

OPERATIONAL GUIDELINES ON REIMBURSEMENT OF EMPLOYMENT RATING BASED INCENTIVES UNDER INDUSTRIAL POLICY RESOLUTION 2015

(See Para 5.4.18-A, B & C of IPR-2015)

(To be reviewed after one year)

1. **Short Title:-** Operational guidelines for providing Employment Rating Based Incentives 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:** -
 - a) Investment means cost of Land, Building, Plant & Machinery, Other fixed assets and Electrical installations as per book value (Working capital is not considered).
 - b) Employment means both direct employment and contractual employment on the payroll of the company and contractual employment through service provider covered under EPF & ESIC and considered only for those domiciled in the State.
 - c) *Newly recruited means persons appointed within six months before the commencement of training and shall include school drop-outs, high school passed, diploma holders, ITI certificate holders, graduates of engineering and non-engineering streams, etc.* The potential trainees shall be provided "employable skills" with a focused job-oriented course preferably as per National Occupational Standards (NOS) developed by the Sector Skills Council (SSC) for each sector under the "Skill India" programme.
 - d) Existing Employees means the employees on the job roles of the Industrial units for more than one year who may need up-gradation of skills as per National Occupational Standards developed by the Sector Skills Council for each sector under the "Skill India" programme.
 - e) 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:-

To encourage employment intensive industries in Odisha in the **Priority Sector**, government shall offer special package of incentives to the industrial projects as outlined below.

Classification of Districts:

For the purpose of administering the incentives, the classification of districts is as follows:

Category	Districts
A	All other districts other than Category B
B	Industrially Backward Districts- Kalahandi, Nuapada, Bolangir, Subarnapur, Koraput, Malkangiri, Rayagada, Nawrangpur, Kandhamal, Gajapati and Mayurbhanj.

Classification of Industry:

S. No.	Category	Investment (Rs. Cr)	Minimum Employment (No.)
Category A			
1	A 1	>100	100
2	A 2	>200	200
3	A 3	>500	400
Category B			
1	B 1	>50	75
2	B 2	>100	100
3	B 3	>250	200

A. REIMBURSEMENT IN POWER TARIFF:

Reimbursement per unit for a period of **5 years from the date of commercial production** shall be provided.

The incentive will be subject to the guidelines of OERC (if applicable), as laid down from time to time.

B. REIMBURSEMENT OF TRAINING SUBSIDY:

For every person trained and newly recruited in the unit, the State government shall reimburse the training cost as mentioned below for a period of **three years from the date of commercial production**. The training subsidy shall be reimbursed **only once for each trainee** either for training of newly recruited trainee or for skill up-gradation.

This support shall not be available to those trainees who are availing State government support for similar training programs.

The incentives on power tariff and training subsidy are listed below;

S. No.	Rating	Investment (Rs. Cr)	Employment (No.)	Reimbursement of Power Tariff (Rs./ Unit)	Training Subsidy (Rs./ Person)	
					New	Skill Up-gradation
Category A						
1	A 1 - a	>100	100-150	0.25	2500	1750
	A 1 - b		151-300	0.35	2750	1900
	A 1 - c		301-500	0.45	3000	2100
	A 1 - d		>500	0.50	3300	2400
2	A 2 - a	>200	200-250	0.40	3000	2000
	A 2 - b		251-500	0.50	3250	2250
	A 2 - c		501-1000	0.60	3500	2500
	A 2 - d		>1000	0.75	3750	2750
3	A 3 - a	>500	400-500	0.55	3300	2300
	A 3 - b		501-1000	0.65	3600	2600
	A 3 - c		1001-1500	0.80	3800	2800
	A 3 - d		>1500	1.00	4000	3000
Category B						
1	B 1 - a	>50	75-100	0.30	2600	1750
	B 1 - b		101-200	0.40	2750	2000
	B 1 - c		201-300	0.50	3000	2250

