

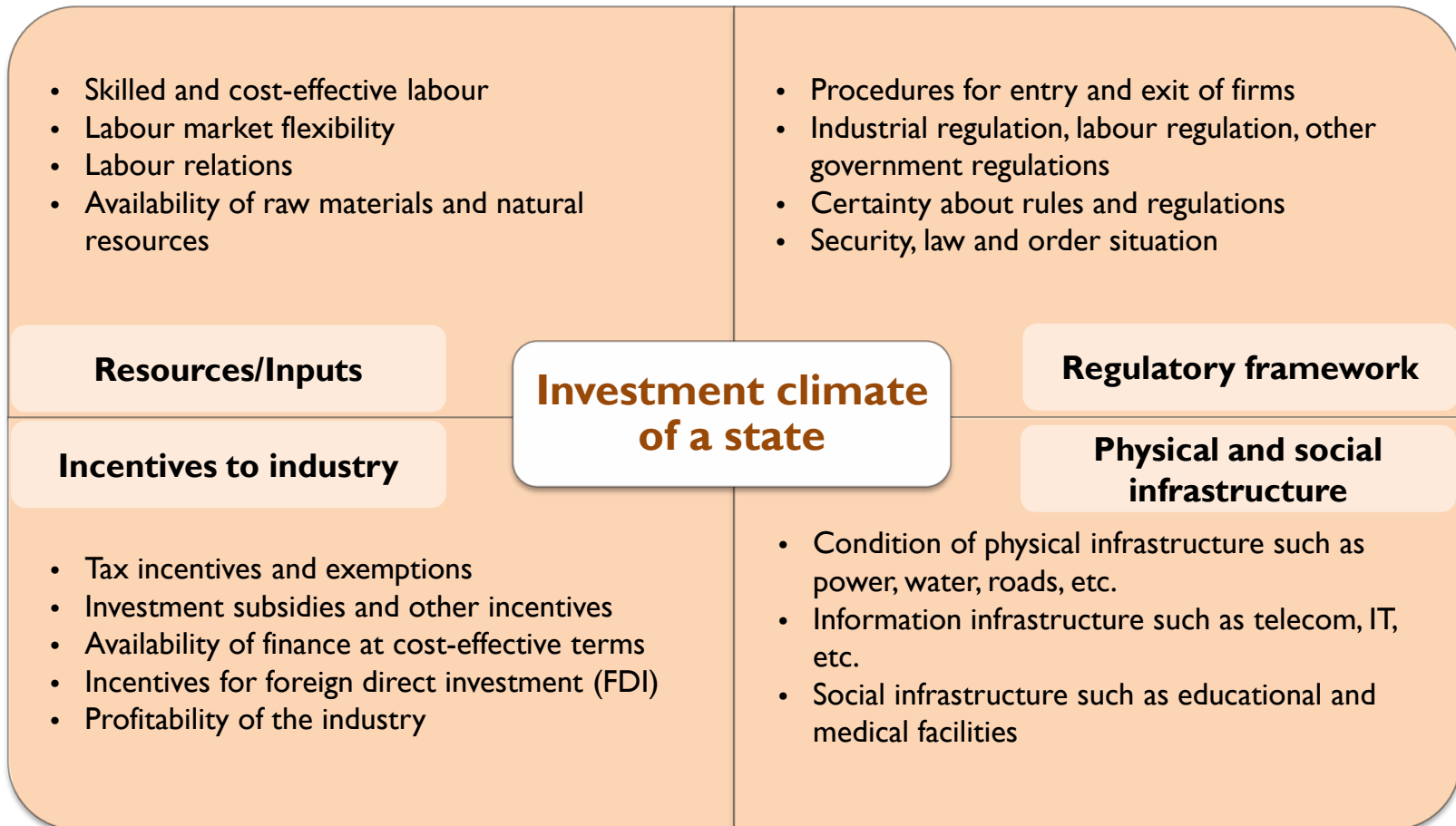


ORISSA

April 2010



Investment climate of a state is determined by a mix of factors



Contents

- ❖ **Advantage Orissa**
- ❖ State economy and socio-economic profile
- ❖ Infrastructure status
- ❖ State policies and incentives
- ❖ Business opportunities
- ❖ Doing business in Orissa

Advantage Orissa ... (1/2)

Hub for mineral-based industries

Orissa has emerged as a key state with minerals and metals-based industry. The state leads in iron, steel, ferroalloy and aluminium production; also has a strong base for coal-based power generation.

Policy and fiscal incentives

The state offers a wide range of fiscal and policy incentives for businesses under the Industrial Policy Resolution, 2007. Additionally, the state has sector-specific policies for IT, and the Micro, Small and Medium Enterprises (MSME).

Rich labour pool

The state has a large base of skilled labour, making it an ideal destination for mineral-based industrial sectors. Further, the state has a large pool of semi-skilled and unskilled labour.



Source: Maps of India

Advantage Orissa ... (2/2)



Source: Maps of India

Facilitating infrastructure

Orissa has well-developed social, physical and industrial infrastructure, and virtual connectivity. Its power distribution is in private hands. The state has an airport and prominent port infrastructure.

High economic growth

Orissa is targeting 9 per cent annual economic growth during the Eleventh Five-Year Plan period (2007-12). Much of this growth is expected to come from the secondary sector (manufacturing), which is anticipated to grow from 6-7 per cent to 10 per cent.

Stable political environment

The state has a stable political environment. Apart from other facilitating agencies the State Government has constituted the 'Team Orissa' to help in investment promotion.

Orissa in figures ... (1/2)

Parameter	Orissa	All-states	Source
Economy			
GSDP as a percentage of all states' GSDP	2.8	100.0	CMIE, as of 2007-08, current prices
Average GSDP growth rate (%)	14.1	7.5	CMIE, 1999-2000 to 2007-08
Per capita GSDP (US\$)	669.3	998.1	CMIE, 2007-08
Physical Infrastructure			
Installed power capacity (MW)	2,520.2	98,996.4	Central Electricity Authority, as of March 2009
GSM Cellular subscribers (No)	9,870,711	367,328,179	Cellular Operators Association of India, as of November 2009
Broadband subscribers (No)	48,350	4,981,976	As of October 2008
National highway length (km)	3,704	70,548	Ministry of Road Transport & Highways, 2007-08
Major and minor ports (No)	1+2	12+ 187	Ministry of Shipping
Airports (No)	1	133	Industry sources
Social Indicators			
Literacy rate (%)	63.10	64.6	Census of India, 2001
Birth rate (per 1,000 population)	21.0	23.3	Central Bureau of Health Intelligence, 2007

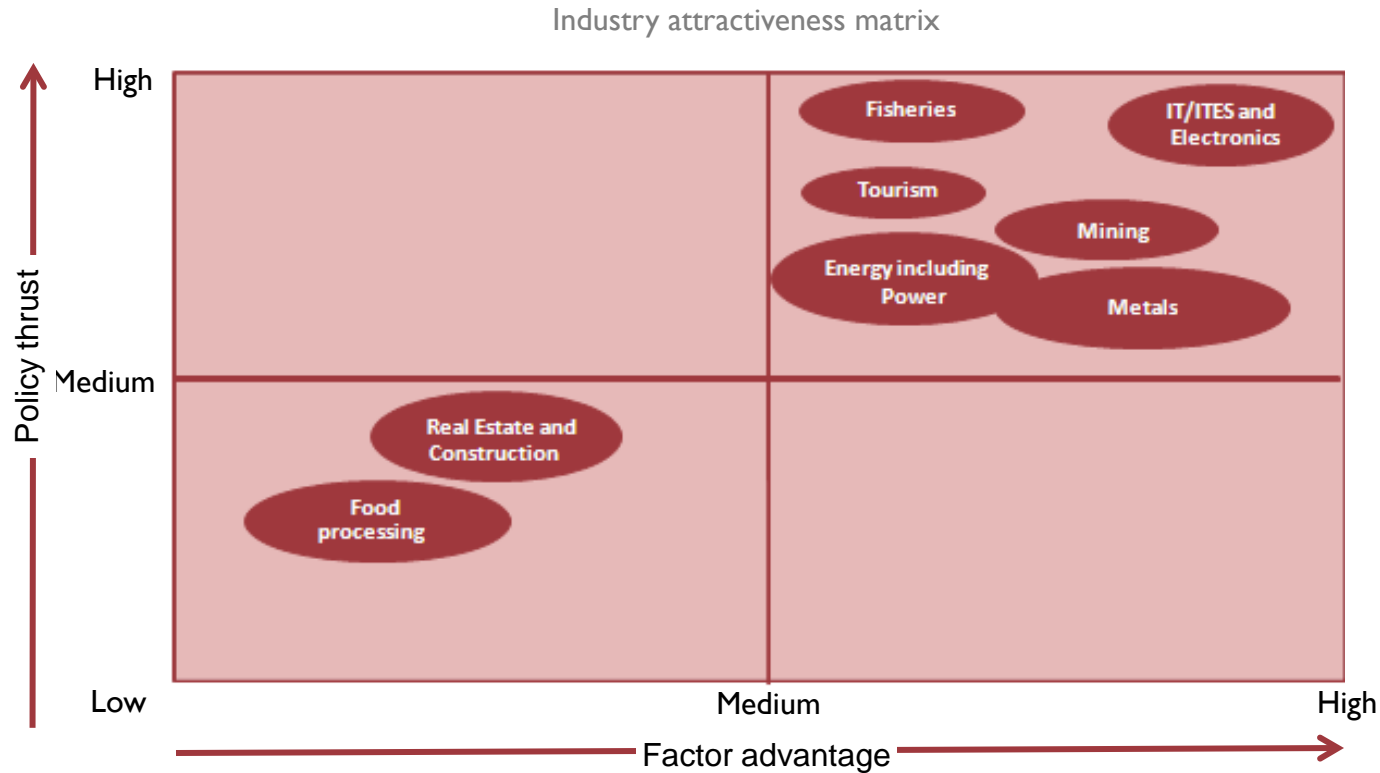
Orissa in figures ... (2/2)

Parameter	Orissa	All-states	Source
Investment			
FDI inflows (US\$ billion)	0.17	102.1	Department of Industrial Policy & Promotion, April 2000 to October 2009
Outstanding investments (US\$ billion)	161.3	1,709.7	As of December 2008
Industrial Infrastructure			
PPP projects (No)	16	460	www.pppindiadatabase.com
SEZs (No)	1	98	Functional as of August 2009, www.sezindia.nic.in

PPP: public-private partnership, SEZ: special economic zone

Parameter	Orissa Government
Policy support	
Sector-specific policies	Industrial, IT, Tourism and PPP policies
Availability of labour	Ample skilled and unskilled labour available

Key industries with policy thrust and factor advantages



*Factor advantages include benefits due to geographical location and availability of factors such as talent pool, natural resources and capital

