

**GOVERNMENT OF ODISHA
INDUSTRIES DEPARTMENT**

RESOLUTION

No. 3068 /I., Bhubaneswar, Dated 29/4/2024
IND-HI2-GUID-0001-2022

**OPERATIONAL GUIDELINES ON EMPLOYMENT SUBSIDY UNDER INDUSTRIAL
POLICY RESOLUTION 2022**

(See Para 4.5.5 of IPR-2022)

1. **Short Title:** Operational guidelines for providing Employment Subsidy under Industrial Policy Resolution, 2022.
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, 2022 i. e. 01.12.2022.
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, 2022.
5. **Policy Provisions:**

EMPLOYMENT SUBSIDY

a. Priority Sectors

New industrial units in the Priority Sectors shall be eligible for 100% reimbursement of the employer's contribution towards ESI and EPF Scheme for a period of 5 years from the date of commencement of commercial production for skilled and semi-skilled workers, who are domicile of the state.

b. Thrust Sectors

New industrial units in the Thrust Sectors shall be eligible for 100% reimbursement of employer contribution towards ESI and EPF Scheme for a period of 7 years from the date of commencement of commercial production for skilled and semi-skilled workers, who are domicile of the State.

6. **Eligibility:** -Industrial units satisfying definition and criteria prescribed in policy provisions for Employment cost subsidy and fall under following category.
 - a. New MSME or Large Industries under Thrust /Priority Sector as defined in this IPR
 - b. Migrated industrial unit treated as new industrial unit under Thrust/Priority Sector.
 - c. Existing MSME or Large Industries under Thrust / Priority Sector of this Policy taking up expansion / modernization / diversification as defined in IPR

- d. Employment means both direct employment, 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.**
- e. However, defaulters of Banks / Development Financial Institutions / SIDBI / OSFC / IPICOL / Government and Government controlled agencies will be eligible for such incentives only after they clear the dues.
- f. Industrial unit that has availed this incentive, Employment Cost Subsidy in any manner under any other scheme of the State Govt. or the Central Govt. or any Financial Institution(s), it shall be eligible for the **differential** amount of benefit only.
- g. The applicable incentive shall not be sanctioned & disbursed if the industrial unit is found closed / has gone out of production. It may be deferred and effected on satisfactory resumption of production.

7. Time frame for filing application: -

- 7.1 Eligible Industrial unit after commencement of production shall file application in the prescribed form for its period of claim within **10 (ten)** months from the end of each financial year.
- 7.2 Application in the prescribed form received after the due date / incomplete in any respect shall be liable to be summarily rejected.
- 7.3 Condonation of delay in implementation/ submission of claim shall be considered by Empowered Committee as per the provision in IPR 2022.

8. Procedure: -

8.1 Industrial unit satisfying the eligibility shall file application in the prescribed form appended to this operational guideline at Annexure -'A' separately for ESI & EPF along with copies of all relevant documents as mentioned in the Checklist at Annexure -'B' self-attested by Proprietor / Managing Partner / Managing Director / Authorized Signatory before the General Manager concerned DIC in case of MSMEs and before MD, IPICOL in case of Large Industries.

Application for reimbursement of the benefit for subsequent years, after 1st year / initial year of claim, during the eligible period shall accompany with the documents & valid statutory clearances / approvals only related to the year of claim.

The application with requisite documents shall be filed in duplicate for MSMEs and Triplicate in case of Large Industries.

8.2 On receipt of application, the acknowledgement as prescribed at Annexure- 'C' shall be issued to the applicant duly signed by the authorized officer / General Manager, DIC / MD,

IPICOL on the day of receipt. The General Manager, DIC may authorize any of his officers for the purpose.

8.3 After receipt of the application from the industrial unit, **DIC/ MD, IPICOL** will check the eligibility and veracity of facts concerning the claim and transmit one set of application with relevant documents indicating the date of production to the concerned authorities of ESI & EPF of the region within **3 days** from the date of receipt of application, who shall then furnish the certificate on amount of Employers contribution paid towards ESI & EPF for the period of claim in the format as at **Annexure – D** under intimation to the concerned unit.

8.4 At the same time (within 3 days as mentioned above), MD, IPICOL shall forward one set of application of Large Industries to the Director of Industries, Odisha for processing under intimation to the concerned unit.

8.5 The concerned authorities of ESI & EPF have to furnish the certificate as per the prescribed format at **Annexure- D** within next **15 days** from the date of receipt of application and relevant documents from DIC/MD, IPICOL to DIC in case of Micro, Small & Medium Industries and to Director of Industries, Odisha in case of Large Industries under intimation to the concerned unit / IPICOL.

