

# The Odisha Gazette

EXTRAORDINARY  
PUBLISHED BY AUTHORITY

No. 293 CUTTACK, MONDAY, FEBRUARY 11, 2019/MAGHA 22, 1940

## HANDLOOMS, TEXTILES & HANDICRAFTS DEPARTMENT

### NOTIFICATION

The 7th February, 2019

#### **Subject: Odisha Handicrafts Policy-2019.**

No. 801–HTH-HC- 01/2019/HT&H.— Odisha has a rich cultural heritage and is endowed with traditional craft skills which have flourished over generations and exist today in the form of Handicrafts. A huge potential exists in the State for economic development in rural areas through self-employment and income generation by promoting handicrafts. Next to the handlooms sector, the handicrafts sector is the major source of livelihood in the non-farm sector. Promotion & sustenance of crafts is essential for the socio-economic development of the State and the people pursuing it.

2. Recognizing its potential and importance, the Government of Odisha have been pleased to declare a policy for handicrafts sector known as the “Odisha Handicrafts Policy, 2019”. The Policy aims to create a vibrant and sustainable handicrafts sector in the State with enhanced market share in the domestic and international market, improve the income and living standards of the handicraft artisans of the State, aspires to create income generating opportunities and to preserve the cultural heritage and unique identity of Odisha’s handicrafts.

3. The policy envisages adoption of a multipronged strategy to include promotion of entrepreneurship, credit linkage, provision of raw material, marketing, training, infrastructure, etc. to achieve the desired goals.

4. This has been approved by the State Cabinet in their 67th meeting held on the 29th January, 2019 as communicated by the Parliamentary Affairs Department in their Memo No.602, dated the 29th January,2019.

5. A copy of the Odisha Handicrafts Policy, 2019 is enclosed for wide publication.

#### **ORDER**

Ordered that the Notification be published in the next issue of Extraordinary Gazette of Odisha and copy thereof be forwarded to all Departments of Government/ all Heads of Departments/ Accountant General (A&E), Odisha, / all R.D.Cs./ all Collectors/ all DICs/RICs/Director, H&CI, Odisha, for information.

By Order of the Governor

SHUBHA SARMA

Commissioner-*cum*-Secretary to Government

## ODISHA HANDICRAFTS POLICY-2019

### 1.0 Introduction

- 1.1. Odisha the land of enchanting beauty is well known for its exquisite handicrafts. The State was known as “Utkal”, which meant land of art of highest degree. It has a rich tradition of handicrafts, unique in its characteristics that have evolved along with its art & sculpture, temple architecture, folk art, dance & music. The craftsmanship is singular for its technical perfection and artistic excellence. Having an ancient tradition of crafting splendid pieces of art by hands, Odia artists have long been presenting their awe inspiring master pieces to the world. Age has not withered the beauty and dynamic diversity of Odisha's traditional arts and crafts. Even today, despite the advent of modern technology and availability of cheap machine made products, the handicraft industry has not only survived but also flourished amidst stiff competition.
- 1.2. Almost each District of the State makes a rich contribution to the wide range of hand-crafted articles available. Each article is in a class by itself and is also a painstaking self-expression of the artisan and the local culture. As an industry it is highly labour intensive and decentralized, spread all over the State in rural and urban areas and has contributed significantly to the employment/ self-employment and GDP of the State. Moreover, many artisans are engaged in certain crafts work on a part-time basis. However, despite the large production base the domestic as well as export market still remains largely under-tapped.
- 1.3. A huge potential exists in the State for economic development in rural areas through self-employment and income generation by promoting handicrafts. Next to the handloom sector, the handicrafts sector is the major source of livelihood in the non-farm sector.
- 1.4. Based on assessment of the socio-economic status of the artisan, opportunities for income generation and market position, the handicrafts of Odisha, which are 50 in number (Detailed list at *Annexure-I*), may be broadly categorized under the following heads:
  - (a) **Popular Crafts** such as stone carving, wood carving, silver filigree work, applique work, pattachitra, palm leaf engraving, golden grass craft, wooden painted toys, sea-shell work, terracotta & clay toys, costume jewellery, dhokra casting, paper mache, cane and bamboo work and the like. These are called popular crafts because of their good market potential as a result of which they provide employment opportunities to a large number of artisans in the State.

(b) **Rare and Languishing Crafts**, crafts which are declining, some of which are on the verge of extinction. For example, the Jari work of Cuttack, solapith of Puri, Jaikhadi work of Parlakhemundi, cloth flower garlands of Tusra in Bolangir and Baleswar town, glass beads of Berhampur, theatrical dress making of Cuttack, Keora leaf work of Ganjam and Kendrapara, artistic footwear of Barang, paddy crafts of Koraput, Kalahandi and Bolangir, musical instruments of Koraput, Baragarh and Nawrangpur, lacquered toys of Nawrangpur, Bargarh's ritual toys, durry and carpet work of Bolangir, flexible brass fish of Ganjam, betelnut work of Aska and Berhampur and the like. There are very few artisans left now who practice these crafts and keep them alive. Craftsmen engaged in these crafts are not in a position to even earn subsistence level incomes due to various reasons such as poor market for the items, production of these items being done in a highly unorganized and isolated environment, etc.