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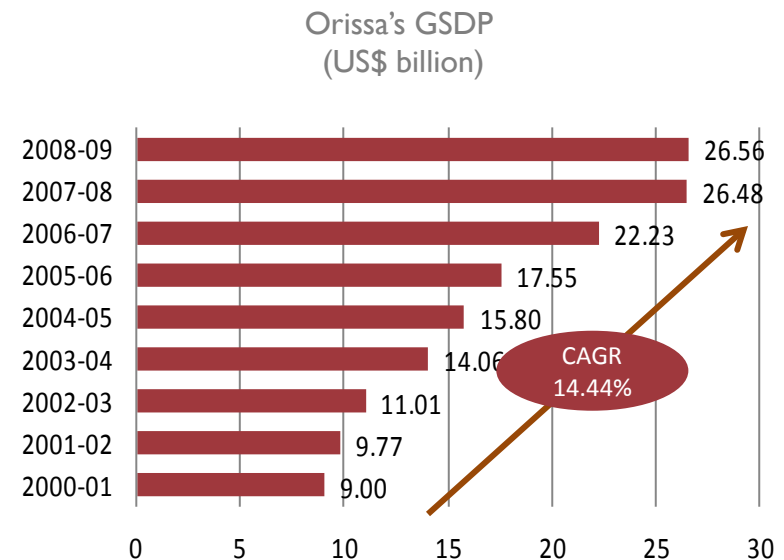
Socio-economic snapshot of Orissa

Parameters		Orissa
Capital		Bhubaneswar
Geographical area (sq km)		155,707
Administrative districts (No)		30
Population density (persons per sq km)		236
Total population (million)		36.7
Male population (million)		18.6
Female population (million)		18.1
Population growth rate 1991-2001 (%)		16.3
Sex ratio (females per 1,000 males)		972
Literacy rate (per cent)		63.1
Male (%)		75.4
Female (%)		50.5
Average life expectancy (years)		61.3

Source: Census 2001

Orissa's GSDP

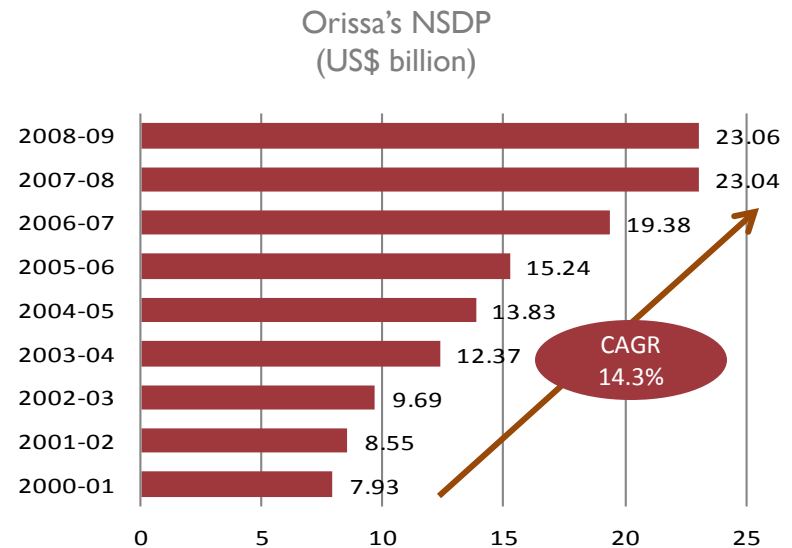
- At current prices, the total Gross State Domestic Product (GSDP) of Orissa was about US\$ 26.6 billion in 2008-09.
- The average GSDP growth rate between 2000-01 and 2008-09 was about 14.4 per cent.
- The high rate of growth has come about due to the strong performance of the metals and mining sector. Specifically, Orissa has attracted significant investment in the steel and aluminium industries.



Source: CMIE

Orissa's NSDP

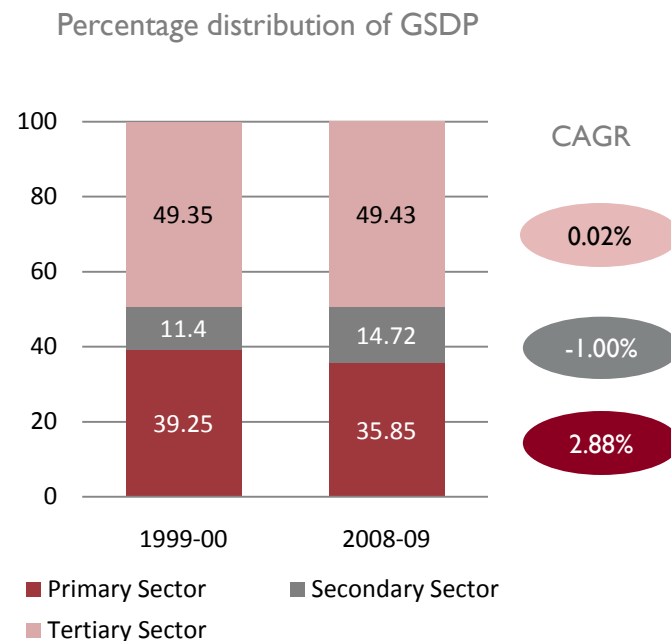
- The total Net State Domestic Product (NSDP) of Orissa was about US\$ 23.06 billion in 2008-09.
- The average NSDP growth between 2000-01 and 2008-09, was about 14.29 per cent.



Source: CMIE

The tertiary sector has the largest share in Orissa's economy

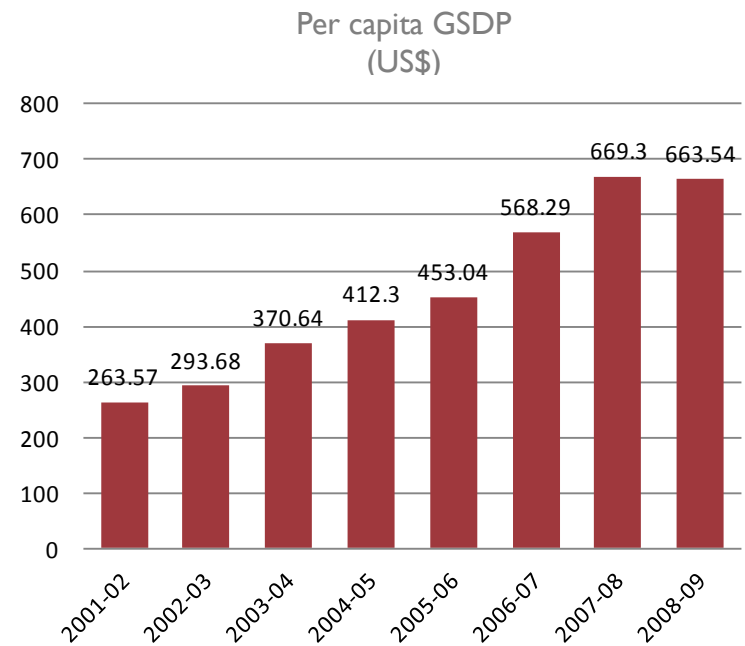
- In 2008-09, the tertiary sector contributed the most to the GSDP at 49 per cent (US\$ 11.76 billion). It was followed by the primary sector, contributing at 36 per cent (US\$ 8.53 billion) and the secondary sector at 15 per cent (US\$ 3.5 billion).
- At 42.5 per cent, the primary sector recorded the highest growth of all three sectors in 2008-09 over the previous year. It was followed by the secondary sector, which grew at 25.1 per cent and then the primary sector, which grew at 14.5 per cent during this period.



Source: CMIE

Per capita GSDP

- Orissa's per capita GSDP in 2008-09 was US\$ 663.54.
- Per capita GSDP has increased at a CAGR of 14.1 per cent between 2001-02 and 2008-09.
- The per capita GSDP is relatively higher for the district with the state capital, Bhubaneswar.



Source: CMIE

Key industries in Orissa

Orissa's industries are based mainly on the natural resources available in the state.

- Forest-based products provide livelihood to a large section of the population of the state. About 11 million people are dependent, either directly or indirectly, on the forests for employment.
- The state has significant reserves of iron ore, bauxite, nickel and coal. Hence, it attracts mineral-based industries.
- In 2007-08 alone, over 4,710 medium and small scale units were established in the state.

Key industries in Orissa

- Iron and steel, and ferroalloy
- Aluminium
- Handloom
- Agro-based industry
- Mining
- IT/ITeS
- Electronics
- Power
- Tourism

	Large and medium enterprises	Small-scale units	Handicrafts and cottage industries
Working units (No)	334	59,079	1,492,471
Fixed investment (US\$ million)	409	274	117

Source: Industries Department, Orissa

Rice and sugar cane are the key agricultural products

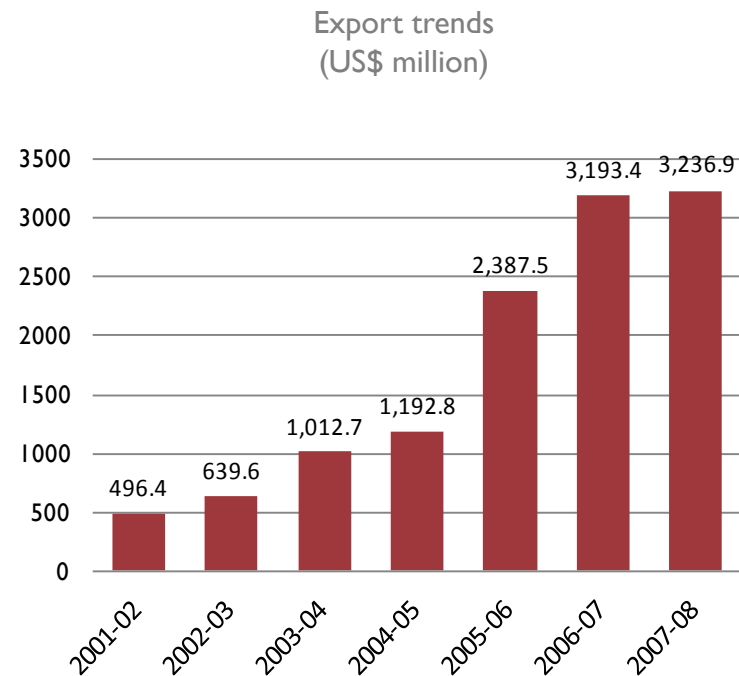
- The top two crops account for almost 90 per cent of the total crop production of the state.
- In 2006-07, the total production of the major crops of the state was over 9.01 million tonnes.
- Of these, rice was the primary crop. It was followed by sugarcane, coconut and onion.
- The major oilseeds grown in the state include groundnut, sesamum and mustard.
- As of 2004-05, the total area under cultivation of principal crops was 5.8 million hectares.

Crop	Annual production ('000 tonnes)
Rice	6,820
Sugarcane	1,270
Coconut	280
Onion	260
Arhar	110
Ground nut	90
Cashew nut	84
Potato	79
Gram	20

Source: CMIE

Orissa's exports trends

- Orissa's total exports were US\$ 3.24 billion in 2007-08. Exports increased at a CAGR of 36.7 per cent between 2001-02 and 2007-08.
- Orissa has been a major exporter of mineral and metallurgical products, accounting for 52.1 per cent and 37.2 per cent of total state exports, respectively.
- The State Government has identified some sectors for export promotion and facilitation. These are: agriculture and processed food products, readymade garments, electronics, IT, engineering goods, arts and crafts, and minerals and mineral-based products.

