

OPERATIONAL GUIDELINES ON EMPLOYMENT COST SUBSIDY UNDER INDUSTRIAL POLICY RESOLUTION 2015.

(See Para 5.4.7 of IPR-2015)

1. **Short Title:** - Operational guidelines for providing Employment Cost Subsidy under Industrial Policy Resolution, 2015.
2. **Extent:** - It shall extend to the whole of the State of Odisha.
3. **Commencement:** - It shall come into force from the "Effective Date" of Industrial Policy Resolution, 2015 i. e. 24.08.2015.
4. **Terms and Expressions:** -Terms and expressions used in this operational guideline, but not specifically defined / explained here, shall have the same meaning as in Industrial Policy Resolution, 2015.
5. **Policy Provisions:-**

EMPLOYMENT COST SUBSIDY

- a) 75% reimbursement (in case of male workers) and 100% reimbursement (in case of female workers) of expenditure on account of contribution towards ESI and EPF Scheme for a period of **5 years from the date of commencement of production** for new Micro and Small Enterprises which employ skilled and semi-skilled workers who are domicile of the state as regular employees on payroll
- b) 50% reimbursement (in case of male workers) and 100% reimbursement (in case of female workers) of expenditure on account of contribution towards ESI and EPF Scheme for a period of **3 years from the date of commencement of production** for new Medium Enterprises which employ skilled and semi-skilled workers who are domicile of the state as regular employees on payroll.
- c) 100% reimbursement of expenditure on account of contribution towards ESI and EPF Scheme for a period of **3 years from the date of commencement of production** for new Industrial units in Micro, Small & Medium Enterprise and Priority Sector which employ skilled and semi-skilled workers who are domicile of the state and **have been displaced due to the establishment of the said Industrial Unit as regular employees** on payroll.
- d) 100% reimbursement of expenditure on account of contribution towards ESI and EPF Scheme for a period of **5 years from the date of commencement of production** for new Industrial units in Micro, Small & Medium Enterprise and Priority Sector which employ skilled and semi-skilled **workers with disabilities** who are domicile of the state as regular employees on payroll.

e) New Industrial units and Existing Industrial units in Micro, Small & Medium Enterprise and Priority Sector taking up **Expansion/ Modernization/ Diversification** which wish to avail the above incentives must employ people who are domicile of Odisha in the following ratio in vacancies in the following categories of jobs:

Unskilled and Semiskilled: - A minimum of 90% of total requirement

Skilled:- A minimum of 60% of total requirement

Supervisory& Managerial:- A minimum of 30% of total requirement

6. Eligibility:-Industrial units satisfying definition and criteria prescribed in policy provisions for Employment cost subsidy and fall under following category.

6.1 New Micro, Small & Medium Enterprises

6.2 Migrated industrial unit treated as new industrial unit under Micro Enterprise / Small Enterprise / Medium Enterprise.

6.3 Rehabilitated sick industrial unit treated at par with new industrial unit under Micro Enterprise / Small Enterprise / Medium Enterprise.

6.4 Industrial unit seized under Section 29 of the State Financial Corporation Act, 1951/ SARFAESI Act, 2002 and thereafter sold to a new entrepreneur on sale of assets basis and treated as new industrial unit for the purpose of this IPR under Micro Enterprise / Small Enterprise / Medium Enterprise.

6.5 New industrial unit under Micro Enterprise / Small Enterprise / Medium Enterprise / Large Industries in Priority Sector

6.6 Migrated industrial unit treated as new industrial unit under Micro Enterprise / Small Enterprise / Medium Enterprise / Large Industries in Priority Sector.

6.7 Rehabilitated sick industrial unit treated at par with new industrial unit under Micro Enterprise / Small Enterprise / Medium Enterprise / Large Industries in Priority sector.

6.8 Industrial unit seized under Section 29 of the State Financial Corporation Act, 1951/ SARFAESI Act, 2002 and thereafter sold to a new entrepreneur on sale of assets basis and treated as new industrial unit for the purpose of this IPR and comes under Priority Sector.

6.9 Pioneer Units under each Priority sector and also for extension of period of incentives for an **additional two years** over and above the limit specified, provided the unit has been in continuous production during the normal period of incentive.

6.10 Existing Micro, Small & Medium Enterprises taking up expansion / modernization / diversification as defined in IPR

6.11 Existing Micro enterprise / Small enterprise / Medium Enterprise / Large Industries in Priority Sector taking up expansion / modernization / diversification as defined in IPR