**1.5.** The handicraft artisans in Odisha constitute a substantial part of the total workforce of the state in the manufacturing, processing, and servicing sector adding to the GDP of the State. The handicraft sector of the State also contributes to the direct export of handcrafted goods to foreign countries. The export oriented crafts of the state mostly consist of dhokra casting including brass and bell metal wares, stone carving, appliqué & patch work, silver filigree, natural fiber crafts, etc.

**1.6.** Despite its obvious strengths, the handicraft sector in the state suffers from several handicaps such as absence of adequate infrastructure, marketing network, credit support from financial institutions and entrepreneurship. The handicraft sector has also been adversely affected by the failure of the co-operative structure that had been painstakingly created in the 1950s and 1960s to support the sector. In brief, some of the challenges faced by the handicraft sector are as follows:

- Old production techniques leading to higher cost and resultant compromise in quality.
- Production Schedules not in synchronization with orders
- Product design and development not based on the market
- Non-availability of Raw Material of proper quality, standard and specifications
- Lack of standardization in pricing of the products
- Lack of Convergence of other government schemes
- Lack of capital (absence of access to credit especially for working capital requirements)

- Absence of adequate handicraft marketing outlets for direct marketing
- Difficulty to access urban markets.

## **2.0 Preamble**

Recognizing the importance of Handicraft Industries/ Enterprises/ Related Industries in providing self-employment opportunities to rural artisans particularly to women and the weaker sections of society and realizing the present constraints of the sector, lack of infrastructure and financial support and lack of entrepreneurship, the Odisha Handicrafts Policy is being enunciated. This policy has been framed after several rounds of discussion with various stake holders at different points of time.

## **3.0 Vision**

The Handicrafts Policy envisions sustainable development of the handicrafts sector with improved livelihood opportunities for artisans and shaping of the future generations by preserving the rich craft heritage of Odisha.