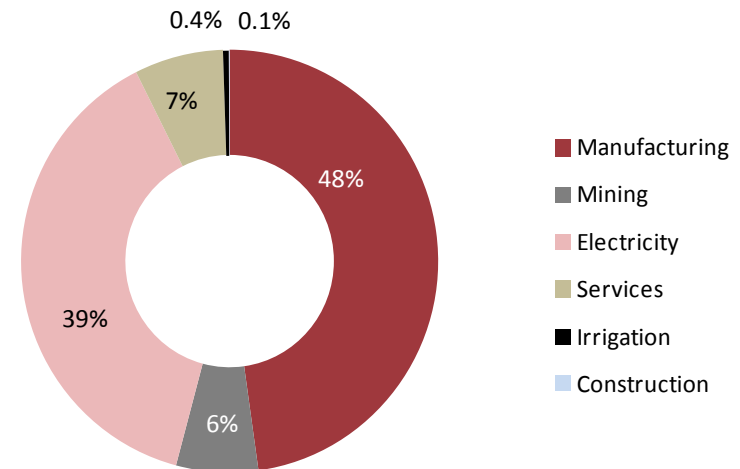


Source: Team Orissa

Investment and FDI inflows

- From April 2000 to October 2009, the state received FDI inflows of US\$ 170.65 million.
- Investments have been made in about 43 projects with a capacity of over 58.1 million tonnes per annum (MTPA) of steel. They account for about US\$ 29 billion in investment.
- Two memorandums of understanding (MoU) have been signed for setting up (two) alumina refineries at an expected investment of US\$ 5.4 billion.
- The major investors in the metals sector are Tata Steel, Pohang Iron and Steel Company, Arcelor-Mittal, the Bhushan Group, the Jindal Group, Essar Steel, Hindalco, Vedanta, Aditya Aluminium, L&T-Dubal, Sterlite Iron and Steel, Welspun Power & Steel and Uttam Galva Steels.
- In the services sector, telecom and IT have attracted maximum investments.

Break-up of investments by sector



Source: CMIE

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Skilled as well as unskilled labour is available in the state

- According to the Census 2001, there were roughly 14.3 million workers in the state in 2001.
- According to the Ministry of Labour and Employment, Government of India, of the 45 strikes that occurred all over India between January 2007 and April 2007, only one occurred in Orissa.
- In 2001, the proportion of male workers to male population and female workers to female population stood at 52.5 per cent and 24.7 per cent, respectively.
- Orissa is one of the few pioneering states to reserve 30 per cent jobs for women in the government departments and public undertakings.
- In 2007-08, the unemployment level was estimated at 1.4 million people.

Road network

- Orissa has 238,908 km of roads including 3,704 km of national highways, 3,675 km of state-highways and 18 km of state-expressways.
- Participation of private sector is being encouraged in the construction of highways.
- Some of the major projects are the Bhubaneswar-Cuttack highway, Talcher-Gopalpur highway and four-laning of the Cuttack-Paradeep highway.

Road type	Road length (Km)
National Highways	3,704
State Highways	28,311
District roads	19,801



Source: Maps of India

Ports

- The Paradeep Port in is a major port of India. It is located in the Jagatsinghpur district.
- The port handled 42.4 million metric tonnes (MMT) of cargo in 2007-08, of which 25.6 million MMT were for exports and 16.8 million MMT were imports.
- The port is connected with the broad-gauge rail link of the South Eastern Railway and is also served by National Highway-5A.
- In addition to the two minor ports at Gopalpur and Behrabalpur, the state is developing port infrastructure at Dhamara (Bhadrak district), Kirtania (Baleshwar district), and Astaranga (Puri district).
- The State Government is encouraging private firms to step into the port sector and create infrastructure for several upcoming metallurgical projects in the state.

Ports	
Major Ports	<ul style="list-style-type: none"> • Paradeep
Minor Ports	<ul style="list-style-type: none"> • Gopalpur • Behrabalpur (Baleshwar)



Railways

- At the end of 2006-07, the total railway route length in Orissa was 2,340 km.
- Orissa serves as a link between eastern and western India through the railway network of the South Eastern Railways and the East Coast Railways.
- With the commissioning of the Talcher-Sambalpur line, a vital link has been established between coastal and western Orissa.
- Orissa falls in the East Coast Railways region. Its major divisions are Khurda Road, Sambalpur and Waltair, with district headquarters in Bhubaneswar.



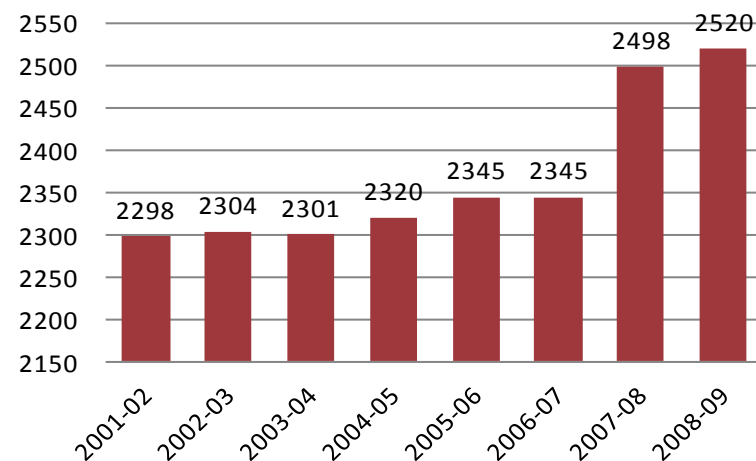
Source: Maps of India

Power

- Orissa was the first state in the country to bring in power sector reforms.
- In 2008-09, the state had a power generation installed capacity of 2,520 MW.

Segment	Company*
Power generation company	Orissa Power Generation Company (OPGC)
Power transmission company	Orissa Power Transmission Corporation Limited (OPTCL)
Power distribution companies	<ul style="list-style-type: none"> • Western Supply Company of Orissa Limited (WESCO) • North Eastern Electricity Supply Company of Orissa Limited (NESCO) • Southern Electricity Supply Company of Orissa Limited (SOUTHCO) • Central Electricity Supply Utility of Orissa (CESU)

Installed power generation capacity (MW)



Source: Central Electricity Authority, March 2009

*OPGC, OPTCL and CSEU are state government owned. WESCO, NESCO and SOUTHCO are private companies under Reliance Energy.

Telecom

- In late 1990s, Orissa had 229 post offices per million of population as against 181 per million at an all-India level.
- According to estimates by the Telecom Regulatory Authority of India, Orissa had 8.7 million wireless connections and 647,460 wire-line subscribers as of March 2009.

Telecom infrastructure (2008–09)

GSM Cellular subscribers : 9,870,711

Broadband subscribers: 48,350

Post offices: 8,162

Telephone connections provided:

Telephone exchanges: 1,163

Sources: Cellular Operators of India, November 2009, Economic Survey of Orissa, 2008-09

Key telecom players in Orissa

- Bharat Sanchar Nigam Limited (BSNL)
- Bharti Airtel
- Vodafone Essar
- Reliance Telecom
- IDEA Cellular
- Dishnet Wireless (Aircel)

Urban infrastructure

- Under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM), five projects costing US\$ 176.5 million have been approved for Bhubaneswar and Puri.
- The projects have been sanctioned for completion between 2006-07 and 2009-2010. Some of the key areas of development are water supply, storm water drainage, sewerage systems and urban renewal.

Water supply	Sewerage system and solid-waste management system
<ul style="list-style-type: none"> • Orissa has relatively abundant water supply, endowed with approximately 11 per cent of the country's water resources. • The average per capita supply of water in Bhubaneswar is 263 litres per capita per day (lpcd). 	<ul style="list-style-type: none"> • Solid-waste collection efficiency is high in Bhubaneswar and ranges from 60 per cent to 70 per cent. • Area coverage of the sewerage system in Bhubaneswar is about 50 per cent.

Sources: JNNURM, Ministry of Urban Development, Government of India

Public private partnership projects

Contract authority	Project	Investment (US\$ million)	PPP type	Status
Education				
Industry Science and Technology department	Biotech park at Andharua, Bhubaneswar	20.2	BOOT	Under construction
Ports				
Department of Commerce & Transport, Orissa	Dhamara port	536.7	BOOST	Under construction
Department of Commerce & Transport, Orissa	Kirtania port at the mouth of the river Subarnarekha	434.8	BOOST	Under construction
Roads				
Public Works department	Improvement of Putaspanga-Bamberi road	7.8	BOT -Toll	In operation
Railways				
Orissa Industrial Infrastructure Development Corporation (IDCO)	Haridaspur-Paradeep broad-gauge rail link	129.1	DBFOT	Under construction
Urban Development				
Housing and Urban Development Department	Housing-cum-commercial complex Patrapada and Ranasinghpur	130.4	DBFOT	Bidding
Animal Husbandry and Veterinary Science	Info-park at Bhubaneswar	108.7	BOOT	Under construction

Source: pppindiadatavase.com

BOOT: Build-own-operate-transfer BOOST: Build-own-operate-share-transfer BOT: Build-own-transfer DBFOT: Design-build-finance-operate-transfer

Education sector ... (1/2)

- Orissa has around 48,405 primary schools with over 4.5 million students enrolled.
- The major universities are Utkal University, Biju Patnaik University of Technology, and popular colleges are Orissa Engineering College and SCB Medical College.
- The state is also home to premier institutions such as National Institute of Technology (NIT) Rourkela, Xavier Institute of Management, and National Institute of Science Education and Research.
- The state's industrial policy aims to improve technical manpower and upgrade skills of local entrepreneurs.

Educational infrastructure

- Universities: 9
- Medical colleges: 4
- Dental colleges: 2
- Law colleges: 32
- Engineering colleges: 57
- Diploma colleges: 29
- MCA colleges: 29
- Polytechnics: 34
- ITIs: 231

Source: Economic Survey of Orissa, 2008-09

MCA: Master of Computer Applications

ITI: Industrial training institute

Education sector ... (2/2)

- As of March 2001, Orissa's male literacy rate was 75.4 per cent and female literacy rate was 50.5 per cent.
- According to the Census 2001, the Khurda district has the highest literacy rate (79.6 per cent), whereas the Malkangiri has the lowest (30.5 per cent).

Literacy rates (%)	
Literacy rate	63.10
Male literacy	75.35
Female literacy	50.51

Orissa primary education statistics	
Number of schools*	Lower primary: 29,248 Higher primary: 19,157 High schools: 7,435
School dropout rate (%)	Class I-V: 5.0 Class I-VII: 8.4
Pupil-teacher ratio	33:1
Net enrolment ratio in primary schools	92.3

Sources: Economic Survey of Orissa, 2008-09, Orissa Primary Education Programme Authority

*2007-08

Health infrastructure

- In 2007-08, there were 1,704 government-run allopathic medical institutions in the state with 14,166 hospital beds.
- The population served by a medical institution in the state was over 23,000 persons.

Health Infrastructure
<ul style="list-style-type: none"> • Hospitals (32 district hospitals): 181 • Community health centres: 231 • Primary health centres: 1,278 • Sub-centres: 6,688

Health indicators	
Population served per medical institution	23,304
Population served per doctor	8,000
Population served per hospital bed	2,803
Birth rate*	21.3
Death rate*	9.2
Infant mortality rate**	71
Life expectancy at birth (years)	
Male	60.3
Female	62.3

Sources: Ministry of Health and Family Welfare, Economic Survey of Orissa, 2008-09

*Per thousand persons

**Per thousand live births

Banking infrastructure

- In 2007-08, Orissa had 2,846 branches of various banks, including private banks, public sector banks, state cooperative banks and Orissa State Cooperative Agricultural and Rural Development (OSCARD) banks.
- In 2007-08, the average population served per branch of a commercial bank in Orissa was 14,120 as compared to 16,000 at the all-India level.
- The Orissa State Financial Corporation (OSFC) provides soft loans and margin money for rehabilitation of sick industrial units.

