

**GOVERNMENT OF ODISHA  
INDUSTRIES DEPARTMENT  
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**RESOLUTION**

No. 3070 /I., Bhubaneswar, Dated 29/4/2024  
IND-HI2-GUID-0001-2022

**OPERATIONAL GUIDELINES ON INCENTIVES FOR PRIVATE INDUSTRIAL  
PARK UNDER INDUSTRIAL POLICY RESOLUTION 2022**

[See Para 4.5.7 of IPR-2022]

1. **Short Title:** - Operational Guidelines for incentives for Private Industrial Park under Industrial Policy Resolution, 2022
2. **Extent:-** It shall extend to the whole of the State of Odisha
3. **Commencement:** - It shall come into force from the “Effective Date” of Industrial Policy Resolution, 2022 i.e., 01.12.2022.
4. **Terms & Expressions:** - Terms & Expressions used in this operational guideline, but not specifically defined / explained here, shall have the same meaning as in Industrial Policy Resolution, 2022
5. **Policy Provisions:-**
  - 4.5.7. **Incentives for Private Industrial Park**

The Government will provide support for development of quality industrial infrastructure to industrial parks and clusters promoted by private sector developers or industry associations or user units forming an SPV with a minimum land area of 100 acres. Such support will be provided in the form of capital grant limited to 50% of the cost of industrial infrastructure subject to maximum of Rs.25 crore per park or cluster.
6. **Eligibility:** -

The assistance would be available to the SPVs promoted by the following participants who seek to, identify, conceptualize, finance, implement and manage Private Industrial Estates in the State with a minimum **land area of 100 acres:**

  - (a) Manufacturing /Infrastructure Companies
  - (b) Anchor Investors
  - (c) Industry Associations having large number of regional and national memberships
  - (d) Group of Enterprises
  - (e) Any other SPVs with track record of such development
7. **Developed Industrial Park :-**

‘Developed Industrial Park shall mean completion of 75% of land meant for industrial development has been leased out to the industrial units and 50% of the basic infrastructure as approved has been completed’.



**8. Time Frame for filing application: -**

The SPVs can file their proposals before CMD/Chairman/Managing Director, IDCO with the details of land and DPR on infrastructure Development project proposal, duly supported by documents and completed with all relevant information to the State Level Committee for scrutinizing and considering for Approvals for the Projects proposal:

**9. Constitution of Committee:-**

There shall be a State Level Committee with following Composition & Functions:

S. No	Designation	Position
1	Chief Secretary	Chairperson
2	ACS/Principal Secretary/Commissioner – cum- Secretary, Industries Department	Member
3	ACS/Principal Secretary/Commissioner- cum- Secretary Revenue and Disaster Management Department	Member
4	ACS/Principal Secretary/Commissioner-cum- Secretary Housing and Urban Development Department	Member
5	ACS/Principal Secretary/Commissioner-cum- Secretary, MSME Department	Member
6	Chairman & Managing Director, IPICOL	Member
7	CMD/Chairman/Managing Director, IDCO	Member Convener
8	Director of Industries	Member
9	Any other member to be co-opted as required	

The functions of the State Level Committee shall include:

- a) Scrutiny of Proposals made by Project Proponents
- b) Approval of Project and funding therein
- c) Monitoring of projects
- d) Inter departmental coordination for successful implementation
- e) Grievance redressal
- f) Recommending grant of status of a Special Planning Authority to the SPV, under Section 3 A, of Odisha Development Authorities (Amendment) Act 2015 dated 18<sup>th</sup> August 2015
- g) Recommending SPV the functions of:
  - i. Preparation of Master Plans for the notified industrial parks/estates for further approval by Director, Town Planning
  - ii. Approval of building plans for individual plots within the notified industrial parks/estates

**10. Project Scope & Coverage**

The Project Scope would cover the following Project Components as eligible components to be considered for grant funding:



- a) Infrastructure within the Park like
  - (i) Compound Wall
  - (ii) Site Development
  - (iii) Road Network
  - (iv) Storm water drainage
  - (v) Water Supply & Sewerage System including treatment plants
  - (vi) Power Supply & Distribution Network
  - (vii) Environmental Infrastructure such as CETPs, Waste Management
  - (viii) Entry/Exit and security systems
  - (ix) Communication network and landscaping
  - (x) Any other need based infrastructure facilities
- b) Common Amenity Building/s such as Administration Office, Business Centre, Product Display Centre, etc.
- c) Common Facility Centre Building for Skill Development, Testing Facility, IT set up required and any need based Plant & Equipment for common use
- d) Hostels and/or Dormitories for Workers

**11. Project Land: -**

- a) The SPV shall procure land from the private parties for the development of the project from its own sources. In case, the SPV desires to obtain land from IDCO, IDCO shall provide land from its land bank available under different zones i.e. Zone 'A' to Zone 'F' schedules notified or any other land.
- b) IDCO shall enter into a Long Lease Agreement of 90 years, for land, if land is made available by IDCO to the SPV. The SPV shall be permitted to sub-lease the land on the same terms and conditions to individual industrial units as IDCO does for its own industrial estates
- c) For proposals to be submitted, the SPV shall have a minimum area of 100 acres.
- d) Cost of land, Pre-Operative Expenses, Working Capital and Contingencies shall not be eligible for funding under the State Government assistance

**12. Permissible Land use:-**

The permissible land use for development shall be as follows:

- Industrial Plotted Area – Minimum of 60% of total area
- Balance 40% area shall be planned as per the guidelines of Odisha Town Planning and Improvement Trust Act, 1956, as notified by the Government from time to time

The permissible FSI for the built-up in the industrial park shall be as applicable under the Odisha Town Planning and Improvement Trust Act, 1956 and its Rules.

For Special Economic Zones, the land use provisions shall be as applicable under the SEZ Rules notified from time to time.



**13. Project Implementation: -**

- a) The Project/s would be implemented by Project specific SPVs. SPVs shall be formed under the Indian Companies Act 2013
- b) The proposals shall be considered for approval only if the SPVs are incorporated as per the guidelines. In case of SPVs promoted by Anchor Investors/Units, the SPV shall be given a time frame of 6 months to bring in the new members

**14. Project Approval Process: -**

- a) A two-stage process shall be followed for approval of the projects as outlined below:
- b) **In-Principle Approval**: The in-principle approval to the project shall be accorded by the SLC based on the feasibility report submitted by the SPV covering details regarding the
  - (i) Need for the project
  - (ii) Proposed components
  - (iii) Nature of the industries
  - (iv) Location and land details including land identification and availability of land with the SPV
- c) The State Level Committee shall scrutinize the proposals based on parameters such as location of the project, promoters background, financial strength, sector/s which are to be attracted in the Private Industrial Estate, project viability and their readiness for implementation
- d) The in-principle approval shall be valid for a period of 6 months from the date of approval. The SPV shall comply with the terms and conditions laid out by the SLC within the timeframe for final approval. The SLC at its discretion may extend the time frame based on the merits of the proposal on a case to case basis.
- e) **Final Approval**: The project shall be accorded final approval by the SLC after complying with the following conditions.
  - (i) Establishment of SPV, if not established at the in-principle approval stage
  - (ii) Land in possession of the SPV (either through ownership or through a long lease, if it is IDCO land) along with documentary proof
  - (iii) Submission of Detailed Project Report (DPR) comprising of:
    - a. Need for the Project
    - b. The demand for industrial land
    - c. Key sectors - with their manufacturing product mix and the markets to cater
    - d. Proposed utility and common infrastructure to be created with the Detailed Master Plan
    - e. Project Cost with Means of Finance
    - f. Business Plan with financial analysis



- g. Implementation Framework
- h. Operations & Management Framework
- i. Any other key information

(iv) The State Level Committee may accord Final Approval to the project proposals on an as is basis or with suggestions / modifications

**15. Role of the Special Purpose Vehicle: -**

- a) The SPV should be a collective representation of participating user members as a whole and should have a minimum of 10 industrial units engaged in manufacturing and services related to manufacturing activities
- b) The Promoters, on their own or along with the User Industry shall hold at least 51 % equity of the SPV and remaining may be held by any Government agency, Financial Institution/Bank and any Strategic Partners such as Infrastructure Investment Trusts (InvITs) / Real Estate Investment Trusts (REITS) as per the norms of SEBI Regulations of 2014.
- c) The promoters can divest their shareholding upto 26% upon successful development of the project as stipulated in Clause 19(a).

