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GOVERNMENT OF ODISHA

ELECTRONICS & INFORMATION TECHNOLOGY DEPARTMENT

RESOLUTION

The 2nd March 2019

SUBJECT— Amendment of Para. 6.11 and 6.16 of ICT Policy, 2014

In order to suitably incentivize IT/ITES/ESDM Industries in the State, the State Cabinet in its 70th meeting held on the 26th February 2019 as communicated by the Parliamentary Affairs Department vide Memo No. 1667, dated the 27th February 2019 has approved the following amendments in the ICT Policy, 2014 :—

Sl.No.	Clause	Original Policy Provision	Amended Provision
1	2	3	4
01	Sales Tax & VAT(Para.6.11).	New Industrial units in IT/ITES/ESDM Sector will be eligible for reimbursement of seventy-five per cent (75%) of VAT paid for a period of five (5) years from the date of starting of commercial production, limited to hundred per cent (100%) of Fixed Capital Investment provided that the VAT reimbursement will be applicable only to the net tax paid, after adjustment of input tax credit against the output tax liability. Existing Industrial unit taking up expansion/modernization/diversification	“Industrial units in IT/ITES/ESDM Sectors which were receiving or are eligible to receive net VAT reimbursement under ICT Policy 2014, shall be eligible for net SGST reimbursement for balance period out of eligibility period from the date of commencement of production. New Industrial units in IT/ITES/ESDM Sectors shall be eligible for reimbursement of 100% (hundred per cent) of net State GST (SGST) paid for a period of five (5) years from the date of starting of commercial production on or after 1st July, 2017 limited to 100% of fixed capital

1	2	3	4
		<p>as defined in Industrial Policy Resolution (IPR) will be eligible for reimbursement of VAT paid to the extent applicable to the industrial category to the condition that it will be applicable only for a period of 5 years on increased commercial production over and above the existing installed capacity provided that the VAT reimbursement will be applicable only to the net tax paid, after adjustment of input tax credit against the output tax liability.</p>	<p>investment provided that the SGST reimbursement will be applicable only to the net tax paid, after adjustment of input tax credit against the output tax liability.</p> <p>Existing Industrial units in IT/ITES/ESDM Sectors taking up expansion/modernization/diversification as shall be eligible for reimbursement of 100% of net State GST (SGST) paid for a period of five (5) years from the date of commencement of production on or after 1st July, 2017 subject to the condition that it shall be applicable only on increased production over and above the existing installed capacity limited to 100% of additional cost of plant and machinery acquired for taking up Expansion/Modernization/Diversification in a tapered manner provided that the SGST reimbursement will be applicable only to the net tax paid, after adjustment of input tax credit against the output tax liability.</p> <p>Incentives as envisaged in this Policy shall not be applicable to an Industrial unit in IT/ITES/ESDM Sectors if the similar incentives are availed under any other Policies of the State Government.</p>
02	Exempted from Entry Tax (Para 6.16).	<p>New Micro & Small Enterprises in IT/ITES/ESDM Sector will be exempted from payment of Entry Tax acquisition of machinery and equipments for setting up of industrial units for a period of 3 years from the date of registration of the firm under OVAT/OET Act or till the date of completion of the project whichever is earlier. New Micro & Small Enterprises IT/ITES/ESDM Sector will be exempted from payment of Entry Tax on purchase/receipt of raw materials for a period of five years from the date of commercial production subject to a ceiling of 100% of Fixed Capital Investment.</p>	<p>“Deleted”</p> <p>(Since Odisha Entry Tax Act, 1999 has been repealed with effect from the 1st July, 2017 after implementation of OGST Act 2017).</p>

These amendment provisions will come into force with immediate effect.

ORDER — Ordered that the Resolution be published in an extraordinary issue of the *Odisha Gazette* and copies of the Resolution be forwarded to all Departments of Government.

By order of the Governor

C. J. VENUGOPAL

Principal Secretary to Government