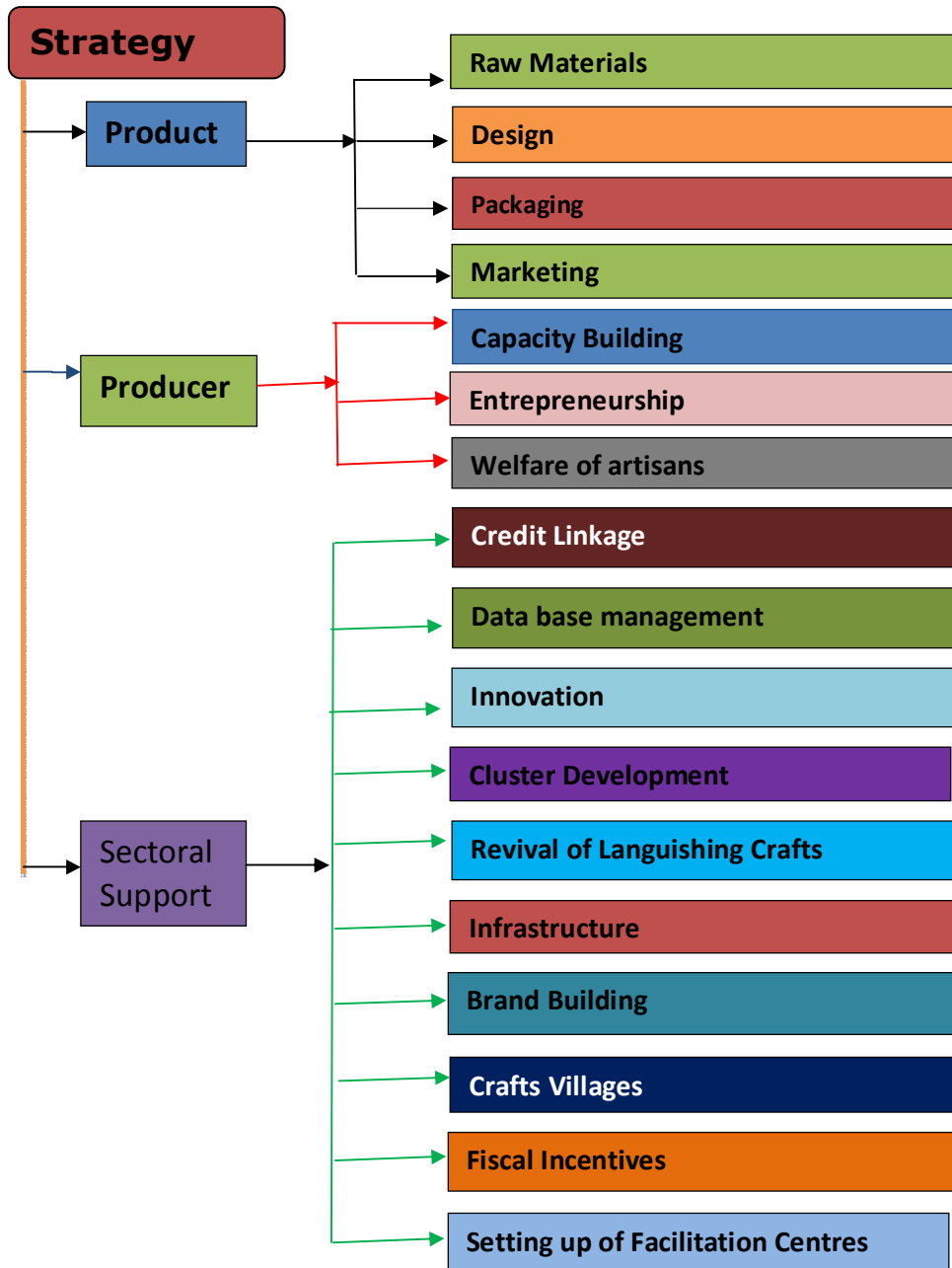
## **4.0 Objectives**

It aims to do so by achieving the following objectives:

- To empower handicraft artisans and make them lead partners in development.
- To focus on the welfare of artisans.
- To maximize income generating opportunities and attract new talent to the sector.
- Creation of necessary physical and human capital
- To enhance Odisha's share of exports of handicraft goods.
- To focus on revival of languishing crafts.
- To ensure preservation of craft heritage.
- To develop a Centre of Excellence at SIDAC

## **5.0 Strategy**

Since there are multi-faceted aspects to the development of the Handicrafts sector and the artisans, several parallel strategies would be simultaneously need to be implemented to focus on different aspects. Major strategies that are to be followed for achieving the objectives are:



## A. Product

### A1. Raw Materials

Shortage of Raw materials has been a major problem for artisans of the State. State Govt. shall continue its efforts to facilitate easy availability of raw materials required by the handicraft artisans of the State. This will be done through establishment of Raw Material Banks and adoption of innovative strategies for procurement of qualitative raw materials. Public Private Partnership will be encouraged for this purpose.

**A1.1. Forest based Raw materials**

Odisha State Forest Development Corporation Ltd./ Odisha Bamboo Development Agency/ Other agencies including Panchayats will facilitate supply of forest based raw materials such as bamboo, wood, Lac etc. at cost to the artisans/SHGs/ Co-operatives/ Entrepreneurs on recommendation of the appropriate Authority.

**A.1.2. Mineral based Raw materials**

OMC/ OSCHC Ltd./any other organization of Government of Odisha shall be granted mining lease for mining of suitable stones for handicrafts and to supply the same to artisans/SHGs/Co-operatives/ entrepreneurs /Handicraft Raw Material Banks involved in production/marketing of handicrafts on recommendation of the appropriate Authority.

**A.1.3. Reservation of stone quarries suitable for Handicrafts**

There are limited stones of different grades which are suitable for Stone Carving Craft. Quarries which are used by the artisans for making sculptures/statues shall be reserved for use of Govt. agencies. The latter will facilitate supply of stones to the artisans. This will have the dual benefit of ensuring supply of raw materials for the handicrafts sector and also prevent the over-exploitation of such quarries by industrial use.

**A.1.4. Establishment of Raw material Bank**

Financial assistance shall be provided to Govt. Agencies / private entrepreneurs to set up Raw material Banks in clusters or at strategic locations for the benefit of handicraft artisans.

**A2. Design**

Design Development should be encouraged across all crafts to ensure new products with a focus on utility items. Reputed designers shall be engaged on short/long term basis to conduct Design Development and Product Development programmes to develop market oriented/ life style/utility products, etc. Collaboration with reputed institutes working in this sector will be encouraged. Partnership with private entities would be entered into for crafting products with high marketability.

Similarly, financial assistance in shape of subsidy shall be provided to the units for mechanization and up-gradation of technology for mass production, standardization and quality control. Research & Development & Mix-media Application Centre will be set up in different parts of the state.

**A3. Packaging**

In order to ensure higher exports of Handicraft products, attractive, safe and eco-friendly packaging will be required. For this, collaboration with designers and institutes, both govt. and private entities, having expertise in the packaging segment will be explored. Financial assistance would be provided to the units set up for packaging purpose. Appropriate packaging to enhance the aesthetic value and market price of handicraft products to be encouraged for all products sold out in Handicraft outlets and to boost export.

