State Value Added (GSVA) for the year 2022-23 (according to Advance Estimates). Railways come next with a share of 25 percent. Despite the challenges posed by COVID-19 and movement restrictions, road transport exhibited a remarkable rebound with growth rates of 7 percent and 6.5 percent in 2021-22 (Revised Estimates) and 2022-23 (Advance Estimates), respectively.
- Furthermore, the state of Odisha is making significant strides in the air transport sector. Plans are underway to establish seven new airports in Jeypore, Utkela (Kalahandi), Rangeilunda (Ganjam), Rasgovindpur - Amarda Road (Mayurbhanj), Malkangiri airstrip, Sri Jagannath International Airport at Puri, and Dhamra Airport (Bhadrak).
- Odisha is also keen on tapping into its vast waterway network, as 64 percent of the state's waterways are navigable. This focus on inland water potential serves as a promising avenue for alternative, fuel-efficient, and environmentally friendly transportation methods.

Types of Road Length in Odisha (2021-22), Total and Navigable Length of Waterways in (2020-21) and Total Number of Bridges in Odisha (2022-23)



National Highway –
5,753 km



State Highway –
4,173 km



Total length of
river/canals/lakes –
2,425 km



Navigable River –
1,555 km

Key New Policy Initiatives



Odisha Industrial Policy Resolution, 2022

To enable the development of a resilient industrial ecosystem with a strong emphasis on diversifying industries and facilitating rapid growth of industrial infrastructure.



Odisha Apparel & Technical Textiles Policy, 2022

Investor attraction initiatives comprise enticing incentives such as Capital Investment Subsidy, Employment Cost Subsidy, and Market Development Initiative.



Odisha Logistics Policy, 2022

Goal is to comprehensively map, develop, and enhance logistics facilities throughout the state while prioritizing the improvement of supply chain efficiency and working towards the decarbonization of the logistics sector.



Odisha IT Policy, 2022

Primary focus is to equip the people with enhanced employability skills, providing a robust foundation for Start-ups, Investors, and Ideates, fostering innovation and entrepreneurship within the state.



Odisha Export Promotion Policy, 2022

Aim is to elevate Odisha to be among the top five exporting states in the country, and to achieve an ambitious export target of Rs. 3.5 lakh crore by the year 2026-27.



Odisha Tourism Policy, 2022

Mission is to foster sustainable and responsible tourism, while also accelerating the development of the tourism and hospitality sector.