	B 1 - d		>300	0.60	3300	2500
2	B 2 - a	>100	100-150	0.45	3000	2000
	B 2 - b		151-300	0.60	3250	2250
	B 2 - c		301-500	0.75	3500	2500
	B 2 - d		>500	1.00	3750	2750
3	B 3 - a	>250	200-250	0.65	3500	2300
	B 3 - b		201-500	0.80	3600	2650
	B 3 - c		501-750	1.10	3800	2800
	B 3 - d		>750	1.25	4000	3000

C. LAND FOR WORKERS HOSTELS:

In order to encourage retention and ensure security and safety of the workforce, the government shall incentivize the units by providing **land at 50% of the prevailing market rates of IDCO**. The land shall **only be utilized for setting up a workers hostel or dormitory and shall not be utilized for any other purpose**.

Sl. No.	Classification	No. of Acres
Category A		
1	A 1	1
2	A 2	2
3	A 3	3
Category B		
1	B 1	1
2	B 2	2
3	B 3	3

6. Eligibility:-Industrial units satisfying both investment and employment criteria prescribed in policy provisions (Para-5) in Priority Sector for Employment rating based incentives and fall under following category;

6.1 New Medium Enterprises & Large Industrial Units.

6.2 Migrated industrial unit treated as new industrial unit under Medium/ Large Sector.

6.3 Rehabilitated sick industrial unit treated at par with new industrial unit under Medium/ Large Sector.

6.4 Existing Medium Enterprises/ Large Industrial Units taking up expansion / modernization / diversification as defined in IPR.

6.5 The applicable incentive shall not be sanctioned & disbursed if the industrial unit is found closed / has gone out of production, in such a case, it shall be deferred and extended only upon satisfactory resumption of production.

7. Time frame for filing application: -

7.1 Reimbursement of Power Tariff:

Eligible Industrial unit after commencement of commercial production shall file application in the prescribed form for its claim within six months from the end of each financial year.

7.2 Reimbursement of Training Subsidy:

Eligible Industrial unit after commencement of Commercial production shall file application in the prescribed form for its claim within six months from the end of each financial year.

7.3 Land For Workers' Hostel(s):

- a) Eligible new industrial units shall file application for allocation of land for Workers Hostel(s) along with the layout plan of the hostels to be built through single window clearance authority.
- b) Existing unit undergoing expansion/ modernization/ diversification if required land for the purpose of Workers Hostel(s) shall file application for allocation of land along with the layout plan of the hostel to be built through single window clearance authority.

7.4 Application in the prescribed form received after the due date / incomplete in any respect shall be liable to be summarily rejected.

8. **Assessment of Investment:** Investment means investment in land, building, plant, machinery and balancing equipment. Further, balancing equipment generally means equipment required for de-bottlenecking the production process.

8.1.1 Land & Building: The land / land & building / building / shed shall be in the name of industrial unit / Company **represented through** its proprietor / partner(s) / Director (s) / share-holder (s) / Member (s). If ROR of the land is in joint possession and no clear-cut title deed is established in the name of the proponent, the said land may be leased out in favour of the industrial unit. If the land / land & building / building/ shed is ancestral or its title is represented by sale deed or other title deeds which are old, the market value (for the year of starting fixed capital investment) as assessed by Tahasildar under the appropriate rules of the Revenue & Disaster Management Department will be taken in to account. In other cases, the value of the land / land & building / building / shed as embodied in the sale deed (or) proportionately to the extent of need will be the cost for the purpose of assessment. The value of land / land & building / building / shed shall not be considered for the purpose of assessment on the following contingencies, if,

- It is held on registered lease from authorities **other than** government or IDCO and the lease period is less than 30 years,

- Rented or licensed and / or hired land / land & building / building / shed.

In no case the cost / premium paid towards conversion of land for industrial use shall be taken into account for the purpose of assessment.