If the SPV is notified as a Special Planning Authority (SPA), the constitution of the SPA shall be amended as notified under the Orissa Development Authorities Act 1982 and its Rules.

- d) Role of the SPV, as the Project Implementing Agency would not be limited to but as follows:
  - (i) Procure land for the project, through its own contribution
  - (ii) Prepare the Detailed Project Report covering the technical, financial, institutional and O&M aspects of the projects.
  - (iii) Achieve financial closure of the project through debt/ equity and establish the same through appropriate documents
  - (iv) Obtaining statutory approvals/ clearances including release of funds
  - (v) Recruit / procure services of suitable professionals in order to ensure that the project is executed smoothly
  - (vi) Follow a transparent procurement process for implementation of the Project
  - (vii) Implement various interventions as outlined and approved in DPR
  - (viii) O&M of assets created under the project by way of user services
  - (ix) Responsible for furnishing regular progress reports in prescribed formats
  - (x) Marketing and promotion of the park to the prospective investors

## **16. Role of Government of Odisha: -**

- a) The State Level Committee would support the project implementation, under the IPR-2015. The State Level Committee would provide facilitation to the Project Proponents / SPV in the following areas:
- (i) Providing requisite land to the project, wherever needed from land bank of IDCO, in appropriate mode
  - (ii) Providing necessary external infrastructure up to the battery limit of Park / Cluster / Estate such as power, water supply, roads, etc.
  - (iii) Providing necessary project related clearances on expeditious basis
  - (iv) Recommending / Dovetailing assistance available under related Central Government schemes for overall effectiveness and viability of the projects
  - (v) Extending incentives available under IPR 2015 to promoters of the SPV in the form of Grant-in-aid for implementing the projects
  - (vi) Automatic approval as Non-Agriculture land upon final approval
  - (vii) Grant status of a Special Planning Authority to the SPV, under Section 3 A, of Odisha Development Authorities (Amendment) Act 2015 dated 18th August 2015
  - (viii) Grant the SPV the functions for:
    - i. Preparation of Master Plans for the notified industrial parks/estates for further approval by Director, Town Planning
    - ii. Approval of building plans for individual plots within the notified industrial parks/estates
  - (ix) Sanction stamp duty exemption as applicable under the Clause 5.4.3 of Industrial Policy Resolution 2015.

## **17. Provision of Funds: -**

Support from Government shall be provided by way of the following measures to the SPV:

- a) Grant Funding
- (i) Capital grant to the extent of 50% of the infrastructure cost subject to a ceiling of Rs. 10.00 crores per Park / Cluster
  - (ii) Of the capital grant allocated /approved for a project, up to 20% of the allocation can be towards specific Plant & Equipment required in the Common Facility Centre. The committee may make any relaxation in this regard based on the nature of the component and its utility.
  - (iii) In case of mixed-use development, Grant funding shall be available only for the development of industrial area.



b) Release of Grant Funds

Grant funds shall be released to the SPV, during the course of the Project implementation and on achieving requisite development milestones. The following schedule will be adopted for release of grant funds to the SPV:

- (i) **1<sup>st</sup> Installment** - 25% State Government Share - On Final Approval of the project by State Level Committee and fulfilling of the following Preconditions
    - i. Approval of the DPR by the State Level Committee
    - ii. SPV to have achieved Financial Closure for the Project
    - iii. Establishment of a Trust & Retention Account (TRA) or an Escrow Account (EA) with Schedule A commercial banks
    - iv. Availability of all statutory clearances for commencement of infrastructure works
  
  - (ii) **2<sup>nd</sup> Installment** – 50% of State Government Share – On fulfilling the following Preconditions:
    - i. Utilization certificate of the 1<sup>st</sup> Installment of Grant (at least 80%)
    - ii. Prorata Contribution by the SPV
    - iii. Award of contracts of at least 75% of the total cost of infrastructure component
  