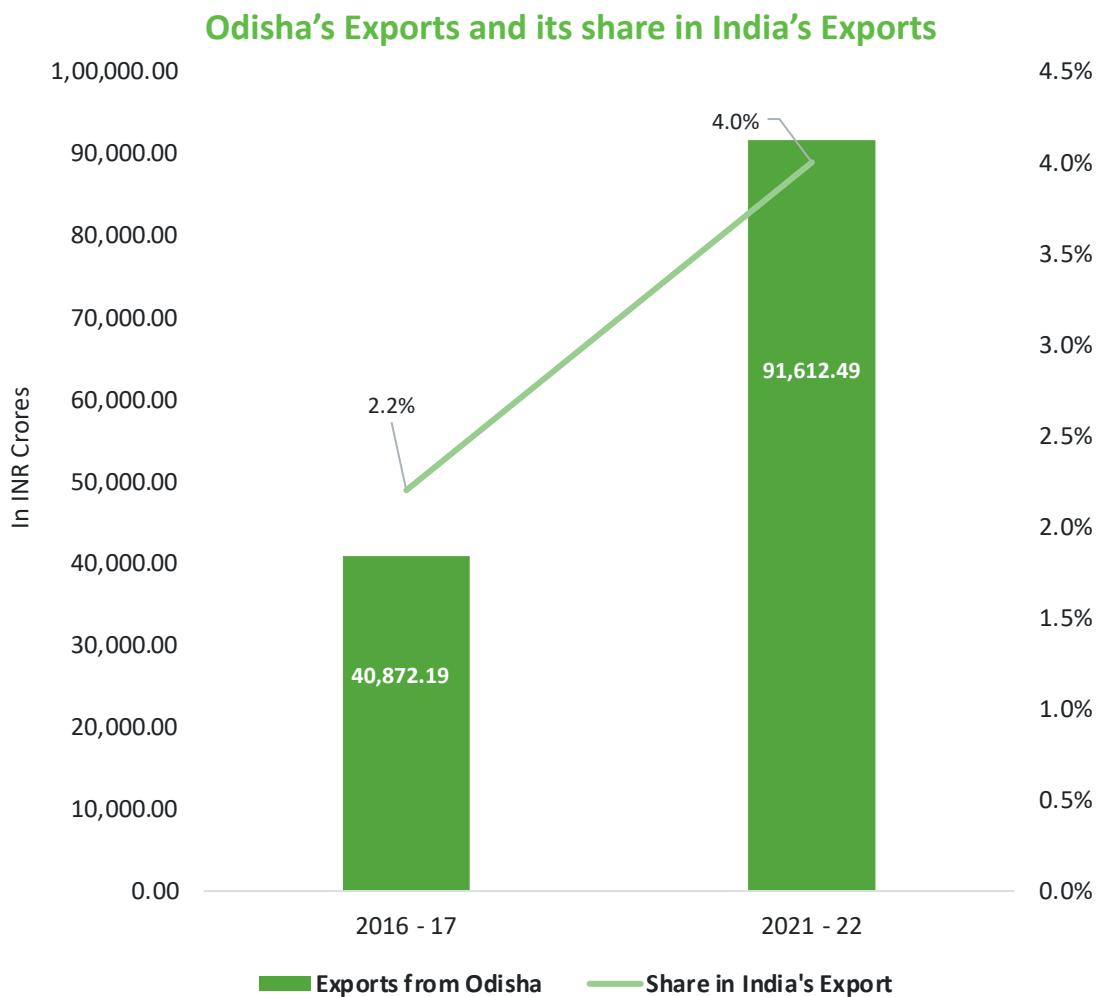


Odisha Data Centre Policy, 2022

Aims to transform Odisha into a "Data Centre Hub" by 2025

Export – Import Scenario of Odisha

Export – Import Scenario of Odisha



Source: State-wise Export Data, Monitoring Dashboard, Ministry of Commerce and Industry, GoI

Major Export Products from Odisha (Values in INR crore)

| Products | 2019 - 20 | 2020 - 21 | 2021 - 22 | Share of Value of Exports for 2021 – 22 (per cent) |
|----------------------------------|---------------|---------------|-----------------|--|
| Metallurgical | 24,811 | 8,123 | 86,727 | 68.02 |
| Engineering, Chemical and Allied | 4,434 | 7,855 | 15,496 | 12.15 |
| Minerals | 14,627 | 26,190 | 19,374 | 15.20 |
| Agriculture and Forest | 187 | 178 | 469 | 0.37 |
| Marine | 3,029 | 3,114 | 4,462 | 3.50 |
| Handloom | 1 | 0 | 2 | 0.00 |
| Handicraft | 3 | 8 | 9 | 0.01 |
| Textile | 132 | 206 | 930 | 0.73 |
| Pharmaceutical | 6 | 9 | 16 | 0.01 |
| Others | 12 | 37 | 11 | 0.01 |
| Total (Merchandise) | 47,242 | 75,718 | 1,27,498 | - |
| Electronics and Software | 4,500 | 4,701 | - | 0.00 |
| Total | 51,742 | 80,419 | 1,27,498 | 100 |

MSME in Odisha - Overview

Category wise cumulative number of MSME units set up in Odisha (up to 2021-22)

MSME Unit



5.3 Lakh

Employment



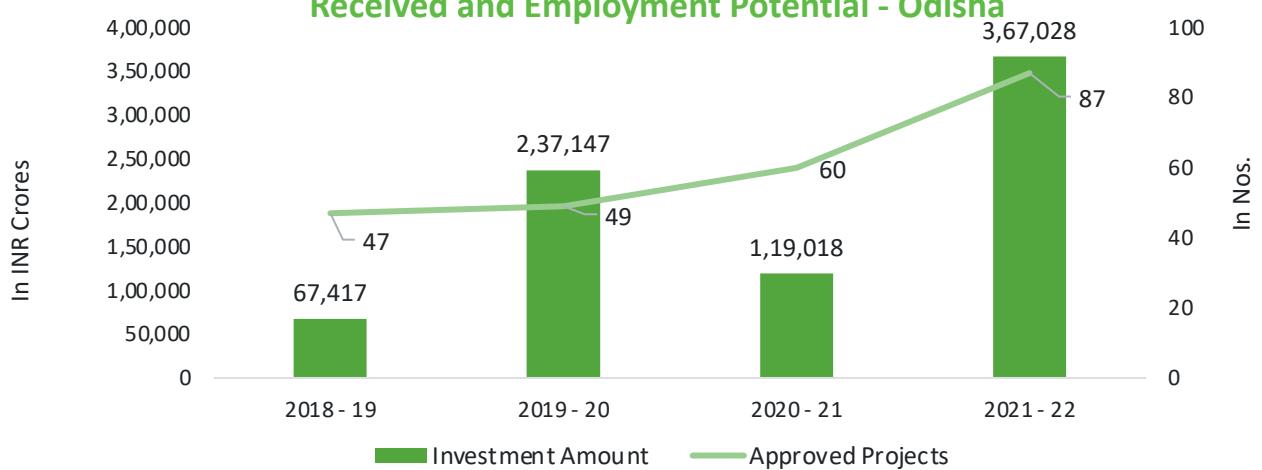
1.9 Million

Investment



INR 25,656 Crore

Number of Projects Approved, Investment Received and Employment Potential - Odisha