Financial institutions in Orissa	
Cooperative societies	21,230
Primary agricultural credit societies	2,714
Scheduled commercial banks	2,526
Regional rural banks	857
Foreign banks	2

Sources: Economic Survey of Orissa, 2008-09, Reserve Bank of India

Cultural infrastructure

- There are sports stadiums in Bhubaneswar, Cuttack, and other cities. Badminton, cricket, hockey, tennis, table tennis and volleyball are the major sports although, other games are also popular.
- The Dharani Dhar sports complex was inaugurated in Keonjhar district, in December 2009.
- The main sports arenas are the Barabati Stadium and Jawaharlal Indoor Stadium in Cuttack, the Biju Patnaik Swimming Pool-cum-Sports Complex and the Kalinga Stadium in Bhubaneswar, a sports complex in Berhampur, and a synthetic hockey surface stadium in Rourkela.
- The key hotels in Bhubaneswar are the Trident Hilton, Kalinga Ashoka, Swosti Plaza. In Cuttack, the key hotels are the Akbari Continental and Hotel Bishal, while Mayfair Beach Resorts and Panthanivas Puri are the most popular hotels in Puri.
- Puri is a beach city famous for hosting the annual temple festival, or the Rath Yatra, which draws tens of thousands of religious tourists.
- The state is home to several famous temples, such as the Lingaraj temple and the Kedareshwar temple in Bhubaneswar, Jagannath temple and Gundicha temple in Puri and the Sun temple in Konark.

Industrial infrastructure ... (1/2)

- To facilitate the growth of industries by creating an enabling environment for attracting domestic and international investments, the State Government-enacted the Orissa Industries (Facilitation) Act, 2004, for implementing a single-window clearance system.
- The Government of India has identified locations such as Duburi, Chhatrapur, Kalinga Nagar (Bhubaneswar), Jharsuguda and Kesinga as 'growth centres'.

Industrial zones

Talcher-Angul

Kalinganagar-Duburi

Bhubaneswar-Khurda

Rayagada-Sunabeda

Gopalpur-Chatrapur

Paradip-Jagatsinghpur

Jharsuguda-Brajarajnagar

Industrial infrastructure ... (2/2)

Parks and SEZ	Description
Infocity	The IT park is spread over 350 acres and has IT companies such as Infosys, Wipro, TCS and MindTree. Equipped with modern infrastructure including a nine-hole golf course, it is one of the biggest IT Parks in eastern India. Infocity-II is projected to be spread over 500 acres at Janla. It will be ready by 2012.
Fortune tower	It has a built-up space of 350,000 sq ft in a hi-tech steel and glass structure equipped with high-speed connectivity, and is home to a number of IT companies. A second Fortune Tower is also being planned.
Industrial Infrastructure Development Corporation (IDCO) Tower	It is a strategically located, 11-storeyed business centre and has a number of IT/ ITeS companies
Special economic zones (SEZ)	The Chandaka Industrial Estate in Khurda is an IT/ITeS SEZ developed by the Orissa Industrial Development Corporation. Nine more SEZs have been given formal approval and six have been given in-principle approval by the Government of India.
Technology parks	The Software Technology Parks of India (STPI) has developed software technology parks at Bhubaneswar, Rourkela and Berhampur.

Industrial clusters

District	SSI units (No)	Industries
Sundargarh	395	Textiles, mining-and metal-based industries.
Ganjam	326	Chemicals, sugar, textiles, small scale industries (SSI) in food-based products, glass and ceramics.
Khurda	356	Agro-based industry, tourism and handloom.
Cuttack	372	Paper mills, textiles and steel industries, handicraft and cottage industry (silver filigree, brass and metal works, stone carving, cane and bamboo products, among others), food-processing and engineering units.
Balasore	262	Alloys, paper mills, tourism and fishing.
Mayurbhanj	256	Mining, agro- and forest-based industries and mineral grinding.
Jajpur	277	Mining and food-based industries.
Puri	779	Agro-based, fishing and tourism.
Bolangir	190	Mining and mineral-based industries, SSIs in agriculture-based industries, engineering and metal based industries, rubber and plastics, mining based and chemical based industries.
Kendujhar	169	Mining (iron, manganese, chromite), iron and steel, engineering, metals, chemicals and agro-based industries.
Bhadrak	194	Agro-based units, fisheries, tourism and ship building
Other districts	1,134	Varied

SEZs and industrial estates

Industry	Location	SEZs (No)
Formally approved SEZ		
IT/ITeS	Khurda, Jajpur, Bhubaneswar	4
Mineral-based SEZ	Ganjam	1
Aluminium	Sambalpur, Jharsuguda	2
Metal-based SEZ	Jajpur	2
Multi-product	Ganjam	1
In-principle approved SEZ		
Multi-product	Kendrapada, Jagatsinghpur	2
Textiles/garments	Cuttack	1

- Ten SEZs had formal approvals as of June 2009.
- One operational IT/ITeS SEZ in Bhubaneswar as of 2009.
- Orissa Industrial Infrastructure Development Corporation (IDCO) – the main developer for over 40 per cent of the formally-approved SEZs.
- The state has 84 industrial estates.

Source: www.sezindia.nic.in



★ Formally-approved SEZ

Major infrastructure projects being implemented

- As of December 2008, over US\$ 19.9 billion worth of investment had been made for ramping up Orissa’s industrial infrastructure.
- Over 93 percent of investments in infrastructure have been made in the area of power (both generation and distribution).

Infrastructure	Investments (US\$ million)
Power*	18,605.4
Roads	166.9
Railway	1,114.7
Airport	54.3
Total	19,941.4

Source: CMIE

*Generation and distribution

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Sector-specific policies ... (I/II)

Industrial Policy Resolution (IPR), 2007

Aim: To create a conducive business climate to accelerate investment in industry and infrastructure projects.

IPR 2007 envisages to:

- Raise income, employment and economic growth in the state.
- Reduce regional disparities in economic development within the state.
- Deregulate the business environment .
- Implement and make operational, single-window mechanism for industrial clearances.
- Ensure balanced utilisation of natural resources for sustainable development.
- Provide existing industrial units in Orissa with incentives and concessions, subject to certain conditions.
- Provide thrust to identified industrial sectors such as downstream steel, aluminium, petrochemicals, mineral processing and value addition, chemicals and fertilizers, agro and food-processing, handicrafts and handloom, IT and export-oriented industries.

Sector-specific policies ... (2/11)

IPR, 2007

Incentives and concessions:

- Industrial units belonging to the identified thrust sectors will be allotted land at a concession rates set by the high-level clearance authority.
- Industrial estates, industrial areas, industrial parks and growth centres will be excluded from the municipal and other local tax regimes.
- New units and existing ones taking up modernisation, expansion and diversification will be granted exemption from payment of premium, in the following way:
 - Micro and small sector: 100 per cent up to five acres.
 - Medium sector: 75 per cent up to 25 acres.
 - Large sector: 50 per cent up to 500 acres.
 - Priority sector: 50 per cent.
 - Thrust sector: 100 per cent.

Sector-specific policies ... (3/11)

IPR, 2007

Incentives and concessions:

- Stamp duty exemption on transfer of land from government, IDCO and private industrial estate developers to new and existing industrial units (taking up expansion, modernisation and diversification), applicable as follows:
 - Micro and small sector: at 75 per cent of stamp duty.
 - Medium sector: at 50 per cent of stamp duty.
 - Large sector: at 25 per cent of stamp duty.
 - Priority sector: at 50 per cent of stamp duty.
 - Thrust sector: at 100 per cent of stamp duty.
- Exemption from Value added tax (VAT) on finished products of Khadi, village, cottage and handicraft industrial units.
- Exemption from entry tax payment for new micro and small enterprises on acquisition of new plant and machinery and purchase of raw materials for setting up industrial units.

Sector-specific policies ... (4/11)

IPR, 2007

Incentives and concessions:

- Central sales tax (CST) at concession rate, but not exceeding 2 per cent, to be levied on sale of finished products by the new industrial units in thrust sector for a period of 10 years from the date of starting commercial production, subject to a total maximum limit of 100 per cent of fixed capital investment .
- VAT reimbursement:
 - New micro, small and medium enterprises: 50 per cent of VAT paid for a period of five years from the date of starting commercial production
 - New units in priority sector: 75 per cent of VAT paid for a period of five years from the date of starting of commercial production, limited to 100 per cent of fixed capital investment
 - New units in thrust sector: 75 per cent of VAT paid for a period of 10 years from the date of starting commercial production, limited to 200 per cent of fixed capital investment
- New industrial units, which are small and micro enterprises or are in the thrust sectors shall be entitled to interest subsidy of 5 per cent per annum on term-loan availed from public financial institutions or banks for a period of five years from the date of starting commercial production.

Sector-specific policies ... (5/11)

Orissa Public Private Partnership (PPP) Policy, 2007

Aim: To supplement scarce public resources, create a more competitive environment and help improve efficiencies and reduce costs.

Key objectives:

- Leverage State and Central Government funds, support private investment and create a conducive environment for utilising available resources. Support innovation and provide flexibility to the private sector for better infrastructure and service at an optimal cost.
- Set up a transparent, consistent, efficient administrative mechanism to create a level playing field for all participants and protect the interests of all stakeholders.
- Prepare a shelf of projects to be offered for PPP and take them forward with the assistance of the concerned departments through a transparent selection process.
- Put in place an effective and efficient institutional mechanism for speedy clearance of the projects.
- Provide the necessary risk sharing framework in the project structure so as to assign risks to the entity most suited to manage them.
- Create a robust dispute redress mechanism regulatory framework for PPP projects.
- Provide the required viability gap funding (VGF) where the essential projects are intrinsically unviable.
- Create an Orissa Infrastructure Development Fund (OIDF) to facilitate the implementation of the objectives of the policy.

Sector-specific policies ... (6/11)

Orissa Tourism Policy, 1997

Aim: Through the Orissa Tourism Policy, the State Government acts as a promoter and catalyst to create an environment for planned and sustained development of tourism.

Key initiatives:

- The approach to development will concentrate on thrust areas and travel circuits as identified by the State Government.
- Maintenance and improvement of the existing roads and planning of new roads to the tourist centres will be given priority.
- Operation of charter flights will be encouraged while improving the air service to the state.
- Water sports and water transport services will be encouraged.
- Incentives to hotels and other tourism-related activities will continue.
- Bhubaneswar would have a convention complex and a golf course.
- Marketing and publicity, for exploiting tourism potential and the facilities, will be stepped up.
- Human resource development will be given priority.

Sector-specific policies ... (7/11)

Information Technology (IT) Policy, 2004

Vision: The Government of Orissa will strive to develop a well-planned, robust and futuristic IT architecture in the state, which will bring about positive changes in all walks of life and society, resulting in ease and convenience in transaction, augmenting of employment opportunities for the educated youth and ushering higher economic growth in a definite time frame.

The objective is to provide:

- Inexpensive access to information.
- Transparency in governance practice.
- Door-step delivery of host of services.
- Increased employment.
- High export turnover and economic growth.

Sector-specific policies ... (8/11)

Information Technology (IT) Policy, 2004

Vision: The Government of Orissa will strive to develop a well-planned, robust and futuristic IT architecture in the state, which will bring about positive changes in all walks of life and society, resulting in ease and convenience in transaction, augmenting of employment opportunities for the educated youth and ushering higher economic growth in a definite time frame.