## **A4. Marketing**

Sales statistics indicate that handicrafts have a larger market share in urban areas. Ironically, artisans have limited scope and capability to access urban markets. The support provided by the Government for marketing will be strengthened to increase the market share of handicrafts. A combination of hospitality and handicrafts will be developed so that all Govt. owned hospitality outlets will provide space for marketing handicrafts. Tourist Guides will be sensitized to bring tourists to handicraft markets. Similarly, craftsmen will be trained as guides to better handle the tourists. Timely delivery of orders and production of items as per seasonality are aspects that need to be looked into. Building marketing linkages, through public or private initiatives, in these areas will be done.

The scope for marketing of handicraft products will be extended by:

- organizing Exhibitions/Fairs, Buyer-Seller meets.
- enhancing quality standards and introducing testing and labeling facilities.
- Facilitating participation of artisans in different Exhibitions/ Fairs organized by other agencies at the national and international level.
- Developing Marketing tie-ups with OSCHC Ltd. and other marketing agencies as well as Corporates.
- Focusing on e-marketing and having partnerships with digital market places
- Taking up targeted marketing through partnerships with institutions and museums for design development, marketing, etc.
- Developing/ creating marketing infrastructure by Government as well as by private organization on PPP mode.
- Extending financial assistance to individual artisans, groups or cooperatives for opening sales outlets.
- Extending financial assistance for printing of product catalogues/ brochures to target orders for export/sales.
- Undertaking publicity for greater sale of handicraft products.

## **B. Producer**

### **B1. Capacity Building**

Capacity building is the basic requirement for continuance and development of any trade or craft. The present system of imparting training through various modes like institutional training programmes, advance training programmes, skill development training programmes etc. to create a new generation of crafts persons and also to enhance the skills of existing artisans shall be strengthened.

## **B2. Entrepreneurship**

### **B2.1. Enterprise Development**

Apart from the artisan or producer, entrepreneurs should be developed in this sector to take it forward at the national and international level. Enterprise Development is essential in order to increase the production base, self & wage employment, create a pan-India presence for Odisha's handicrafts and to boost exports. Entrepreneurs with aptitude and financial soundness shall be identified and groomed through capacity building trainings to set up handicraft enterprises. At the same time capacity building of the existing entrepreneurs/ key personnel of handicraft enterprises will also be taken up. Financial assistance for setting up handicraft units will be provided.

### **B2.2. Award to Handicrafts Enterprises/Entrepreneurs**

In order to encourage competition and efficiency amongst handicrafts enterprises, annual State Awards shall be given to the best Handicrafts Enterprises / Entrepreneurs in recognition to their contribution in terms of achieving highest turnover, highest export, highest employment, adoption of new technology, registration of patents, etc.

In addition, Design Development Awards to be emphasized from grass root level either at the district/ regional level or at State level each year.

### **B2.3. Craft Tourism**

Craft Tourism (Fusion of handicraft with tourism & culture) shall be treated as an enterprise to promote integrated craft centres at strategic locations with facilities like production, sales, demonstration etc. to attract tourists. Registration of handicraft enterprises shall be done as per the guidelines of Govt. of Odisha, MSME Development Act, 2006 of Government of India or any other act of Govt. of Odisha or Govt. of India from time to time or both. Additional incentives shall be provided to women/specially abled entrepreneurs over & above the IPR incentives.

## **B3. Welfare of Artisans**

Welfare and social security of the artisans is most vital for continuance of the traditional craft sector. The State Govt. will cover artisans of the State with various Social Security measures such as Life Insurance, Health Insurance, providing better environment for working, scholarship for children of artisans for pursuing higher studies, financial assistance for senior artisans, etc.

## **C. Sectoral Support**

### **C1. Credit Linkage**

Extending Margin Money Assistance to the handicraft artisans of the State for availing bank finance to set up their units/ enterprises shall be strengthened. Sanction & disbursement of loan to the entrepreneurs will be facilitated by the State Govt. New opportunities for providing credit will be explored.



## **C2. Data Base Management**

Data is important for formulation and effective implementation of different schemes for the development of any sector. Steps shall be taken for creating a data base for the handicrafts sector of Odisha.

### **C2.1. Survey of artisans**

Survey of artisans shall be taken up to develop data base of artisans with mapping of villages. It shall be regularly up-dated for better implementation of the policy programmes of the State.

### **C2.2. Issue of Photo Identity Cards**

All the artisans of the State will be issued with Photo Identity Cards to avail benefits of different schemes of Govt. of Odisha.

### **C2.3. Other Databases**

Other database like database of clusters, artisan organizations, MCMs, entrepreneurs, exporters, marketers, designers, packagers, buyers, machine suppliers, handicraft promoting agencies, raw material with their availability etc. will be developed. Craft documentation from raw material to final product & making may be done for each craft.