Source: IPICOL, GoO

Number of sectors with approved projects in 2022 - 23

| | |
|-------------------------------------|--|
| Aerospace & Defense | Steel Downstream & Infrastructure |
| Fertilizers | Steel |
| Chemicals | Steel (Bifurcation, Pellets, & Ferro Alloys) |
| Coke & Refined Petroleum Products | Steel (Slurry Pipelines) |
| Beverages & Allied Sectors | Infrastructure |
| Forest & Wood-based Industries | Cement |
| IT & ESDM | Food Processing |
| Logistics | Minerals & Rare Earth |
| Paper & Paper Products | Manufacturing |
| Petroleum & Petrochemicals | Textile & Apparel |
| Plastics & Packaging | Aluminium |
| Green Hydrogen & Green Ammonia | Aluminium-Downstream |
| Waste Management & Circular Economy | Agriculture & Fishing |
| Tourism | Power & Renewable Energy |

Why Invest in Odisha ?

Key advantages of investing in Odisha (1/5)



Stable and Transparent Governance

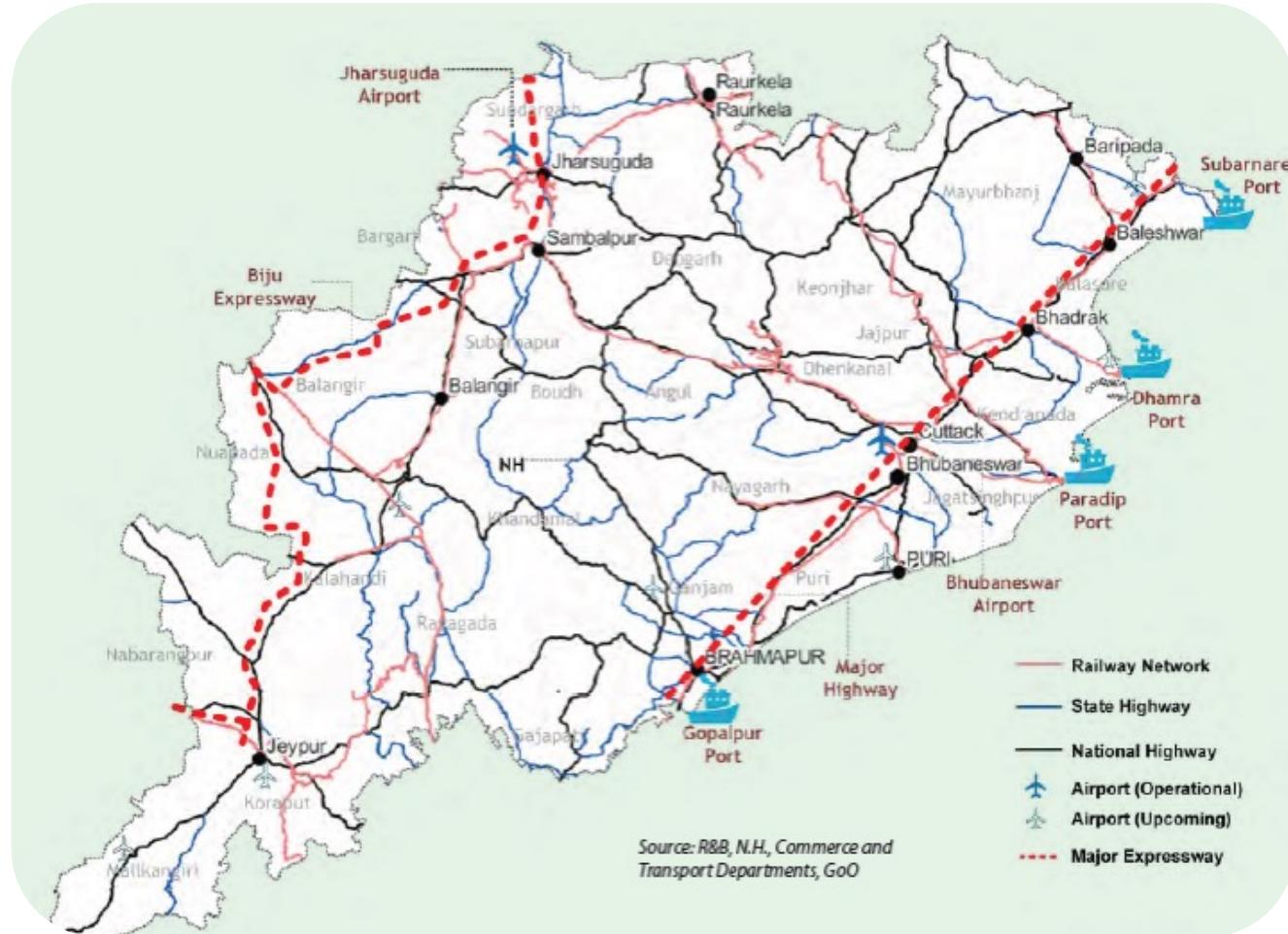
23+ years of stable government with recognition for Ideal Chief Minister 2018 by Bharatiya Chhatra Sansad and adjudged as the Best Administrator at the Outlook Speakout Awards, 2017 (Source: ASSOCHAM and BharatiyaChhatraSansad)