Incentives and concessions:

- IT and ITeS units are declared as public utility services under the provisions of the Industrial Disputes Act, 1947. They are allowed to work in three shifts as continuous processing units.
- IT/ITeS units are exempt from the clearance and routine inspections of the controlling and regulatory authorities of the State Government.
- All IT/ITeS units will be exempt from the payment of sales tax for a period of five years from the date of their first billing.
- Important IT building infrastructure such as IT parks/ STPI complexes shall be free from scheduled power cuts.

Sector-specific policies ... (9/11)

IT Policy, 2004

Incentives and concessions:

- IT/ITeS units will be exempt from the payment of electricity duty as per the provisions of Industrial Policy Resolution, 2007.
- New units in IT/ITeS sector will be entitled to interest subsidy at 5 per cent per annum for a period of five years from the date of commercial production, subject to a maximum of US\$ 43,478 on term loans availed from recognised financial institutions and banks.
- Electrical energy consumption by IT/ITeS units shall be charged at industrial rates.
- No stamp duty will be charged on land allotted by the Government to IT/ITeS units.
- Special package of concessions will be offered to mega IT projects with a project cost of US\$ 2.2 million and above and providing employment opportunities to more than 500 persons within a period of two years.
- Price preference of 10 per cent will be available to local IT units participating in the e-governance projects of the State Government.

Sector-specific policies ... (10/11)

Orissa Micro, Small, and Medium Enterprises (MSME) Development Policy, 2008

Vision: To enhance contribution of MSMEs in manufacturing and services sector of Orissa's economy

The strategic intent of the policy is to:

- Enhance competitiveness of MSMEs through cluster approach.
- Facilitate the setting-up of ancillary and downstream units of existing and upcoming large and medium industries.
- Setting up of specialised and/or focused industrial area or park for MSMEs.
- Facilitate enhanced flow of credit to MSMEs.
- Broaden marketing avenues.
- Facilitate technological up-gradation of existing MSMEs and enhance advanced cutting-edge technology among the new ones.
- Establish the industry-institution linkage.
- Convergence of schemes and resources.
- Enhance managerial, technical and financial capacity of local entrepreneurs.
- Set up consortium of MSMEs.
- Promote infrastructural linkages, preferably through the PPP mode.

Sector-specific policies ... (I I / I I)

Orissa MSME Development Policy, 2008

Incentives and concessions:

In addition to the fiscal incentives outlined in the Industrial Policy Resolution, 2007, the following incentives will be provided to MSMEs:

- Capital investment subsidy: New industrial units belonging to the MSME sector shall be entitled to a capital investment subsidy of 10 per cent of fixed capital investment, subject to an upper limit of US\$ 21,739.
- Scheduled Caste/Scheduled Tribes (SC/ST) and women entrepreneurs, or technical degree/diploma holding entrepreneurs shall be entitled to capital investment subsidy of 12 per cent of fixed capital investment, subject to an upper limit of US\$ 26,087.
- Women entrepreneurs setting up new MSMEs shall be entitled to an additional two years of fiscal incentives relating to VAT, CST, entry tax, entertainment tax, interest subsidy and electricity duty, as provided for under Industrial Policy Resolution, 2007.

Contents

- ❖ Advantage Orissa
- ❖ State economy and socio-economic profile
- ❖ Infrastructure status
- ❖ State policies and incentives
- ❖ **Business opportunities**
- ❖ Doing business in Orissa

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Iron, steel and ferroalloy industry

- Orissa is one of the largest producers of iron and steel in the country.
- The state accounts for about 32.9 per cent of all the iron-ore deposits in India, thus, making it one of the favoured investment destinations for domestic and international iron and steel players.
- Orissa has substantial reserves of other minerals that go into steel making such as coal, dolomite and limestone.
- In addition, there are abundant water resources, adequate power, a reasonably good road and rail connectivity, and an existing port facility at Paradeep with two more new ports coming up at Gopalpur and Dhamra.





Key players

- Tata Steel
- Tata Sponge Iron Limited
- Kalinganagar Integrated Steel Project
- Rourkela Steel Plant
- Orissa Sponge Iron and Steel Limited
- Neelachal Ispat Nigam Limited
- Balasore Alloys Limited
- Pohang Steel Company
- Arcelor-Mittal





Iron, steel and ferroalloy – company profiles ... (1/4)

<p>Tata Steel</p> 	<p>Established in 1907, Tata Steel is Asia's first and India's largest private sector steel company. It is amongst the lowest cost producers of steel in the world and one of the few select steel companies in the world that has a positive economic value added (EVA+). The company has a crude-steel production capacity of 30 million tonnes per annum (MTPA). It is planning to acquire land in Kalinganagar (Jajpur district) to set up a new US\$ 4.56 billion steel plant in 2010. The plant which will have an annual production capacity of 6 million tonnes. Tata Steel is also in a joint venture with L&T to set up a deep-water port at Dhamra for handling bulk cargo, with a maximum capacity of 25 million tonnes . The port is expected to begin commercial operations by mid-2010.</p>
<p>Tata Sponge Iron Limited (TSIL)</p> 	<p>TSIL was among the first companies of Tata Steel in Orissa. It is incorporating an indigenous technology for making sponge iron that developed through intensive research and development (R&D) effort. The plant and a modern township are built on 310 acres of land. TSIL has around 460 employees and has generated indirect livelihood to an additional 300 people.</p>
<p>Sree Metaliks Limited</p>	<p>Steel Metaliks is a prominent steel manufacturer of Orissa. It specialises in sponge iron, steel billets and re-bars. The company has two large integrated steel complexes, one at Barbil, Kenkudhar district and the other in Angul district. The two complexes have a combined production capacity of 682,000 tonnes. In 2008-09, the company had a revenue of US\$ 92 million.</p>
<p>POSCO India Private Limited</p> 	<p>A subsidiary of the Korean company POSCO, the world's fourth-largest steel producer, POSCO India plans to set up a 4 million tonnes per annum green field project in the Jagatsinghpur district of Orissa. The plant's first phase will be completed in 2011-12 and is estimated to cost US\$ 12 billion. It will manufacture hot-rolled products and slabs.</p>




Iron, steel and ferroalloy – company profiles ... (2/4)

<p>Visa Steel Limited</p> 	<p>Visa Steel Limited is part of the Visa Group. It produces pig iron, coke and chrome ore. In 2008-09, the company had a revenue of US\$ 225 million. It has two manufacturing facilities. The plant at Kalinganagar has an annual production capacity of 225,000 tonnes of pig iron, 400,000 tonnes of coke, 50,000 tonnes of ferro-chrome and 300,000 tonnes of sponge iron. The other plant is in Golagaoan, with a 100,000 tonnes chrome-ore beneficiation plant and a 100,000 chrome-ore grinding plant. The company is in the process of setting up an integrated 1.5 MTPA special- and stainless steel-plant in Kalinganagar.</p>
<p>Orissa Sponge Iron and Steel Limited (OSIL)</p> 	<p>OSIL was incorporated in 1979. It is promoted and managed by IPICOL and Torsteel Research Foundation, India, and produces sponge iron and steel billets. The company's plant is located at Palaspanga in Orissa. It has a production capacity of 700,000 tonnes. It also has an iron-ore mine, 30 km from the plant. The mine began operations in 2007-08.</p>
<p>Rourkela Steel Plant (RSP)</p> 	<p>One of the largest steel plants of the Steel Authority of India Limited, it is situated in Rourkela. It is a major producer of flat, tubular and coated-steel products. This plant produces 1.6 MTPA of diversified steel items. RSP has made major improvements in the quality of steel produced, packaging, delivery and customer satisfaction, thereby, vastly enhancing the acceptability of its products in the highly-competitive steel market.</p>
<p>ArcelorMittal</p> 	<p>Arcelor Mittal is the world's largest steel producer and is present in over 60 countries. It had a global revenue of US\$ 125 billion in 2008 and crude steel production of 103.3 million tonnes. The company is planning to set up a green field steel plant in Orissa. The proposed plant is to have a production capacity of 12 MTPA and will be ready to commence operations in 2014. The cost for this plant is estimated between US\$ 20 and US\$ 25 billion.</p>

Iron, steel and ferroalloy – company profiles ... (3/4)

<p>Neelachal Ispat Nigam Limited (NINL)</p> 	<p>NINL is a company promoted by MMTC Limited (a Government of India enterprise), IPICOL and other government agencies. It has a 1.1 MTPA, Integrated, iron and steel plant at Kalinganagar, in the Jajpur district. The main products are pig iron and low-ash-metallurgical coke along with nut coke, coke breeze, crude tar, ammonium-sulphate and granulated slag.</p>
<p>Balasure Alloys Limited (BAL)</p> 	<p>Formerly, Ispat Alloys Limited, BAL is a member of the Ispat Group of companies owned by the Pramod Mittal family. The company produces various ferroalloys, has five furnaces with a cumulative alloy capacity of 100,000 MTPA. BAL plans to expand capacity for ferrochrome and manganese alloys. The first phase of expansion of BAL, of US\$ 87 million, is likely to be completed end-2010.</p>
<p>Essar Steel</p> 	<p>Essar Steel is a global producer of steel and is present in India, Canada, USA and South east Asia. Its revenues in 2008-09 were US\$ 2.8 billion and it produced 9 million tonnes of steel. It is making significant investments in setting-up steel plants across the world, one among these is the 6 MTPA integrated steel plant at Paradeep in Orissa. The project has two phases. The first phase will comprise of an 8 MTPA iron-ore beneficiation plant at Dabuna and a pellet plant in Paradeep; the second phase will involve the setting-up of the steel plant.</p>
<p>Jindal Stainless Limited</p> 	<p>Part of the Jindal Group, the company has grown from a single-unit steel plant in Hisar, Haryana to a multi-product steel conglomerate. The company had revenue of US\$ 1.2 billion in 2008-09. It has two manufacturing plants, one in Haryana and another in Andhra Pradesh. A third integrated green field stainless-steel project is coming up at Kalinganagar in Orissa. The plant will involve mining of iron-ore, manganese and chrome required for the production of ferroalloys and stainless steel. The plant is expected to have a production capacity of 1.6 MTPA and will be ready for commercial operation by 2010-11.</p>

Iron, steel and ferroalloy – company profiles ... (4/4)

<p>Aarti Steels Limited</p> 	<p>Launched in 1977, the company has a workforce of over 2,500 employees, and produces steel, sponge iron and ferroalloys. In 2008-09, it had a revenue of US\$ 300 million. In 1996, it diversified its product offering and entered the cotton-spinning industry. The company has a plant at Ghantikhal in the Cuttack district. It has an annual production capacity of 715,000 tonnes.</p>
<p>Adhunik Metaliks Limited</p> 	<p>A flagship company of the Adhunik Group, Adhunik Metaliks specialises in value-added steel, alloy steel and stainless steel products catering to the auto, household and construction engineering industries. It had a revenue of US\$ 278.6 in 2008-09. The company has a plant in Rourkela and has a production capacity of 1.93 million tonnes.</p>
<p>Indian Metals and Ferro Alloys Limited (IMFA)</p> 	<p>IMFA is India's largest producer of ferroalloy s. The company is headquartered in Orissa and has two ferroalloy production facilities, one at Therubali in the Rayagada district, which produces charge chrome, chrome-ore and ferro-silicon and the second in Cuttack, which produces ferro-silicon. The company has a combined production capacity of 390,000 tonnes. In 2008-09, it had revenue of US\$ 222.1 million.</p>




Aluminium industry in Orissa

- Orissa has over 50 per cent of the bauxite reserves of India, making it an ideal location for setting up aluminium and aluminium-based companies.
- It also has adequate water and power supply for such industries.
- Some of the biggest companies in the aluminium industry including National Aluminium Company Limited, Hindalco Industries Limited and Vedanta Group have operations in Orissa.