### **C2.4. Dedicated web-portal**

A dedicated web portal for online data entry & reporting to disseminate information and to allow on-line applications shall be developed.

## **C3. Innovation**

Handicrafts sector shall be encouraged to develop innovative products to enhance their competitiveness in terms of design, quality, productivity, cost, etc. For this purpose, collaboration with National institutions such as NID, NIFT and reputed entities in the private sector would be done.

## **C4. Cluster Development**

Government shall make concerted efforts to develop the existing craft clusters/ villages in the State as strong production bases through need based interventions *inter alia*, such as formation of SHGs/Co-operative of artisans for collective participation, capacity building of the artisans/artisan organizations, modernization of production process, design inputs, CFCs, raw material banks, credit linkage and marketing. Handholding support shall be provided for a minimum period of three years. New artisans can be added to the existing clusters by imparting skill training. Govt. Agencies/Cooperatives/ SHGs/ master craft persons/ entrepreneurs shall be assisted to play a catalytic role in development of the cluster.

## **C5. Revival of Languishing Crafts**

In order to revive the languishing crafts of the State, the HT&H Department shall take appropriate steps. Diagnostic studies shall be conducted to identify the bottlenecks and the

interventions required to revive the languishing crafts. Documentation and recording of this intangible heritage will be done. A State Level Committee will be constituted to closely monitor for revival of such crafts for sustainable development.

## **C6. Infrastructure**

Lack of infrastructure is the bottleneck for the development of handicrafts sector of the State. Proper infrastructure shall be developed in clusters and strategic locations by Government or on PPP mode to provide common facilities, marketing and other amenities. Wherever possible, convergence with existing schemes will be done.

### **C6.1. Development of SIDAC as “Centre of Excellence”**

The State Government has set up the State Institute for Development of Arts & Crafts (SIDAC) on 15th October, 2004 for development of the handicrafts sector. Over the years its activities involve managing State level training programmes, Design Development programmes, organizing National level Crafts Mela and the establishment and managing of the Odisha Crafts Museum etc. The infrastructural and manpower needs of SIDAC will be addressed to develop it as a “**Centre of Excellence**” at par with National level institutions.

### **C6.2. Infrastructure for Craft Schools**

District Level Training centres are located in different Districts of the State. Most of them are running in rented accommodation. Proper infrastructure facilities and adequate manpower like own building shall be provided for **the Govt. craft schools/ outreach training centres**. These will serve as links between the artisans and markets.

### **C6.3. Common Facility Centres in Clusters**

Common Facility Centres including common work-sheds, go-downs for processing of raw material, finishing of products, testing & quality control, packaging etc. shall be created in craft clusters. These CFCs shall also be provided with basic amenities like toilets & drinking water, rest houses etc.

### **C6.4. Handicrafts Park**

Handicraft parks shall be established in different parts of the State by Govt. or on PPP mode to develop and showcase the craft heritage of the State. Financial incentive, as decided by the Govt., will be provided to such parks which generate large scale, organised employment.

### **C6.5. Handicrafts Museum**

Handicrafts Museums shall be set up at strategic locations across the State to preserve the rich crafts heritage of the State, to create awareness amongst visitors and to develop as centres of tourism.

### **C6.6. Infrastructure for Marketing**

Infrastructure like handicraft malls, Urban Haats, Craft Centres, Souvenir Shops etc. at important tourist places shall be created by Government or on PPP mode for promotion of marketing.

### **C6.7. Land for Handicraft Project**

Government land shall be provided for establishment of Handicraft projects as per Govt. Policy. IDCO and Collector & District Magistrate may allot land for the purpose on priority basis. Where Government land is not available, private land shall be purchased as per Revenue Rules.

### **C6.8. Use of land of Defunct Panchayat Industries**

Land of defunct Panchayat Industries in strategic locations shall be transferred to Directorate of H&CI, Odisha for setting up of mini handicraft park/market complex/craft school etc.

### **C7. Brand Building**

Following measures shall be taken for enhancing the recall value of the handicrafts of Odisha.

- Creation of a Logo for Handicrafts of Odisha.
- G.I Registration of Crafts.
- Development and Printing of catalogues/ brochure/ audio-visual Documentation/ websites
- Advertisement through electronic and print & social media.
- Publicity hoardings shall be put up on Express Trains, Railway Stations, Airports, Market places & Tourist Centres at the State, National and International level.

### **C8. Craft Village**

#### **C8.1. Craft Heritage Village**

Handicraft is an integral part of our tradition, art and culture. Odisha is famous for its rich craft heritage. It is imperative to preserve the craft tradition for posterity. Important craft centres shall be declared as "Heritage Villages" on the lines of Raghurajpur, for focused development. Highly skilled artisans shall be involved for restoration of heritage sites with the help of organizations like ASI, INTACH etc. The Craft Villages will also be integrated with Kalagrama of Odia Language, Literature & Culture Department. The existing Urban Haats that were developed at Bhubaneswar (Ekamra Haat), Puri (Neelachal Haat) and Konark (Konark Haat) will be further developed through PPP as crafts tourist centres providing amenities for tourists such as eateries, accommodation, basic facilities etc. and also marketing opportunities for artisans.