India's mineral hub

- Mineral production of INR 41,621 crore (USD 6.2 bn) – with 13.88% of India's total value.
- Highest producer of Aluminum, Steel and Stainless steel in the country.
- Rank No. 1 amongst all the states in terms of mineral share in Iron ore, Manganese, Bauxite, Chromite, and Nickel.

Key advantages of investing in Odisha (2/5)

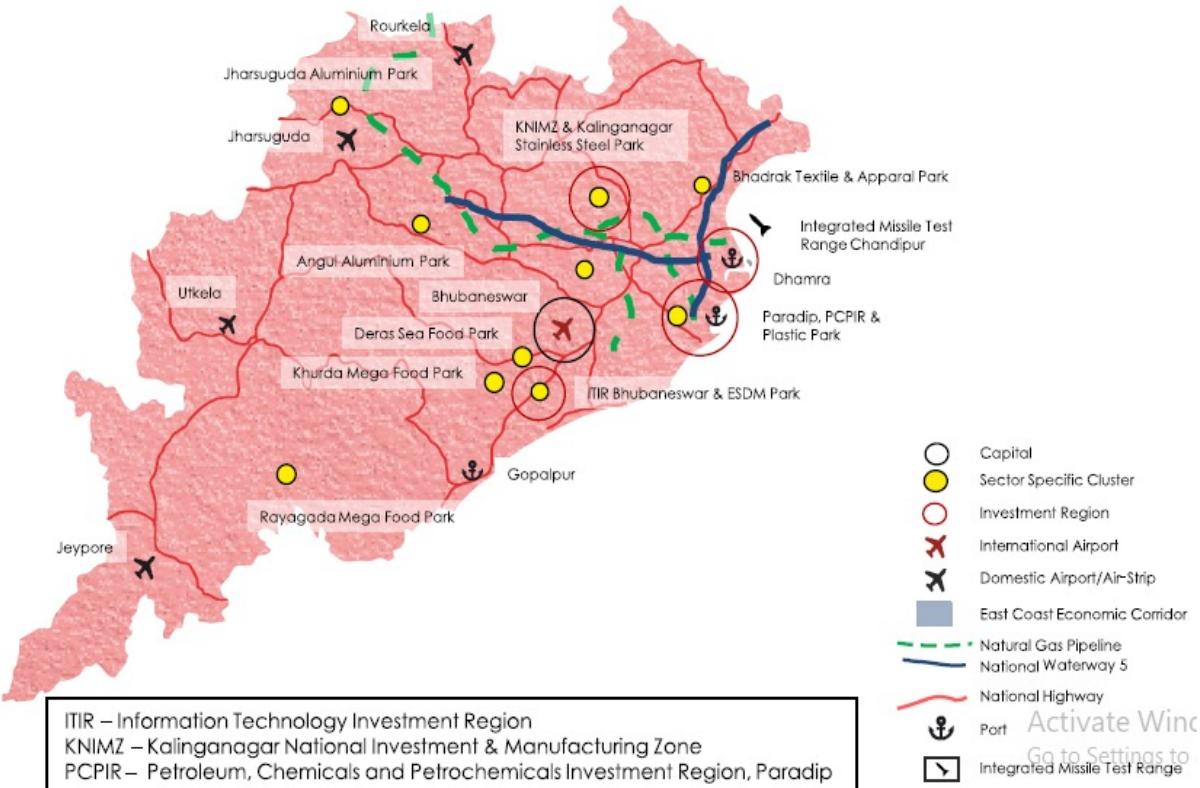


Robust Connectivity

Being the Eastern gateway to the ASEAN region, the state Odisha is strategically located on the east coast of India with a long coastline of 480 km. A network of 2,540 km of rail corridors for a seamless movement of freight. It further leverages its supply chain management by the presence of Paradip port – largest in the country in terms of cargo handling capacity and networked with other ports at Dhamra and Gopalpur.