  - (iii) **3<sup>rd</sup> & Final Installment** - 25% of State Government Share – On fulfilling the following Preconditions:
    - i. Utilization certificate of the 2<sup>nd</sup> Installment of Grant (100%)
    - ii. Successful completion of the Project, as per approved Project Cost and commencement of production by units occupying at least 25% of the allocable industrial land
- c) In case the Project is approved under the Central Government Scheme, the state government grant shall be released as per the terms and conditions and documentary evidence specified under the scheme
- d) Interest, if any earned on the State Government grant, shall be adjusted while claiming the final Installment of Grant

## 18. Equity Holding by IDCO

- a) IDCO may also consider equity participation in any of the Project SPV after taking into consideration the nature of Project, the strategic intent, the location and the nature of industrial units in the Priority Sector

- b) The equity participation, quantum and extent is at the sole discretion of IDCO and would vary from Project to Project and the need of such participation
- c) The SPVs may offer to induct IDCO as a strategic partner in case the SPV desires to obtain the status of a Special Planning Authority as notified under the Odisha Development Authorities Act, 1982 and its Rules as amended by the Government from time to time.

**19. Development Time Frame: -**

- a) Any Industrial Park approved by the SLC shall be developed within a period of 7 years
- b) All basic infrastructure of at least 75% of the area shall be completed within 3 years from the date of approval of the master plan by the appropriate Authority.
- c) If not complied with the timeframe, the declaration as an SPA shall lapse and the SPV shall return the grant amount with applicable interest. The SLC may extend the development timeframe in case of any delays which cannot be attributed to the SPV.

**20. Cancellation / Withdrawal of the Project: -**

- a) The State Government, shall cancel the project if the implementation of the project is not in compliance with the Operational Guidelines or delay in implementation beyond the agreed timeframe or non-achievement of Financial Closure
- b) In case of cancellation / withdrawal from the project by the SPV, Government assistance provided shall be returned together with an interest of 12% from the date of first disbursement. The State Level Committee shall decide on the waiver of penal interest in specific cases, which may be beyond the control of the SPV.

**21. Project Scrutiny and Project Management:-**

The government shall take the support of Project Management Unit (PMU) at IDCO for the scrutiny and vetting of the project proposals and for onward recommendation to the SLC. The scope of work for the PMU shall include:

- Scrutiny of the project proposals submitted at the in-principle and final approval stages
- Assessing the land and utility requirements for the project
- Appraisal of the Detailed Project Reports
- Recommending projects to the SLC for approval



- Monitoring of the projects with regards to physical and financial progress, disbursement of grant funds, utilization of funds, etc.
- Providing any other needs based support as desired by the SLC
- Assisting the SLC/project SPVs, if required, in liasoning for external infrastructure services to the park

**22. Time limit prescribed in this guideline is of working days only.**

**23.** The views of Finance Department in this regard have been obtained vide their OSWAS File No. FIN-ES2-MISC-0002-2023.

By order of the Governor

*[Handwritten Signature]*  
29/04/24

Principal Secretary to Government  
Industries Department

Memo No. 3071 /I., Bhubaneswar, dated 29/4/2024

Copy forwarded to All Departments/ All Heads of Departments / All Revenue Divisional Commissioners/ All Collectors/ All DICs/ All Sections of Industries Department (except HI-II Section and IMU Section)/ Guard File for information & necessary action.

*[Handwritten Signature]*  
29.04.2024  
Special Secretary to Government.

Memo No. 3072 /I., Bhubaneswar, dated 29/4/2024

Copy forwarded to the Managing Director, IDCO/ Managing Director, IPICOL/ Managing Director, Odisha Film Development Corporation/ Director of Industries, Odisha for kind information & necessary action.

*[Handwritten Signature]*  
29.04.2024  
Special Secretary to Government.

Memo No. 3073 /I., Bhubaneswar, dated 29/4/2024

Copy forwarded to IMU Section, Industries Department for information & necessary action with a request to upload the Resolution in the website of Industries Department.

*[Handwritten Signature]*  
29.04.2024  
Special Secretary to Government.

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