8.1.2 Building constructed - For valuation of building constructed over the acquired land, the year of construction, the type of construction and the specification of the building, and the valuation certified by Chartered Civil Engineer for different type of construction will be taken into consideration.

8.1.3 The valuation of civil construction like factory building, godown, stores, office, R&D lab, testing lab, overhead tank, compound wall, gate, barbed wire fencing, well and civil works for the purpose of pollution control, energy conservation, installation of non-conventional energy equipment, power generation, transformer, gas plant, water treatment plant, rain water harvesting & charging etc shall be made as per the proforma prescribed at **Annexure-1**. If the land is leasehold through a registered deed for a period of more than 30 years, the value of building constructed over the said land to the extent of industrial use will be considered for assessment for the purpose of CIS. In case of IDCO shed, value of shed will be taken into account.

8.2 Plant & Machinery- The value of plant & machinery as erected at factory site shall be taken into account including the cost of productive equipment such as tools, jigs, dies, mould etc. Amount spent towards insurance premium and tax for procurement of such assets will also be taken into account. In case of imported machinery, import duty, shipping charges, custom clearance charges, VAT paid thereon will also be taken into consideration.

8.3 Balancing equipment- The investment made on the following items will be taken into account for assessment, namely;

- a) Generator set not less than 10 K.W., transformer and Captive power plant (certified by DISTCOMs / Electrical Inspector (T&D))
- b) Gas producing plant
- c) Water and waste Water treatment plant
- d) Pollution Control equipment (certified by State Pollution Control Board, Odisha)
- e) R & D equipment, Quality control & Lab equipment
- f) Energy conservation equipment (certified by GRIDCO / DISTCOMs / Electrical Inspector (T&D / approved consultant))
- g) Non-conventional Energy equipment
- h) Fire Fighting equipment / sensors for safety measures
- i) Storage tanks / Bins for storing of raw material / finished goods
- j) Empty Gas cylinders for re-use

8.4 Electrification & Installation-

8.4.1- The cost involved in electrification, wiring, installation of cables, bus bar, electrical panels (not mounted on individual machines), circuit breakers etc. which are necessarily to be used for providing electrical power for industrial use will be taken into account.

8.4.2- The cost involved in installation & erection of plant & machinery and balancing equipment etc. will be taken into account for assessment.

8.5- The detailed valuation of investment shall be made in the proforma prescribed at **Annexure-2**.

8.6- The valuation of fixed assets shall be supported with a certificate that the assets acquired by the industrial unit are **new**, the cost has been duly paid for, the assets are required in process of operation and are found to be in use / working in the premises of industrial unit.

9. Procedure: -

9.1 Reimbursement of Power Tariff:

9.1.1 Industrial units satisfying the eligibility shall file application in the prescribed form appended to this operational guideline at **Annexure -'A' (I & II)** along with copies of all relevant documents as mentioned in the Checklist at **Annexure -'B'** as per the following category;

- a) Medium Enterprises **in triplicate** with General Manager, RIC / DIC.
- b) Large Industries shall file application **in triplicate** with **Managing Director, IPICOL.**

9.1.2 Copies of the documents as indicated in the checklist shall be self – certified by Proprietor / Managing Partner / Managing Director / Authorized Signatory

9.1.3 On receipt of application, the acknowledgement as prescribed at **Annexure- 'C'** shall be dispatched to the applicant / applicant unit duly signed by the authorized officer / General Manager, RIC / DIC / IPICOL on the day of receipt. General Manager, RIC /DIC / Managing Director, IPICOL may authorize any of his officers for the purpose.

9.1.4 Application received for Power Tariff reimbursement and complete in all respect shall be examined by RIC /DIC / IPICOL and processed as below;

(a) In case of medium Enterprises, General Manager, RIC / DIC shall transmit one set of application **to Director of Industries, Odisha** within **7 days** of receipt of proposal along with his / her views as per **Annexure A-2** under intimation to the concerned unit.