#### **C8.2. Craft Village linked with Tourism**

There are many villages in the State where artisans of a particular craft live and practice their crafts for generations. With this concept, craft promotion and tourism can be taken up at a single location. Artisans live and work at the same place and thereby the artisans are provided with marketing opportunity & live demonstration. Such Craft Villages shall be developed with necessary infrastructure in association with Tourism and other Departments to promote craft and tourism together.

- Providing minimum common amenities to artisans of the village in the form of communication, roads, water and electricity etc.
- Popularise different crafts of Odisha among tourists thereby creating a market for handicrafts of the State both at the national and international level.
- Safeguarding the health of the artisans.
- Improving productivity.
- Skill development.
- Increasing livelihood of the artisans in a sustainable manner

### **C9. Fiscal Incentives**

Handicrafts Sector has been identified as a focus as well as a priority sector for the purpose of availing fiscal incentives under IPR-2015. The fiscal incentives provided under IPR-2015 and MSME Development Policy-2016 shall be made available to handicraft production units and developers of handicraft infrastructure projects as given in *Annexure-II* and *Annexure-III*.

These incentives will stand automatically revised with modification in the related policies, namely IPR-2015 and MSME Development Policy-2016.

The units/ enterprises may choose to avail a particular incentive under either this Policy or the MSME Development Policy or the IPR-2015.

### **C10. Setting up of Facilitation Cell**

**C10.1.** HT&H Department shall organize Road shows /Investors' Meets at strategic locations in order to promote handicraft sector. RICs/DICs shall similarly organize awareness programmes for artisans and entrepreneurs within their Districts.

**C10.2.** A Facilitation Cell shall be set up by recruiting talent from both within and outside government at State level /RICs/DICs to support entrepreneurs/ investors in Handicrafts Sector.

**C10.3.** An online mechanism for administration of incentives in a time bound manner will be adopted to ensure timely sanction and release of incentives.

### **6.0 Miscellaneous/General Provisions**

(a) This policy shall remain in force until substituted by another Policy. The State Government may at any time amend any provision of this policy.

(b) A special package of incentives over and above what has been enumerated in this Policy document may be considered for new projects/ schemes on a case to case basis taking into account the benefits to the State.

(c) Doubts relating to interpretation of any term and / or dispute relating to the operation of any provision under this policy shall have to be referred to the concerned Administrative Department, Government of Odisha for clarification / resolution and the decision of Government in this regard shall be final and binding on all concerned.

- (d) The Fiscal Incentives under IPR-2015 and MSME Development Policy-2016 will be governed for handicraft enterprises as per the Operational Guidelines issued/ will be issued from time to time.
- (e) For definitions of terms used in the Policy, **Annexure-IV** may be referred to.
- (f) No right or claim for any incentive under this policy shall be deemed to have been conferred merely on the ground of provision in this policy.
- (g) Implementation of various provisions covering the incentives, concessions etc. will be subject to the issue of detailed guidelines and concurrent notifications, wherever necessary in respect of each item by HT&H Department /concerned Administrative Department.

\*\*\*\*\*

**Approved List of Handicraft Industries (Recognized Crafts)**

1.	<i>Applique</i>	26	<i>Lacquer Work</i>
2.	<i>Art Leather</i>	27	<i>Metal Craft</i>
3.	<i>Art Textiles (Tie &amp; Dye)</i>	28	<i>Natural fiber craft</i>
4.	<i>Artificial Bonsai</i>	29	<i>Paddy Craft</i>
5.	<i>Artistic Foot-ware</i>	30	<i>Palm leaf Decorative</i>
6.	<i>Artistic Mat</i>	31	<i>Palm-leaf Engraving</i>
7.	<i>Batik Printing</i>	32	<i>Paper Mache</i>
8.	<i>Betel-nut craft</i>	33	<i>Patta&amp;Tasar Painting</i>
9.	<i>Brass and Bell Metal</i>	34	<i>Root Craft</i>
10.	<i>Cane and Bamboo</i>	35	<i>Sabai Grass Craft</i>
11.	<i>Clay Toys</i>	36	<i>Sea shell work</i>
12.	<i>Cloth Flower</i>	37	<i>Silver Filigree</i>
13.	<i>Coconut Shell</i>	38	<i>Soft Toys</i>
14.	<i>Coir Craft</i>	39	<i>Solapith</i>
15.	<i>Costume Jewellery</i>	40	<i>Stone Carving</i>
16.	<i>Dhokra Casting</i>	41	<i>Straw Craft</i>
17.	<i>Durry Carpet</i>	42	<i>Terracotta &amp; Pottery</i>
18.	<i>Embroidery</i>	43	<i>Theatrical Dress</i>
19.	<i>Gem Stone Processing</i>	44	<i>Tribal Jewellery</i>
20.	<i>Golden Grass</i>	45	<i>Wood Carving</i>
21.	<i>Gopa Craft</i>	46	<i>Wooden in-lay</i>
22.	<i>Horn Work</i>	47	<i>Wooden painted Toys</i>
23.	<i>Jaikhadi works</i>	48	<i>Woolen carpet weaving</i>
24.	<i>Jute Craft</i>	49	<i>Zari works</i>
25.	<i>Keora Leaf Product</i>	50	<i>Cloth Patchwork</i>