A state-of-the art road connectivity with around 5,753 km of national highway, 4,173 state highway, and 1,555 navigable river ways.

Key advantages of investing in Odisha (3/5)



Industry Ready Infrastructure

Investment Regions

- National Investment and Manufacturing Zone at Kalinga Nagar
- Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) at Paradeep
- Port based manufacturing zone at Dhamra

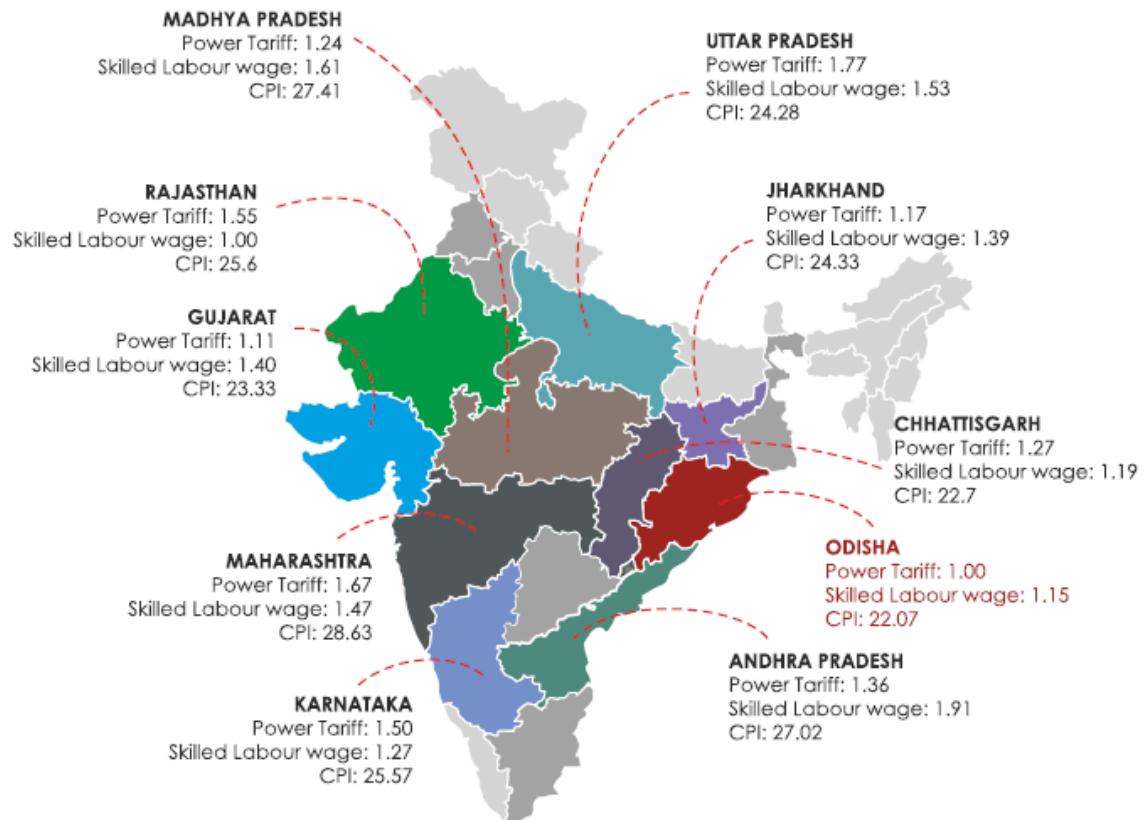
Sector specific industrial clusters in:

- Electronic Manufacturing
- Aluminium
- Plastics
- Food Processing
- Textiles
- Sea food

106 Industrial Estates with an area of 9,800 acres under operation

1,25,790 Acres Industry Ready Land

Key advantages of investing in Odisha (4/5)



Competitive Cost of Doing Business

* Power Tariff and Skilled Labour Wage have been shown as Cost Index with base as 1. CPI is Consumer Price Index of the capital city (For Andhra Pradesh, Vijayawada is considered). CPI Sourced from www.numbeo.com

Key advantages of investing in Odisha (5/5)