(b) In case of Medium Enterprises, DI, Odisha shall assess the investment made **till the date of commencement of production** as per Format prescribed at Annexure-D within **10 days** of receipt of proposal from RIC / DIC. In case of Large Industries, IPICOL & DI shall jointly assess the investment made **till the date of commencement of production** & furnish report to DI, Odisha as per Format prescribed at Annexure-D within **10 days** of receipt of proposal under intimation to the concerned unit.

9.2. Reimbursement of Training Subsidy:

9.2.1 Basic course & training requirement

The proponent shall carry out the training program based on the Qualification Packs (QP) for each level of the job and the associated NOS developed by the SSC for each sector under the "Skill India" program. The list of the applicable SSCs for the sectors covered under the IPR-2105 is appended for reference. For skill up-gradation program for the existing employees, the proponent shall also follow the same framework under NOS for up-skilling activities. The proponent shall carry out the training process as outlined below:

- **Trainers:** The proponent shall engage a trainer who shall be provided with appropriate tools to successfully deliver the curriculum focusing on teaching pedagogy, soft skills as well as teaching techniques specifically related to the course content.
- **Content & Curriculum Development:** Content for each skills development course shall be sourced from the market through the SSCs to ensure quality and that the training is relevant to the specific job level and comprehensive. Special emphasis shall be laid on developing soft skills, which shall inter-alia cover, essential life skills such as hygiene, savings, workplace etiquette, group behaviour, communication. *In case, the content for a specific job role is not available with the SSCs, the proponent may develop his own curriculum which shall require the approval of the monitoring committee.*
- **Training Delivery:** Content shall be preferably delivered through a multimedia platform to ensure quality and consistency of delivery, interactivity and customization, if needed.
- **Training Infrastructure:** Appropriate training infrastructure for a minimum batch size as provided in National Occupational Standards (NOS) framework shall be created for training purposes comprising of
 - class rooms fitted with audio-visual infrastructure
 - practical training rooms with equipment/tools or demarcating a portion of the production line exclusively for training
- **Training Duration:** The training program shall be of a short duration as prescribed under the National Occupational Standards
- **Assessment & Certification:** The assessment framework including the process shall be in tune with the NOS Framework and shall comprise of on-going assessments and a final testing of skills. The proponent shall deploy accredited assessment bodies/certified auditors affiliated with each of the sector skills councils for assessment of the trainees. Successful trainees shall be provided a certification from SSCs after the assessment is carried out.

- 9.2.2 Industrial units** satisfying the eligibility shall intimate their training calendar preferably at the beginning of the year or at least 15 days before of starting of the training programme in case of the training programme matches the QP of NOS framework. In case the training programme does not match the QP and course content of NOS Framework, the industrial unit should design their own training programme with minimum qualification of the trainees, course content and course duration including class room and hands on training and will apply before 2 months of starting of the training programme to take prior approval of the monitoring committee before implementing the training programme.
- 9.2.3** After completion of the course, the industrial unit shall file application in the prescribed form appended to this operational guideline at **Annexure -'A' (I & III)** along with copies of all relevant documents as mentioned in the Checklist at **Annexure -'B'** as per the following category;
- Medium Enterprises **in triplicate** with General Manager, RIC / DIC.
 - Large Industries shall file application **in triplicate** with **Managing Director, IPICOL**.
- 9.2.4** Copies of the documents as indicated in the checklist shall be self – certified by Proprietor / Managing Partner / Managing Director / Authorized Signatory
- 9.2.5** On receipt of application, the acknowledgement as prescribed at **Annexure- 'C'** shall be dispatched to the applicant / applicant unit duly signed by the authorized officer / General Manager, RIC / DIC / IPICOL on the day of receipt. General Manager, RIC /DIC / Managing Director, IPICOL may authorize any of his officers for the purpose.
- 9.2.6** Application complete in all respect received for reimbursement of Training Subsidy shall be examined by RIC /DIC / IPICOL and processed as below;
- General Manager, RIC / DIC in case of medium Enterprises and CMD, IPICOL for Large Industries shall transmit one set of application **to Director of Industries, Odisha** within **7 days** of receipt of proposal.
 - On receipt of the proposal, the amount of subsidy shall be approved by the Monitoring Committee constituted with following members & mandate:

i)	Director of Industries	Chairman
ii)	Joint Director, DTET (I/c Skill Up-gradation)	Member
iii)	CGM/GM,IPICOL	Member
iv)	Joint Director, Industries	Member-Convener

- The Committee shall consider matchmaking the QP with that of NCO-2004 as per alignment criteria of NSDC. In case of matching of QP and course module, the Committee shall approve sanction of subsidy in favour of the industrial unit as per the provision.

- b) The cases of partial mismatch of QP, the Committee may advise the industrial unit to carry out suitable modification to align the course content with the QP.
- c) Committee may also refer the training requirement to NSDC for evolving QPs for the purpose.
- d) In case of mismatching or the QP, the committee may approve the course content, duration of the training and minimum qualification before implementation of the training programme by the industrial unit.

9.3 Land for Workers Hostels:

- a) The Facilitation Cell in RIC / DIC in case of / Medium Enterprise and in IPICOL in case of Large Industries shall process the application and advise IDCO for allotment of land if the project is approved by the respective Single Window authorities.
- b) IDCO shall make allotment of land in respect of building hostel for the workers.
- c) GM, IPICOL / GM, DIC/RIC shall also issue an eligibility certificate for submission to IDCO for availing incentive of 50% on the cost of land as in *Annexure-E*.

10. Sanction:-

- 10.1 Sanction for reimbursement of eligible amount of **Power Tariff Subsidy** may be accorded in favour of eligible Units in the format prescribed at Annexure –“F” by D.I. Odisha *within next 7 days*.
- 10.2 Sanction for reimbursement of eligible amount of **Training Subsidy** may be accorded in favour of eligible Units in the format prescribed at Annexure –“F” by D.I. Odisha *within 7 days* from the date of decision taken by the Committee.
- 10.3 DI, Odisha to ensure that the sanction for reimbursement of the subsidy should not take more than 30 days from the date of application by the industrial unit.

11. **Provision of Funds:-**Industries Department will make provision of funds in its annual budget to provide funds for **Power Tariff and Training Subsidy**. Subsidy on cost of land for Workers Hostel shall also be provided to IDCO against its claim out of annual budget of Industries Department.

12. **Disbursement:** -Disbursement of sanctioned amount for reimbursement of **Power Tariff and Training Subsidy** or part thereof shall be made by Director of Industries, Odisha in respect of Medium Enterprise & Large Industry within **5 days** of sanction **subject to availability of funds under the scheme**.

13. **Rejection:-** In case of rejection of application, the reasons of rejection shall be communicated to the applicant unit **within 25 days** of receipt of application from the claimant unit by the respective agencies in the format prescribed at Annexure – 'G'.

14. Recovery:-The amount disbursed towards reimbursement of **Power Tariff and Training Subsidy** and or any part thereof shall be recoverable with penal interest as decided by the authority on following events as per terms and conditions undertaken by the unit in the body of application form.

- (A) If the information furnished is found to be false/ incorrect / misleading or misrepresented and there has been suppression of facts / materials or disbursed in excess of the amount actually admissible for whatsoever reason.
- (B) If the industrial unit goes out of production for a period exceeding six months at a time for any reasons other than labour troubles, want of electric power or for the reason which is beyond the control of entrepreneur / management during the period of incentives.
- (C) If any part of Plant & machinery is disposed of and not reported which affects the maximum limit reimbursement during the period of incentives.