8.6 Within 15 days as mentioned above, if felt necessary / required, the industrial unit may be checked jointly by –

- (A) General Manager, DIC & ESI / EPF authority – for Micro, Small & Medium Enterprises
- (B) Director of Industries, Odisha/ IPICOL & ESI / EPF authority - for Large Industries.

9. Sanction

9.1 Sanction of eligible amount of assistance against contribution towards ESI and EPF shall be accorded in the prescribed format at **Annexure- E**, if found eligible and suitable within 7 days of receipt of Certificate in prescribed format (Annexure-D) from concerned authorities of ESI & EPF, by the below mentioned authorities.

- (A) Micro Enterprise / Small Enterprise/ Medium Enterprises by the General Manager, DIC.
- (B) Large Industries by Director of Industries, Odisha.

10. Disbursement-

Disbursement of sanctioned amount in full or part thereof shall be made by concerned authorities, as mentioned below, within 5 days of sanction subject to availability of funds under the Scheme.

- (A) All eligible Micro Enterprise & Small Enterprises by the General Manager, DIC.
- (B) All eligible Medium Enterprises & Large Industries by Director of Industries, Odisha.

After receipt of communication from GM, DIC/DI, Odisha Industries Department will place necessary funds to DI, Odisha for disbursement.

11. Rejection-

In case of rejection of application, the reasons of rejection shall be communicated by the respective agencies to the applicant unit as early as possible or within **25 days** of receipt of application from the claimant unit in the format prescribed at **Annexure – 'F'**.

12. Miscellaneous: -

12.1 The DIC / IPICOL / Directorate of Industries, Odisha/ ESI / EPF jointly may inspect the industrial unit, if felt necessary with due approval of Government.


12.2 The Industrial Unit shall furnish its audited financial statements and other periodical statements of each financial year to the DIC / IPICOL / Directorate of Industries, Odisha during the period of incentives.

12.3 The Industrial Unit that has availed incentive under Employment cost Subsidy will not be allowed to shift location of the industry without prior approval of IPICOL / Director of Industries, Odisha.

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

13. The views of Finance Department in this regard have been obtained vide their OSWAS File No. FIN-ES2-MISC-0002-2023 and these Operational Guidelines have been concurred by Labour Directorate, Odisha.

By order of the Governor




Principal Secretary to Government
Industries Department

Memo No. 3067 /I., Bhubaneswar, dated 29/4/2024

Copy forwarded to All Departments/ All Heads of Departments / All Revenue Divisional Commissioners/ All Collectors/ All DICs/ All Sections of Industries Department (except HI-II Section and IMU Section)/ Guard File for information & necessary action.

Special Secretary to Government.



Memo No. 3068 /I., Bhubaneswar, dated 29/4/2024

Copy forwarded to the Managing Director, IDCO/ Managing Director, IPICOL/ Managing Director, Odisha Film Development Corporation/ Director of Industries, Odisha for kind information & necessary action.


Special Secretary to Government.
29.04.2024

Memo No. 3069 /I., Bhubaneswar, dated 29/4/2024

Copy forwarded to IMU Section, Industries Department for information & necessary action with a request to upload the Resolution in the website of Industries Department.


Special Secretary to Government.
29.04.2024

**APPLICATION FOR
SANCTION & DISBURSEMENT OF EMPLOYMENT COST SUBSIDY UNDER IPR2022**

(To be filed by Micro, Small & Medium Enterprises in duplicate /in triplicate by large Enterprises).

*Application received after the due date / incomplete in any respect shall be liable for rejection
(Strike out whichever is not applicable)*

M/s. _____

At /Po _____

Sub-Division _____

Dist. _____

(Location of the Industrial Unit)

To

The General Manager,

District Industries Centre, _____

The Managing Director, IPICOL, Bhubaneswar

Sub: Sanction & disbursement of Employment Cost Subsidy under Industrial Policy Resolution - 2022.
Sir,

In accordance with the provisions laid down in Industrial Policy Resolution 2022 and operational guidelines, the claim for of Employment Cost Subsidy is submitted herewith for the period ----- with following particulars.