Technology Enabled Reforms



- The Industries Department of the Government of Odisha has taken a significant step towards promoting a business-friendly environment by developing an online Single Window portal named GO SWIFT (Government of Odisha - Single Window for Investor Facilitation & Tracking).
- With the introduction of GO SWIFT, the approval process for 34 services from 15 State government departments has been streamlined and made accessible online. This includes services like online application submission, payment, as well as tracking and processing of applications. The portal will continue to expand its offerings, gradually adding more services to further simplify the business process.
- One of the key features of GO SWIFT is its provision of up-to-date information on the latest rules, policy initiatives, and reforms introduced by the Government of Odisha. This ensures that investors have access to all relevant information to facilitate their investment decisions and processes.
- The portal's integration with existing technological applications of the Industries Department, such as GO PLUS, GO SMILE, GO CARE, Automated Post Allotment Application, and the State Project Monitoring Group portal, allows for a seamless experience. Now, with a single sign-on user credentials, investors can easily access all these services through GO SWIFT.

Incentive Framework for Various Sectors

Industrial Policy Resolution (IPR), 2022

IPR is the major industrial policy of the Government of Odisha, which includes provisions for driving industrial growth in the state. The policy classifies industries into 4 broad sectoral categories includes –

- Priority Sectors
- Thrust Sectors
- Negative Sectors
- All other sectors

| Sectors | Investment Facilitation | Concessional Land | Incentives |
|-------------------|-------------------------|-------------------|----------------------------|
| Priority Sectors | Yes | Yes | Priority Sector Incentives |
| Thrust Sectors | Yes | Yes | Thrust Sector Incentives |
| Negative Sectors | Yes | No | No |
| All other sectors | Yes | Yes | No |

Priority Sectors & Thrust Sectors

These are the sectors likely to generate significant employment opportunities and create avenues for further value addition in the state.

Sectors deals with New Age Technologies, Products and Services and sectors likely to have maximum multiplier effect on state's industrial ecosystem

List of Priority Sectors

- Ancillary and Downstream in metal sector
- Agro Processing
- Cold Storage and Cold-chain infrastructure
- Food and Sea-food Processing
- Gemstone – Cutting and Polishing; Granite – Cutting and Polishing
- Handicraft, Handloom, Coir based products
- Information Technology (IT), IT Enabled Services (ITES), and Datacenters
- Plastics
- Rare Earth Minerals based value-added products
- Specialty Steel and its Products
- Shipbuilding, Ship-repair, and construction of other mechanized floating vessels
- Tourism and Hospitality
- Other Special category of Industries

List of Thrust Sectors

- Aerospace and Defense
- Automobiles and Auto-components
- Biotechnology, Pharmaceuticals, Bulk Drug, and Medical Equipment
- Chemicals and Petrochemicals
- Electronics System Design and Manufacturing (ESDM)
- Green Energy Equipment
- Green Hydrogen and Green Ammonia
- Manufacturing in Aviation and Maintenance, Repair & Overhaul (MRO) facilities
- Mechanical and Electrical Capital Goods
- Telecommunication Equipment
- Textiles, Technical Textiles, Apparel, Wearables and Luggage
- White Goods and Components
- Other Special category of Industries

Major Incentives for Priority Sectors

| SI No. | Incentive Name | Incentive as per IPR – 2022 |
|--------|--|--|
| 1 | Land | Industrial Land at concessional rate |
| 2 | Stamp Duty | 100% stamp duty exemption |
| 3 | Capital Investment Subsidy | 20% capital investment subsidy on actual investment in plant & machinery (excluding the cost of land and building) with no upper cap, disbursed in a phased manner, over a period of 5 years from the date of commencement of commercial production. |
| 4 | Electricity Duty Exemption | 100% exemption from payment of Electricity Duty for a period of 7 years from the date of commencement of commercial production. |
| 5 | Power Tariff Reimbursement | Reimbursement of Power Tariff of INR 2.00 per unit consumed and purchased from local DISCOMs for a period of 7 years from the date of commencement of commercial production. |
| 6 | Renewable Energy Benefits | 100% exemption/reimbursement of cross subsidy surcharge & additional surcharges and state transmission charges on renewable energy procured from state-based renewable energy plants/GRIDCO for a period of 7 years from the date of procurement of renewable energy for commercial production in the state. |
| 7 | SGST Reimbursement | Reimbursement of 100% of net SGST paid, overall limited to 200% of the cost of plant and machinery (for units in Biju Economic Corridor, the overall limit is 300% of the cost of plant and machinery) |
| 8 | Employment Subsidy | 100% reimbursement of employer contribution towards ESI and EPF scheme for a period of 5 years from the date of commencement of commercial production for skilled and semi-skilled workers, who are domicile of the state. |
| 9 | Environment Friendly Infrastructure Incentives | <ul style="list-style-type: none"> • Subsidy of 25% of the investment in new plant & machinery and the cost of new technical civil works will be provided up to the maximum total limit of INR 10 crores per industrial unit. • Up to 50% of capital subsidy on cost of relevant equipment up to a maximum of INR 10 crore per industrial unit for setting up of new facilities as certified by Odisha State Pollution Control Board (OSPCB) for practicing at least 50% wastewater recovery through Zero Liquid Discharge (ZLD) |
| 10 | Innovation and R&D | Eligible R&D investments in the identified Priority and Thrust Sectors would be eligible for 50% assistance on investments subject to a maximum of INR 10 crore. |