Key players

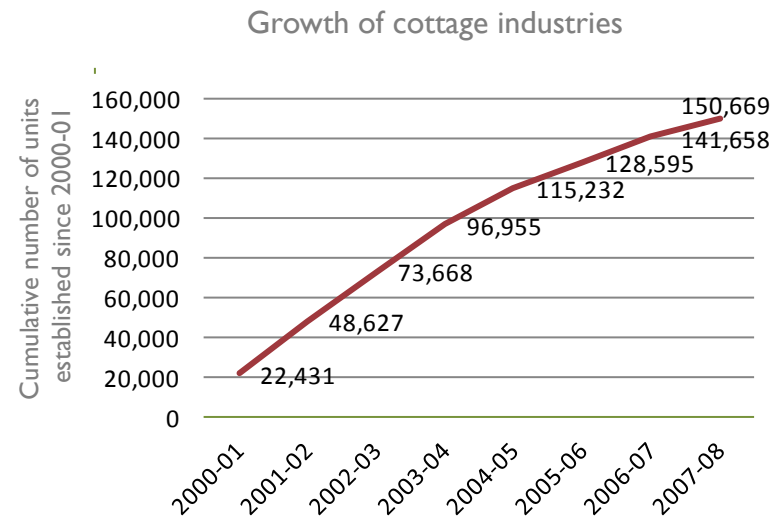
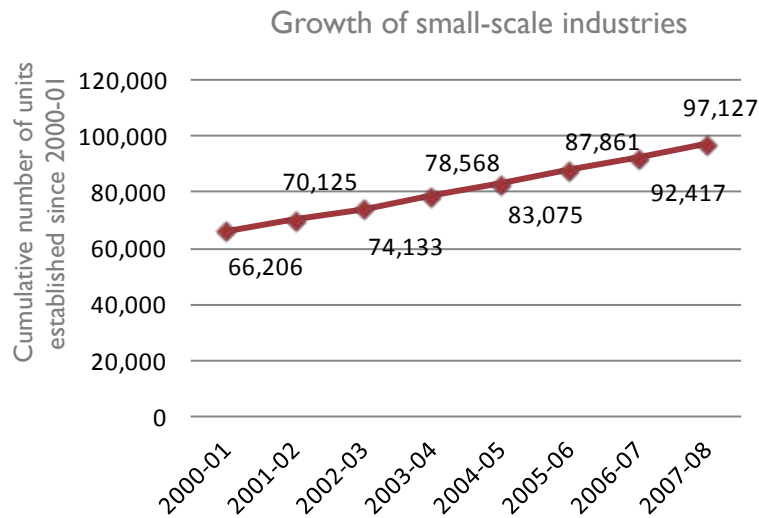
- National Aluminium Company Limited
- Hindalco Industries Limited
- Vedanta Group

Aluminium – company profiles

<p>National Aluminium Company Limited (NALCO)</p> 	<p>NALCO is among Asia's largest and one of the world's leading integrated-aluminium complexes. Its operations include bauxite mining, alumina refining, aluminium smelting and casting, power generation, rail and port management. The company had a revenue of US\$ 1.2 billion in 2008-09. It employs some of the world's finest technologies used in the aluminium industry. NALCO is planning to set up an aluminium park in Angul in a joint venture with IDCO. The company is also planning a green field project in Jharsguda for a smelting and power complex of 500,000 tonne capacity, with an investment of US\$ 1.8 billion.</p>
<p>Hindalco Industries Limited (HIL)</p> 	<p>With a turnover in excess of US\$ 14 billion, HIL is owned by the Aditya Birla Group and is among the world's largest aluminium rolling companies and one of the biggest producers of primary aluminium in Asia. It acquired the Indian Aluminium Company Limited (Indal) in June 2000. HIL produces 143,000 tonnes per annum (TPA) of aluminium from its plant at Hirakud.</p>
<p>Vedanta Group</p> 	<p>Vedanta Resources Limited, the London-based holding company of the Sterlite group, is a key player in the aluminium industry in India. Vedanta operates several bauxite mines. Its produces aluminium from its Bharat Aluminium Company Limited (BALCO) and Madras Aluminium Company Limited (MALCO) plants. The company currently operates an aluminium refinery at Lanjigarh in Kalahandi. It has a capacity of 1 MTPA. The company plans to add 1.6 million tonnes of smelting capacity by 2013.</p>

SSI, handicraft and cottage industries in Orissa

- Orissa's SSI is characterised by low capital investment requirement, low gestation period, high value addition, and high export promotion prospects.
- The Orissa State Cooperative Handicrafts Corporation is engaged in strengthening the production base, enlarging marketing opportunities, encouraging exporters and introducing new design and technology in the handicrafts sector.
- In order to strengthen the artisan-based enterprises in the handicrafts sector, 20 handicraft training centres are functioning in different districts.



Source: Economic Survey, Orissa, 2008-09




Agro-based and fertiliser industries

- Orissa's main agriculture products are rice, pulses, oilseeds, vegetables, groundnut, cotton, jute, coconut, spices, potato and fruits.
- Coconut is cultivated over an area of around 51,600 hectares.
- There is a vast scope for agro-based industries for rice, lentils, edible oil-milling, dehydration of vegetables, maize-milling, cattle and poultry rearing, cotton oil, potato chips, coconut oil, sugar mills, mushroom cultivation, non-edible oils and others.
- The sugar industry in Orissa is being given emphasis with several projects underway. This has given a boost to industries such as the fertiliser industry.
- In January 2010, the state announced its plans to attract major food processing companies, based on abundant maize grown in the Nawarangpur district.



Key players

- Nayagarh Sugar Complex Limited
- Sakthi Sugars Limited
- Aska Co-Operative Sugar Industries Limited
- Rourkela Fertilizer Plant
- Paradeep Phosphates Limited
- Oswal Chemicals and Fertilizers Limited

Agro-based industry – company profiles ... (1/2)

<p>Nayagarh Sugar Complex Limited (NSCL)</p> 	<p>Established in 2004, NSCL is located in the Nayagarh district of Orissa. The company has a capacity to crush 1,500 tonnes of sugar cane per day. It produces white crystal sugar, molasses, bagasse, fly ash and press mud.</p>
<p>Sakthi Sugars Limited</p> 	<p>One of the largest white-crystal sugar producers in India, Sakthi Sugars has a total capacity to crush 13,500 tonnes of sugar cane a day. The company has facilities in both Tamil Nadu and Orissa, with one cooperative sugar factory at Barambagarh in the Cuttack district, and another in the Dhenakal district. They have a combined crushing capacity of 3,750 tonnes per day.</p>
<p>Aska Cooperative Sugar Industries Limited</p> 	<p>Established in 1963, Aska is one of the oldest sugar mills in the state, located in Aska town of the Ganjam district. The cooperative provides livelihood to 20,000 sugarcane growers in the area. The plant has a capacity to crush 2,500 tonnes per day. In 2009, the State Government announced its plans to modernise the Aska plant to boost production.</p>

Agro-based industry – company profiles ... (2/2)

<p>Rourkela Fertilizer Plant (RFP)</p>	<p>Located at Rourkela in the Sundergarh district, RFP is a public sector undertaking. The fertiliser plant was set up in 1964 with a view to using the residue and chemicals of the Rourkela Steel Plant. An improved quality of nitrogenous fertiliser called Sona is being produced at the plant.</p>
<p>Paradeep Phosphates Limited (PPL)</p> 	<p>PPL was incorporated in 1981 as a joint venture between the Government of India and the Republic of Nauru. In 2007-08, it had revenue of US\$ 548.2 million. It is a prime player in the phosphoric fertilisers space that have applications in a wide range of crops. It has a di-ammonium phosphate plant in Paradeep, which has an annual capacity of 720,000 tonnes.</p>
<p>Oswal Chemicals and Fertilizers Limited</p> 	<p>Established in 1981, the Oswal Group is a leading manufacturer of agro-based products, petrochemicals, alcohol chemicals and nitrogenous fertilisers. In 2007-08, it had a revenue of US\$ 139 million. By setting-up one of the world's largest grass-root diammonium phosphate plant at Paradeep, it is a leader in phosphatic fertilisers and the power sectors.</p>

Mining industry

- Orissa is one of India's richest states in terms of mineral reserves.
- The mineral belt is spread over an area of more than 6,000 sq km.
- The key minerals found in the state are: iron, coal, bauxite, manganese, nickel, chromite, limestone dolomite, graphite, decorative stones, beach sand, china clay, tin ore, etc.




Key players

- Orissa Mining Corporation
- Mahanadi Coalfields Limited
- Tata Steel
- National Aluminium Company Limited (NALCO)
- Rungta Mines Limited
- Orissa Minerals Development Company Limited (OMDC)
- Bisra Stone Lime Company Limited
- Ferro Alloy Corporation Limited (FACOR)
- Indian Rare Earth Limited (IREL)




Mineral Resources as percentage of India's natural reserves

Iron Ore	33 per cent
Bauxite	55 per cent
Nickel	92 per cent
Chromite	95 per cent
Coal	24 per cent



Mining industry – company profiles ... (1/3)

<p>Orissa Mining Corporation (OMC)</p> 	<p>OMC was established in 1956 to explore and harness the mineral wealth of Orissa. In 1962, it became a state-owned corporation of the Government of Orissa. OMC has reserves of 400 million tonnes of iron ore, 19 million tonnes of manganese ore, 28 million tonnes of chromite, 220 million tonnes of bauxite, 19 million tonnes of limestone and other minerals. OMC acts as facilitating agent for development of bauxite properties and operates 11 iron-ore mine, five chrome ore mines, three manganese mines and one limestone mine. In February 2009, OMC announced its plan to set up a 2.5 million tonnes iron-ore crushing facility at its Daitari mines. This could increase its production from 2 million tonnes to 6 million tonnes. It is estimated to cost US\$ 651 million.</p>
<p>Mahanadi Coalfields Limited (MCL)</p> 	<p>MCL is a subsidiary of Coal India Limited and was formed in April 1992. It has two coalfields at Talcher & IB Valley in Orissa. The total coal production at MCL in 2007-08 was 88 million tonnes against 80 million tonnes in 2006-07. The company employs over 20,000 people. It has improved overall productivity with the output per man-shift of the company increasing from 4.7 tonnes 1992-93 to 16.2 tonnes in 2007-08.</p>
<p>Rungta Mines Limited</p> 	<p>Rungta Mines Limited is the flagship company of the Rungta Group. The company specialises in mining iron-ore, but also mines of limestone, dolomite, fireclay and bauxite. In August 2009, the company announced plans to set up a 1 million tonne cement plant in Orissa, which will involve an investment of US\$ 130.4 million.</p>

Mining industry – company profiles ... (2/3)

