

# 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