**FISCAL INCENTIVES FOR MSMEs (Handicrafts)  
AS AVAILABLE FOR THE PRIORITY SECTOR UNITS UNDER INDUSTRIAL POLICY  
RESOLUTION-2015**

1. LAND AT CONCESSIONAL RATE

- Ground rent @1% of the land value
2. EXEMPTION OF PREMIUM ON CONVERSION OF AGRICULTURAL LAND FOR INDUSTRIAL USE
- New Industrial units and existing industrial units taking up E/M/D

<b>Priority Sector</b>	100% up to 100 Acres & 50% for balance Area
------------------------	---

3. INTEREST SUBSIDY

- New MSME @ 5% per annum on term loan for Five years and same for Seven years for Industrially Backward Districts limiting to:

Micro Enterprise	Rs.10 lakh
Small Enterprise	Rs.20 lakh
Medium Enterprise	Rs.40 lakh

4. STAMP DUTY EXEMPTION

- No stamp duty for land allotted by the Government to IDCO or Govt./ IDCO to Private Industrial Estate Developers.

Transfer of land/ shed by Govt./ IDCO/ Private Industrial Estate Developers to new units and existing units acquiring fresh land for E / M / D	<b>Priority Sector</b>	100% of Stamp Duty
--	------------------------	--------------------

Stamp Duty exemption on transfer of management/ conversion to company/ reconstruction & amalgamation of Companies/ execution of loan deed/ credit deed/ hypothecation deeds.

5. ELECTRICAL ENERGY SUBSIDY

A	Exemption of Electricity Duty for 5 years	New MSMEs	Up to Contract demand of 500 KVA
		New units in the Priority Sector	Up to Contract demand of 5 MVA
B	One-time reimbursement of cost of Energy Audits for achieving energy efficiency up to		
Micro Enterprises-Rs.1 lakh	Small Enterprises-Rs.2 lakh	Medium Enterprises- Rs.3 lakh	

## 6. GST

GST reimbursement/exemption will be provided to the eligible unit as decided by Government from time to time.

## 7. EMPLOYMENT COST SUBSIDY- for employing skilled & semi-skilled workers of domicile of Odisha as regular employees

New & existing units taking up E/M/D in Micro & Small Sector	Male workers-75% of ESI & EPF contribution for 5 years
	Female workers-100% of ESI & EPF contribution for 5 years
New & existing units taking up E/M/D in Medium Sector	Male workers-50% of ESI & EPF contribution for 3 years
	Female workers-100% of ESI & EPF contribution for 3 years
New & existing units taking up E/M/D in MSME and Priority Sector-displaced for the establishment of the said industrial unit	100% of ESI & EPF contribution for 3 years
New & existing Industrial units undertaking E/M/D in MSME and Priority Sector-with Disabilities	100% of ESI & EPF contribution for 5 years
Employment Cost Subsidy- for additional period of 2 years for Industrially Backward Districts.	

## 8. PATENT REGISTRATION

New units and Existing units in MSME & Priority Sector taking up Expansion/ Modernization/ Diversification	100% of the registration cost limited to Rs. 10 lakh
--	--

## 9. QUALITY CERTIFICATION -& its renewal for next consecutive two years.

New and Existing units in MSME & Priority Sector taking up E/ M/ D	100% of quality certification charges limited to Rs.3 lakh
--	--

## 10. ASSISTANCE FOR TECHNICAL KNOW-HOW

New units in MSME & Priority Sector	Indigenous tech.	100% of cost up to Rs.1 lakh
	Imported tech.	100% of cost up to Rs.5 lakh

## 11. ENTREPRENEURSHIP DEVELOPMENT SUBSIDY

75% of course fee limited to Rs.50,000/- per course to budding entrepreneurs to undergo Management Development Training in reputed national level institutions.