<p>Ferro Alloys Corporation Limited (FACOR)</p> 	<p>Founded in 1955, FACOR is one of the largest producers and exporters of high-carbon ferro-chrome and charge-chrome in the world. The company has a large chrome ore mining complex in Bhadrak, which has the capacity to produce 65,000 tonnes per annum of charge-chrome and 250,000 tonnes per annum of chrome ore.</p>
<p>National Aluminium Company Limited (NALCO)</p> 	<p>NALCO is among Asia's largest and one of the world's leading integrated aluminium complexes. Its operations include bauxite mining, alumina refining, aluminium smelting and casting, power generation, rail and port management. In Orissa, the company has a bauxite mine and refinery complex at Damanjodi in the Koraput district.</p>
<p>Tata Steel</p> 	<p>Established in 1907, Tata Steel is Asia's first and India's largest private sector steel company. Tata Steel began its mining operations in Orissa in 1911 with iron-ore mining started in 1955 in the Keonjhar district. The company has two iron-ore mines in the Keonjhar district. It also has a chromite mine at Sukhinda: the largest open-cast chromite mine in India. The company set up the largest chrome-ore beneficiation plant in 1990, with a capacity of 108,000 tonnes per annum.</p>

Mining industry – company profiles ... (3/3)

<p>Orissa Minerals Development Company Limited (OMDC)</p>	<p>Orissa Minerals Development Company Limited is a part of the Bird Group of Companies. The company was established in 1918 and is one of the oldest iron-ore mining companies in the country. Its mines are located at Barbil in the Keonjhar district.</p>
<p>Bisra Stone Lime Company Limited (BSLC)</p> 	<p>BSLC was established in 1910 and is also a part of the Bird Group of companies. It is engaged in the mining and marketing of limestone and dolomite. The company has over 1,200 employees. In September 2009, the group announced plans to set up a pellet and cement plant with an investment of US\$ 217.4 million.</p>
<p>Indian Rare Earth Limited</p> 	<p>Indian Rare Earths was incorporated in 1950, and is a public sector undertaking (PSU). The company had sales revenue of US\$ 85.7 million in 2006-07. It is involved in the mining and sales of six heavy minerals: ilmenite, rutile, zircon, monazite, sillimanite and garnet, as well as various value added products. The company commissioned the Orissa Sands Complex (OSCOM) to produce 220,000 tonnes of ilmenite and associated minerals, such as rutile, zircon, sillimanite, garnet, etc. The complex is located in Chandrapur , which is 150 km from Bhubaneswar.</p>

IT/ITES and electronics industry

- The IT sector is dominated by over 300 small and medium enterprises.
- The sector employs about 12,000 software professionals.
- The state has an ample talent pool to cater to the needs of this industry. It produces 20,000 Bachelor of Technology and MCA graduates, about 3,000 management professionals and 50,000 general graduates every year.
- At US\$ 254 million, the growth of software export in 2008-09 was 39 per cent. The state has projected software exports of US\$ 1 billion by 2012-13.

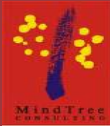


Key players

- Infosys Technologies Limited
- Tata Consultancy Services Limited
- Wipro Limited
- Mindtree Limited
- Orisys Infotech Private Limited
- I-Dream Solutions Private Limited

IT and electronics industry – company profiles ... (1/2)

<p>Infosys Technologies Limited</p> 	<p>Infosys was set up in 1981 and had revenue of US\$ 4.7 billion in 2008-09. It has presence in the areas of IT consulting, modular global sourcing, process re-engineering and BPO services. It has international operations in Australia, China and the US and marketing and technological alliances with FileNet, IBM, Intel, Microsoft, Oracle, etc.</p> <p>The company has an employee capacity of over 60,000 seats and is in the process of adding another 30,000 seats. In Orissa, it has a world-class development centre at Bhubaneswar with an employee strength of over 1,700. It has been in Orissa for over a decade, now. The development centre at Bhubaneswar anchors Infosys' relationships with clients from Canada, Europe and North America.</p>
<p>Tata Consultancy Services Limited (TCS)</p> 	<p>TCS is among the leading Indian IT services, business solutions and outsourcing companies. It had revenues of US\$ 6 billion in 2008-09. TCS employs over 143,000 people worldwide with a presence in 42 countries. It has operations in Orissa (in Bhubaneswar) since 2001.</p>
<p>Wipro Limited</p> 	<p>Established in 1945, the company had revenues of US\$ 5.6 billion in 2008-09. It has presence in the areas of IT services, product engineering, technology infrastructure services, BPO and other consulting solutions.</p> <p>The company provides services such as application development, deployment and maintenance, business intelligence and Customer Relationship Management (CRM). The company is based in Bengaluru, and has 54 development centres and 30 offices spread across India, North America, Middle East and Europe. In February 2008, the company set up a development centre in Bhubaneswar.</p>

IT and electronics industry – company profiles ... (2/2)

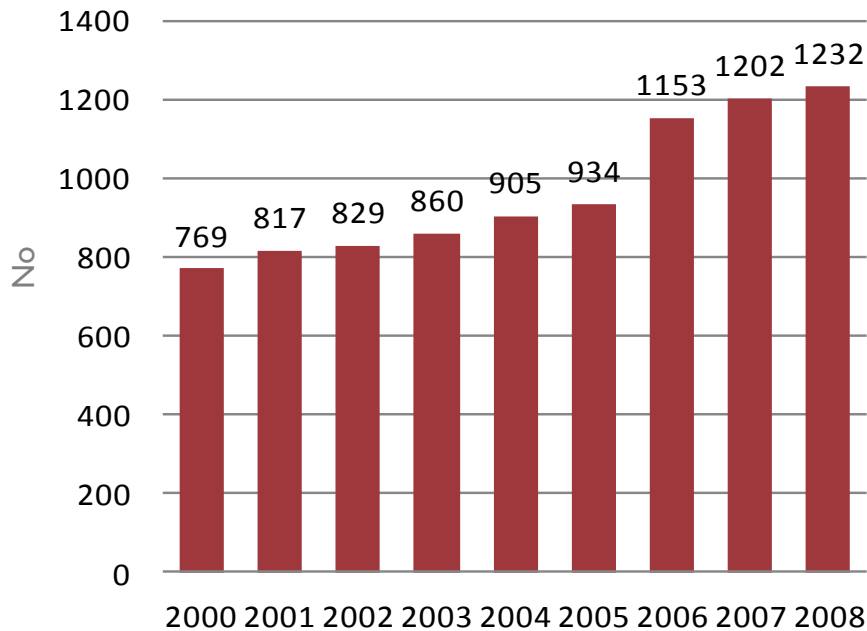
<p>Mindtree Limited</p> 	<p>Created in 1999 and based in Bengaluru, it is an Indian IT solutions company, which specialises in IT services, independent testing, infrastructure management and technical support, and knowledge services and product engineering.</p> <p>The company had revenue of US\$ 269 million in 2008-09. In September 2009, Mindtree was ranked among the top five global R&D service providers. The company has a development centre in Bhubaneswar.</p>
<p>Orisys Infotech Private Limited</p> 	<p>Established in 2001, Orisys Infotech is a software development company, which offers services from system applications to business application development. It is involved in a variety of services, such as software development, web solutions, e-commerce, multimedia and search engine marketing. The company is based in Bhubaneswar.</p>
<p>I-Dream Solutions Private Limited</p> 	<p>Founded in 2000, the company is involved in software and website development.</p> <p>It is based in Bhubaneswar.</p>

Tourism industry ... (1/2)

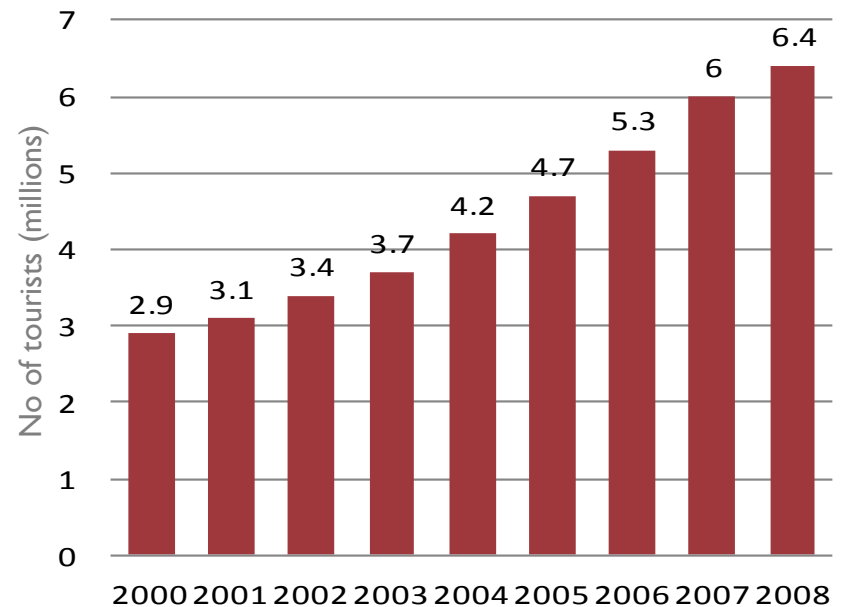
- Orissa has vast potential for the development of tourism. It is one of the critical sectors of the state economy in terms of foreign exchange earnings as well employment generation opportunities.
- Bhubaneswar, the capital city of the state, is known as the temple city of India and is home to about 500 temples.
- Puri, Bhubaneswar and Konark are the main centres for religious tourism.
- The tourist inflow in the state has increased from 3.83 million in 2003-04 to 6.25 million in 2007-08, representing a CAGR of 13.02 per cent.
- The corresponding inflow of tourism revenue has increased from US\$ 299 million to US\$ 795 million representing a CAGR of 28 per cent.

Tourism industry ... (2/2)

Total number of hotels



Total tourist arrivals in Orissa



Source: Department of Tourism, Government of Orissa

Major industrial projects being implemented

Promoter	Project	Investment (US\$ million)	Location
Aluminium			
Vedanta Aluminium Limited	Aluminium smelter project	2,054.3	Jharsuguda
Hindalco Industries Limited	Aluminium project	1,739.3	Rayagada, Jharsuguda
Telecom			
Tata Teleservices Limited	Basic Telecom Sevices Project	1,087.0	Pan-Orissa
Seams Fab (India) Private Limited	Readymade garments (Madanayakanahalli)	27.4	Bengaluru
SEZ/Industrial infrastructure			
Hindalco Industries Limited	SEZ	849.8	Sambalpur
National Institute of Science Education and Research	Academic township	97.8	Khurda
Steel			
Jindal Steel and Power Limited	Integrated steel project	2,855.4	Angul
Posco India Private Limited	Integrated steel project	2,608.7	Jagatsinghpur

Source: Projectstoday.com

Key industrial projects being planned

Promoter	Project	Investment (US\$ million)	Location
Aluminium			
RSB Metaltech Private Limited	Integrated aluminium project	1,478.3	Bhubaneswar
Petroleum			
East India/ Paradip Refinery	Petroleum products refinery	6,086.7	Jagatsinghpur
Steel			
Tata Steel Limited	Integrated steel plant	4,782.6	Jajpur
SEZ			
Vedanta Aluminium Limited	SEZ	1,248.2	Jharsuguda
Power			
Bhushan Energy Limited	Coal-based power project	4,000.1	Angul
Mining			
Rio Tinto Orissa Mining Limited	Iron ore mining project	913.0	Keonjhar

Source: Projectstoday.com

Contents

- ❖ Advantage Orissa
- ❖ State economy and socio-economic profile
- ❖ Infrastructure status
- ❖ State policies and incentives
- ❖ Business opportunities
- ❖ **Doing business in Orissa**