15. Miscellaneous:-

15.1 Application for Condonation of implementation delay shall be dealt separately. The General Manager, RIC / DIC in case of Medium Enterprises and Managing Director, IPICOL shall forward the request made by the entrepreneur for condonation of delay with justification to the Director of Industries, Odisha who shall examine and recommend to Industries Department as applicable for placement of the same in the Empowered Committee for consideration

15.2 Industrial Unit shall furnish its audited financial statements and other periodical statements of each financial year to the RIC / DIC / IPICOL / D. I., Odisha during the period of incentives.

15.3 Any change in facts or circumstances affecting the eligibility of the unit shall be intimated immediately to the RIC/ DIC/ IPICOL / Directorate of Industries, Odisha by the unit.

15.4 Time limit prescribed in this guideline is of working days only.

16. This has been concurred in by Finance Department vide their UOR No. 127-ES-II/F, dated 27.08.2015.

GOVERNMENT OF ODISHA
INDUSTRIES DEPARTMENT

Memo No 5935 /I., Bhubaneswar, dated 2/9/2015
XIV-HI-42/2015

Copy forwarded to All Departments/ All Heads of Departments/ All PSUs/ All Revenue Divisional Commissioners/ All Collectors/ All DICs/ All RICs/ Head, State Portal Group, IT Centre, Secretariat, Bhubaneswar/ All Sections of Industries Department/ Guard File (5 copies) for information and necessary action.


Joint Secretary to Government

PROFORMA FOR VALUATION OF CIVIL CONSTRUCTIONS

(See Clause- 8.1.3)

1	Name & address of the Unit	:				
2	Name of the Proprietor / Managing Partner / Managing Director / Director	:				
3	Location of the Unit	:				
4	Land particulars over which civil construction made	:	Mouza			
			Khata No			
			Plot No			
			Total area			
			Area used			
5	Period of Construction	:	Year of Starting	Year of Completion		
6	Date of Valuation	:				
7	Name & designation of Inspecting Officer(s)		1. -			
			2. -			
			3. -			
8	Name of the Proprietor / Mg Partner / Mg Director / Director / Authorized person / Representative of the unit present during valuation with his signature		Name-			
			Signature & date.			
9	Type of Construction					
Sl	Items		Floor	Wall	Roof	Truss
			Concrete / AS / chequered tile / others	(Brick or stone in cement, lime or tile mud mortar)	(RCC / CI / AC)	(Steel / Wooden)
a	Factory					
b	Godown					
c	Office					
d	R & D Lab / Testing Lab					
e	Civil constructions for pollution control, energy conservation, installation of non-conventional energy equipment, power generation, transformer, gas plant, water/waste water treatment plant, rain water harvesting & charging etc					
f	Store					
g	Well (Bore well / Open well)					
h	Overhead Tank (RCC / Brick)					
i	Compound Wall / Gate / Barbed					
j	Wire Fencing					

10	Description of Building Constructed			
A	Items	Plinth (L x B)	Plinth area rate of complete building in Rs./sq. ft as per approved norms of OSFC	Valuation (Rs.)
a	Factory			
b	Godown			
c	Office			
d	R & D Lab / Testing Lab			
e	Civil constructions for pollution control, energy conservation, installation of non-conventional energy equipment, power generation, transformer, gas plant, water treatment plant, rain water harvesting & charging etc			
f	Store			
g	Well (Bore well / Open well)			
h	Overhead Tank (RCC / Brick)			
i	Compound Wall / Gate / Barbed			
j	Wire Fencing			
			Total	
B	Type of Pillars (If this is a framed structure or open type building – indicate whether pillars are with RCC / Brick / Wood / Steel)			

Certified that the assets as valued above were verified during my / our inspection on date _____ and are actually needed for the industry.

Signature of Officers of IPICOL & DI / DI	
Date-	Date-

- N.B:
1. For items not applicable, give 'X'.
 2. In all cases insist for a Plan (approved plan if located in Urban area)
 3. While making valuation of the civil construction, the period of construction should be indicated.