**12. ENVIRONMENTAL PROTECTION INFRASTRUCTURE SUBSIDY**

*Rs.20 lakh or 20% of capital cost whichever is less for adopting Zero Effluent / ZLD & setting up Effluent Treatment Plants by MSMEs*

**13. CAPITAL GRANT TO SUPPORT QUALITY INFRASTRUCTURE**

<i>Industrial parks/ Cluster parks promoted by private sector/ Ind. Associations/ User units in cluster format</i>	<i>50% of the infrastructure cost up-to Rs.10 crore/ park or cluster</i>
<i>Up-gradation of the existing parks/ clusters provided the park/ estate/ cluster is User-managed</i>	<i>50% of total cost up-to Rs.5 crore</i>

**FISCAL INCENTIVES FOR HANDICRAFTS IN MSME DEVELOPMENT POLICY- 2016****1. Capital Investment Subsidy**

<i>Sl. No.</i>	<i>Category of Enterprise</i>	<i>Quantum of Assistance</i>
1	<i>New Micro &amp; Small Enterprises</i>	<i>@ 25% of capital investment made in Plant &amp; Machinery subject to an upper limit of Rs.1 crore only.</i>
2	<i>New Micro &amp; Small Enterprises owned by SC, ST, Differently abled, Women &amp; Technical (Degree/ Diploma) entrepreneurs</i>	<i>@ 30% of capital investment made in Plant &amp; Machinery subject to an upper limit of Rs.1.25 crore only.</i>
3	<i>New Micro &amp; Small Enterprises set up in industrially backward Districts including KBK Districts.</i>	<i>Additional capital investment subsidy @ 5% of investment made in Plant &amp; Machinery with an upper limit prescribed at Sl.1 &amp; 2 above as applicable.</i>

*Note: For the enterprises set up by SC/ ST/ Differently Abled/ women/ Technical Degree or Diploma holders, their stake in equity participation/ shareholding shall be 51% or more individually or jointly.*

**2. Trade Mark Assistance**

*New MSMEs shall be entitled for reimbursement of 50% of expenditure incurred in obtaining Trade Mark subject to maximum of Rs.25,000/-.*

**3. Any other incentives as applicable for handicraft enterprises under the above policy.**

### **Definitions & Interpretations**

For the purpose of this Handicrafts Policy, the various terms shall have the meanings assigned to them hereunder:

- 1) **Handicrafts:** “It must be predominantly made by hand. It does not matter if some machinery is also used in the process”.  
*“It must be graced with visual appeal in the nature or ornamentation on inlay work or some similar work lending it an element of artistic improvement. Such ornamentation must be of a sustainable nature and not a mere pretence”. (N.B.- Definition as given by the Hon’ble Supreme Court in the case of Collector of Excise, New Delhi vs Louis Shoppe)*
- 2) **Handicraft Artisan:** Any person engaged in/ practicing handicraft production as a primary/ pre-dominant source of his/ her livelihood.
- 3) **Handicraft enterprise:** Any enterprise exclusively engaged in production of handicrafts goods or marketing of handicraft goods. The Common Facility Centre (CFC) created for handicraft producers are included. It may be owned and managed by an artisan/entrepreneur/SHG/Co-operative Society/ Partnership firm or a Company.
- 4) **Handicraft entrepreneur:** Entrepreneurs having own handicraft enterprise or interested to set up own handicraft enterprise.
- 5) **Handicraft SHG:** Self Help Group formed by 10-20 handicraft artisans only.
- 6) **Handicraft Co-operative Society:** Co-operative Society formed by handicraft artisans only registered under Societies Registration Act 1962.
- 7) **Craft Village:** A craft village would be a village or group of contiguous villages within a radius of 3-5Kms. having at least 30 traditional artisans practicing the same/similar crafts.
- 8) **Cluster:** A cluster would be a village or group of contiguous villages within a radius of 5-10Kms. having at least 100 traditional artisans practicing the same/similar crafts.
- 9) **“Earlier” IPRs** means the applicable Industrial Policy Resolution
- 10) **“Effective Date”** means the date of notification of this Handicrafts Policy.
- 11) **“Existing Industrial Unit”** means an industrial unit that has commenced production before the effective date of this policy.
- 12) **“Fixed Capital Investment”** means investment in land, building, plant, machinery and balancing equipment.

- 13) *“Expansion/ Modernisation/ Diversification” (E/M/D) holds the same meaning as defined in IPR-2015.*
- 14) *“Priority Sector” means – handicraft enterprises as per **Annexure-I**.*
- 15) *“Raw material” means materials required by the unit that directly go into the composition of its finished goods.*
- 16) *For administration of incentives the handicraft enterprises shall file memorandum under MSME Development Act, 2006 any modification/ Amendment by Govt. of India/ Govt. of Odisha from time to time.*
- 17) *The handicraft enterprises have to file/ obtain EIN (Entrepreneurs Identification Number), UAM (Udyog Aadhar Memorandum) verified by the designated authority indicating the item of production, quantity & value and date of commercial production.*

\*\*\*\*\*