Major Incentives for Thrust Sectors

| SI No. | Incentive Name | Incentive as per IPR – 2022 |
|--------|--|--|
| 1 | Land | Industrial Land at concessional rate |
| 2 | Stamp Duty | 100% stamp duty exemption |
| 3 | Capital Investment Subsidy | 30% capital investment subsidy on actual investment in plant & machinery (excluding the cost of land and building) with no upper cap, disbursed in a phased manner, over a period of 5 years from the date of commencement of commercial production. |
| 4 | Electricity Duty Exemption | 100% exemption from payment of Electricity Duty for a period of 10 years from the date of commencement of commercial production. |
| 5 | Power Tariff Reimbursement | Reimbursement of Power Tariff of INR 2.00 per unit consumed and purchased from local DISCOMs for a period of 10 years from the date of commencement of commercial production. |
| 6 | Renewable Energy Benefits | 100% exemption/reimbursement of cross subsidy surcharge & additional surcharges and state transmission charges on renewable energy procured from state-based renewable energy plants/GRIDCO for a period of 10 years from the date of procurement of renewable energy for commercial production in the state. |
| 7 | SGST Reimbursement | Reimbursement of 100% of net SGST paid, overall limited to 200% of the cost of plant and machinery (for units in Biju Economic Corridor, the overall limit is 300% of the cost of plant and machinery) |
| 8 | Employment Subsidy | 100% reimbursement of employer contribution towards ESI and EPF scheme for a period of 7 years from the date of commencement of commercial production for skilled and semi-skilled workers, who are domicile of the state. |
| 9 | Environment Friendly Infrastructure Incentives | <ul style="list-style-type: none"> Subsidy of 25% of the investment in new plant & machinery and the cost of new technical civil works will be provided up to the maximum total limit of INR 10 crores per industrial unit. Up to 50% of capital subsidy on cost of relevant equipment up to a maximum of INR 10 crore per industrial unit for setting up of new facilities as certified by Odisha State Pollution Control Board (OSPCB) for practicing at least 50% wastewater recovery through Zero Liquid Discharge (ZLD) |
| 10 | Innovation and R&D | Eligible R&D investments in the identified Priority and Thrust Sectors would be eligible for 50% assistance on investments subject to a maximum of INR 10 crore. |

Which sector to Invest in Odisha ?

Tourism & Hospitality



- The state is renowned for its breathtaking scenic beauty, magnificent temples, exceptional monuments, thriving wildlife sanctuaries, picturesque natural landscapes, and pristine beaches.
- In the last decade, the sector has experienced increased domestic and foreign tourist owing to factors such as good infrastructure facilities, favorable government facilities, improvement of existing tourist locations, development of new tourist's destinations, and strong growth of hotel and restaurant industry in the state.
- Presence of a robust ecosystem in tourism sector of state includes – developed hospitality industry, role of nodal agencies like OTDC & DoT, developed tourism circuits, and policy support by Government.
- The booming tourism industry, increasing disposable income, rising urbanization, and a growing middle-class population presents a significant opportunities in HORECA (Hotel, Restaurant, and Catering business) in Odisha.

Agro and Food processing



- With having 10 Agro-climatic zones, 8 major soil types, and largest producers of fruits, rice, pulses and major crops, the state intents to be a major destination for investments in food processing sector.
- Presence of approx. 25,000 food and allied MSMEs in the state and having a total investment opportunities of INR 12 billion, the sector presents a profitable arena for the companies looking to invest.
- Various growth drivers of this sector includes developed Agro and food processing infrastructure, presence of scientific and technical institutes, presence of well-equipped storage and network facilities, robust fish and sea food network, proximity to demand centers, and policy support towards this sector.
- Major incentives provided for this sector includes – capital investment subsidy (CIS) of 25% on plant & machinery up to Rs. 2 crore for general enterprise and Rs. 5 crore for anchor industries, capital investment subsidy for setting up cold chain, value addition and preservation infrastructure, and other assistance in setting up mega food park/sea food park.