Key approvals required

Approvals/clearances required	Departments to be consulted
Incorporation of company	Registrar of companies
Registration/Industrial license/Industrial Entrepreneurs Memorandum (IEM)	District industries centres for SSI, Secretariat for industrial assistance (Government of India) for large and medium industries
Allotment of land	IDCO
Permission for land use In case industry is located outside an industrial area	IDCO Department of Town and Country Planning Local authority/District Collector
NOC and consent under Water and Air Pollution Control Act	OSPCB
Forest and Environment Clearance	Ministry of Forest & Environment, Government of India
Approval of construction activity and building plan	Development authority
Sanction of electricity	Distribution companies- CESU, NESCO, SOUTHCO, WESCO Transmission company- Orissa Power Transmission Corporation Limited (OPTCL)
Water supply	Water Resources department
Factory and boiler clearance	Chief inspector of factories and boilers
Finance	OSFC. Commercial Banks such as IDBI, ICICI, State Bank, etc.
Orissa value added tax (VAT) Act, and Central and State Excise Act	Commercial tax department and Central and State excise department

Key nodal agencies ... (1/4)

<p>Industrial Promotion and Investment Corporation of Orissa Limited (IPICOL)</p>	<ul style="list-style-type: none"> • IPICOL is a key promotional institution. It was incorporated in 1973 with the main objective of accelerating the pace of industrial development by promoting large and medium scale industries. • IPICOL promoted 263 large and medium scale industries by the end of the Ninth Five-Year Plan period (2001-02) with a project cost of over US\$ 610 million and created employment opportunities for over 34,000 persons. • In 2007-08, the state level nodal agency (SLNA) of IPICOL received 42 combined application forms for setting-up projects with an investment of US\$ 20.7 billion.
<p>Industrial Development Corporation of Orissa Limited (IDCOL)</p>	<ul style="list-style-type: none"> • IDCOL was established in 1962 to set up and promote industrial units for utilisation of natural resources available in the state. • The corporation, since its inception, has set up 15 industrial units across sectors including cement, ferrochrome, pig iron and spun pipe. • IDCOL had a group turnover of US\$ 116.9 million in 2007-08.
<p>Orissa Industrial Infrastructure Development Corporation (IDCO)</p>	<ul style="list-style-type: none"> • IDCO was established with the objective of creating infrastructure facilities in industrial estates and areas identified for accelerated growth of industries, trade and commerce. • IDCO has established 86 industrial estates and areas all over the state. • The corporation is engaged in multiple activities that foster rapid industrialisation in the state by developing industrial infrastructure.

Key nodal agencies ... (2/4)

<p>Agricultural Promotion and Investment Corporation of Orissa limited (APICOL)</p>	<ul style="list-style-type: none"> • APICOL's aim is to strengthen the rural economy by providing financial support for promotion and development of agro-based and food-processing industries. • In 2007-08, the corporation promoted 57 agro and food-processing units with an aggregate investment of about US\$ 283,830. • APICOL provides subsidy to the agro and food-processing units in the state.
<p>Orissa State Financial Corporation (OSFC)</p>	<ul style="list-style-type: none"> • OSFC is a premier state-level financial institution that was established in 1956 to cater to the need of industrial development in the state. • It provides financial assistance to small and medium scale industries in consortium with state level financial institutions. • Besides, the corporation also receives financial assistance from State and Central Government, and provides soft loans and margin money for rehabilitation of sick industrial units.
<p>Orissa Pisciculture Development Corporation Limited (OPDC)</p>	<ul style="list-style-type: none"> • OPDC has launched a number of projects such as supplying fishnet, fuel and fish seeds for the economic development of fishermen.

Key nodal agencies ... (3/4)

<p>Directorate of Export Promotion & Marketing (DEPM)</p>	<ul style="list-style-type: none"> • DEPM has been set up to promote export of goods from Orissa and to provide marketing assistance to SSI units of the state. • It disseminates market intelligence, oversees enquiries related to tenders and trade from existing- and potential-exporters and entrepreneurs. • It provides guidance in export processing, pricing of export items and on different incentives for exports, granted by the Government of India.
<p>Orissa Small Industries Corporation (OSIC)</p>	<ul style="list-style-type: none"> • OSIC was established in April 1972, with main objective of aiding and assisting SSI units in the state for their sustained growth and development. • The corporation has been extending help for marketing support, financial assistance on purchase of raw materials, providing sub-contracting opportunities in the construction sectors and also rendering various other services to SSI units.
<p>The Orissa State Cooperative Handicrafts Corporation (OSCHC)</p>	<ul style="list-style-type: none"> • Established in 1956, OSCHC is the primary authority engaged in encouraging exporters, enlarging marketing opportunities, introducing new design and technology and strengthening the production base in the handicrafts sector.

Key nodal agencies ... (4/4)

Orissa State Electronics Development Corporation (OSED)	<ul style="list-style-type: none"> OSED was established in 1981 as the nodal organisation in the state for promotion of electronic industries, both, in hardware and software.
Grid Corporation of India Limited (GRIDCO)	<ul style="list-style-type: none"> GRIDCO is a Government of Orissa undertaking and was incorporated in April 1995 for power transmission. In 2005, GRIDCO's transmission-related activities were transferred to Orissa Power Transmission Corporation. Now, GRIDCO is a trading company and is involved in the bulk sale of power to the four power-distribution companies in Orissa. It also trades surplus power with neighboring states.
Orissa State Pollution Control Board (OSPCB)	<ul style="list-style-type: none"> OSPCB is responsible for managing the following: hazardous waste, bio-medical waste, municipal solid waste, recycled plastics, batteries as well as manufacture, storage and import of hazardous chemicals. Its functions are broadly, classified under areas such as, enforcement, advisory, monitoring, research and facilitation.

Contact list

Key agency	Contact information
Department of Industries	Killa Maidan, Cuttack-753 001 Phone: 91-0671-301 892 Fax: 91-0671-301 227 E-mail: diorissa@ori.nic.in Website: http://www.orissa.gov.in/industries/index.htm
Industrial Promotion and Investment Corporation of Orissa Limited (IPICOL)	IPICOL House, Janpath, Bhubaneswar, 751 022 Phone: 91-0674-2542 601 Fax: 91-0674-2543 766 E-mail: info@ipicolorissa.com Website: http://www.ipicolorissa.com/

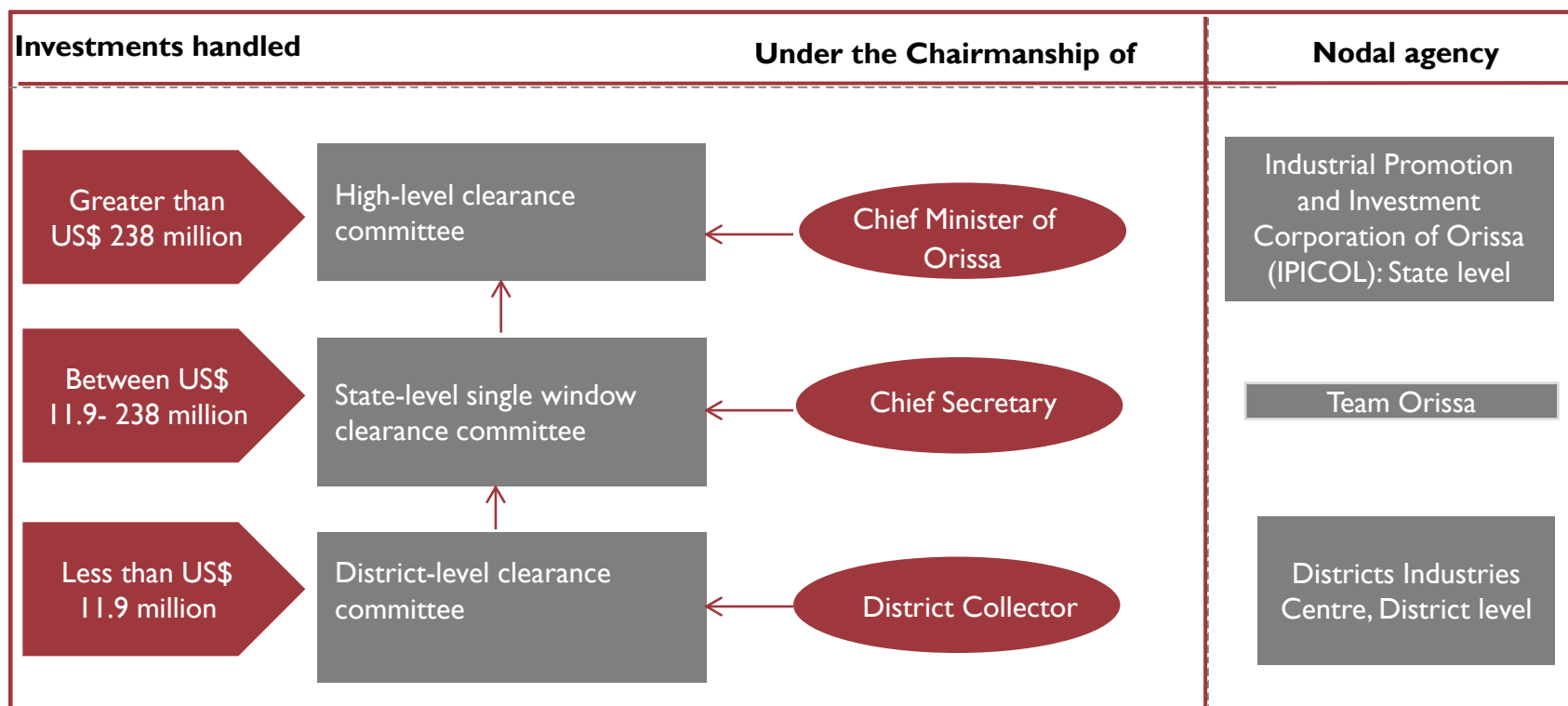
Cost of doing business in Orissa

Cost parameter	Cost estimate
Industrial land (per sq m)	US\$ 2 to US\$ 10
Office space rent (per sq ft per month)	US\$ 0.2 to US\$ 1.2
Residential rent (for a 2,000 sq ft house, per month)	US\$ 95 to US\$ 200
Five-star hotel room (per night)	US\$ 95 to US\$ 150
Power (per kWh)	Small and medium industries: US 7cents/kWh Large industries: US 7.8 cents/kWh
Labour cost (minimum wage per month)	US\$ 50 to US\$ 58

Source: Industry sources; Department of Industries and Department of Labour

Approval process ... (1/2)

Single-window clearance mechanism in Orissa



Approval process ... (2/2)

- The Government has enacted the Orissa Industries (Facilitation) Act, 2004, for implementing the single-window clearance system for faster and one-point clearance of industrial projects, single point dissemination of industrial project related information and streamlining inspection of industries by different agencies and authorities.
- The district-level single-window clearance authority works under the chairmanship of the District Collector for projects involving investment less than US\$ 11.9 million.
- The state-level single-window clearance authority is chaired by the Chief Secretary of the state for projects involving investment of US\$ 11.9 million or more, but less than US\$ 238 million.
- A high-level clearance authority chaired by the Chief Minister of Orissa examines and considers proposals for industrial and other projects involving investment of US\$ 238 million or above.

Annexure

Exchange rate

Year	INR equivalent of one US\$
2000	46.6
2001	48.3
2002	48.0
2003	45.6
2004	43.7
2005	45.2
2006	45.0
2007	42.0
2008	40.2
2009	46.0

Average for the year

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