Chemicals, Plastics and petrochemicals



- The state is one of the 4 states where Government of India has approved setting up four Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIRs).
- Investment opportunities in the chemical and petrochemical sector are bolstered by a well-established infrastructure, the presence of scientific institutes, abundant feedstock availability, reliable power supply, and favorable government policies. These key factors collectively attract investments in the industry.
- The investment opportunity for this sector is further strengthened by establishment of Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) in Paradeep, LNG terminals, and state-of-art Plastic park to be built in Paradeep.

Information Technology and Electronic System Design and Manufacturing



- Establishment of Infocity, Infovalley SEZ, Info Park, Bhubaneswar ITIR, ESDM Park and STPIs by the state government, provides a ready infrastructure for the companies aiming to setting up their business.
- National and International Connectivity of the state strengthen the export – import of ESDM and IT/ITES.
- Presence of large technology talent pool from premier institutes like IIT, IIM, NIT, XIMB, and more than 800 technical colleges and 600 ITIs.
- Availability of abundance source of water is a key component for manufacturing of electronics components and other operations in the ESDM industry.

Ancillary & downstream industries in metal sector



- Odisha, with its bountiful natural resources and having the tag of largest Aluminium and Stainless steel in the country, it has always been the favorite investment destination in the metals sector.
- Establishment of investment regions and industrial parks such as the Kalinganagar National Investment and Manufacturing Zone, Downstream Aluminium Park at Angul, Downstream Steel Park at Angul, and Stainless-Steel Industrial Pak at Kalinganagar has increased the potential for ancillary and downstream industries in the metal sector.
- Various Incentives provided such as priority sector incentives, investment facilitation, and land at concessional rate showcases the pro-activeness of the government to promote this sector.

Ancillary & downstream industries in metal sector



- Abundant availability of raw materials such as Cotton, wool, silk, jute, and man-made fibers, the state enjoys the presence of entire value chain for textile production.
- Readily available market with a well-connected market access arrangements with Japan, South Korea, ASEAN, and Chile.
- Presence of textile parks, scientific and technical institutes, competitive advantage in terms of skilled manpower & cost of production, uninterrupted power supply, and robust connectivity to major parts of the world increases the profitability of this sector.

Recent Investments in Odisha

Recent Investment News

On 10th July 2023, the Odisha Govt. has approved 11 industrial projects worth Rs. 3,266 crore through State Level Single Window Clearance Authority (SLSWCA). The projects included companies from diverse sectors including –

- Nestle India Limited, which will be setting up a food processing unit with an investment of over Rs. 890 crore
- Colortone Garments Private Limited (a subsidiary of First Step Baby-Wear), the second largest baby-wear manufacturer, is setting up an integrated apparel manufacturing facility with an investment of over Rs. 200 crore
- Himadri Specialty Chemicals Limited will be setting up their first chemical manufacturing unit in Odisha with an investment of over Rs. 980 crore
- IDVB Recycling operations Private Limited is setting up a new unit of recycled pet flakes and recycled per resin products with an investment of Rs. 318 crore
- Purv Packaging Private Limited is setting up a new manufacturing unit for plastic caps, pet preforms and other allied products with an investment of Rs. 152 crore
- RDB Rasayans Limited is setting up a new manufacturing unit for flexible intermediate bulk containers and other allied products with an investment of Rs. 59 crore
- IFGL Refractories Limited, a major refractory manufacturer in the country is setting up its 2nd unit in the state, while Beekay Utkal Steel Private Limited, a key player in metal downstream industry is setting up its 3rd unit with a cumulative investment value of Rs. 260 crore.
- Another project in IT & ESDM sector by Nisum Consulting Private Limited with an investment of Rs. 200 crore to set up a software development centre facility is also being approved.

Recent Investment News

- On 30th May 2023, Odisha's Chief Minister Naveen Patnaik has inaugurated four industrial units and laid foundations for 17 projects with a cumulative investment value of Rs. 3,600 crore. The industrial units inaugurated includes Shiva Cement (Rs. 1,523.24 crore), Gadre Marine Export Pvt. Ltd. (Rs. 68.11 crore), HIL Limited (Rs. 63.24 crore) and Rarean Fluid-Tech Pvt. Ltd. (Rs. 49.50 crore).
- SRAM & MRAM Technologies and Projects India Pvt. Ltd., the Indian unit of UK-based SRAM & MRAM Group has signed a MOU with Govt. of Odisha to set up a semiconductor fabrication unit in Odisha's Ganjam District with an initial investment of Rs. 30,000 crore in the first phase and a total project worth around Rs. 2 lakh crore.
- On 5th April 2023, the president of Nippon Steel Corporation (NSC) EIJI Hashimoto has announced its plan to setting up a steel plant with a production capacity of 30 million tonne per annum (MTPA)

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