1	New MSME/Large Industries in Thrust / Priority Sector / Migrated industrial unit in Thrust / Priority Sector treated as new industrial unit / Existing Micro enterprise / Small enterprise /Medium Enterprise / Large Industries in Priority or Thrust Sector taking up expansion / modernization / diversification as defined in IPR	:			
2	Address of Registered office	:			
3	Type of organization (Proprietorship / Partnership / Co-operative / Private Limited / Public Limited)	:			
4	Name of Proprietor / Managing Partner / Managing Director / Authorized Signatory	:			
5	Production Certificate / IEM / I L No. and date/ PEAL approval letter No. date	:			
6	Name of the Financial Institution / Banks extended Term loan / Working capital loan (Specify the amount & date of sanction)	:			
7	Items of manufacture / activity	:	Original		
			Item (s)	Quantity	Value
			After expansion / modernization / diversification		
	Item	Quantity	Value		
8	Date of commencement of production	:	Original-		
			E / M/ D-		
	Date of first fixed capital investment i.e., land / building /	:	Original-		

9	plant & machinery and balancing equipment.		E / M/ D-
10	Investment in Plant & machinery	:	Original E /M /D
11	Employers' Registration No & Date with ESI / EPF authority		
12	Employment in Pay Roll (Total)	:	
	Employees	Numbers	
	Semiskilled		
	Skilled		
	Total		
13	Details of Employers contribution paid towards ESI / EPF for the claim of period (In Rs.) Dt----- to Dt-----	Semiskilled	
		Skilled	
		Total	
14	Amount of Claim / Differential amount of claim	:	
15	Bank Name & Account No.	:	
16	IFSC code & MICR code of the bank	:	

I, Sri _____ s/o _____ at present _____ (designation) of M/S _____ (name of the industrial unit) certify that the information furnished as above is true and correct to the best of my knowledge and belief.

I hereby undertake to abide by the terms and conditions prescribed under the provisions of Industrial Policy Resolution, 2022 and its operational guidelines.

I hereby undertake to repay the employment subsidy or any part thereof with penal interest as decided by the authority-

- (i) If the information stated above is found to be false/ incorrect / misleading or misrepresented and there has been suppression of facts / materials or if found to have been disbursed in excess of the amount actually admissible for whatsoever reason.
- (ii) 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.

I hereby certify that I / We / the concerned promoter(s) have not defaulted to Banks / Development Financial Institutions / SIDBI / OSFC / IPICOL / Government and Government controlled agencies.

I hereby certify that this industrial unit has not applied / availed Employment Cost Subsidy in any manner under any other scheme of the State Govt. or the Central Govt. or any Financial Institution(s).

I hereby undertake to furnish its audited financial statements and other periodical statements of each financial year to the DIC / IPICOL / Directorate of Industries, Odisha during the period of incentives.

Copies of relevant documents in support of information / facts furnished above are self-attested and enclosed herewith.

Signature of Proprietor / Managing Partner/
Managing Director / Authorized Signatory
in full and on behalf of M/s-----

Place-
Date-
Enclosure.

- 1.
- 2.
- 3.

CHECK LIST

Copies of documents to be attached with the application shall be self-attested by Proprietor / Managing Partner/Managing Director / Authorized Signatory
(Strike out whichever is not applicable)

1	Production Certificate / IEM & UAM / Industrial License/ PEAL approval letter
2	Power of Attorney / Board Resolution / Society Resolution, as applicable, while signing as Partner / Managing Director / Authorized Signatory.
3	Certificate of registration under Indian Partnership Act1932 / Societies Registration Act- 1860 / Certificate of incorporation (Memorandum of association & Article of Association) under Company Act-1956
4	Certificate of Priority Sector / Thrust Sector / Migrated industrial unit treated as new industrial unit issued by Director of Industries, Odisha
5	Document(s) in support of categorisation in Thrust/Priority Sector and eligible for this incentive.
6	Document(s) in support of Industrial unit seized under Section 29 of the State Financial Corporation Act,1951/ SARFAESI Act, 2002 / under the provision of IBC of India,2016 or any applicable provisions of law and thereafter sold to a new entrepreneur on sale of assets basis and treated as new industrial unit for the purpose of this IPR
7	Appraisal & approval documents in support of E/M/D as defined in IPR
8	Certificate on Date of Commence of production/ undertaking if applied for Production Certificate.
9	Documents in support of payment of Employers contribution towards ESI / EPF for the claim period (in case of state domicile employees only)
10	Undertaking – Annexure- B1 (In a separate sheet duly signed by the Proprietor / Managing Partner/ Managing Director / Authorized Signatory)
11	Consent to operate issued by OSPCB for the period of claim,
12	Details of assistance sanctioned / availed so far with sanction order no & date and other supporting documents from State Govt / Central Govt / Govt. Agencies / Financial Institutions

UNDERTAKING

(Strikeout whichever is not applicable)

- i) I / We shall abide by the terms and conditions prescribed under the provisions of Industrial Policy Resolution, 2022 and its operational guidelines.
 - ii) I / We shall repay the Employment Cost Subsidy or any part thereof with penal interest as decided by the authority-
 - (a) If the information stated in the application & supporting documents is found to be false/ incorrect / misleading or mis-represented and there has been suppression of facts / materials or if found to have been 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.
 - iii) I / we the promoter(s) have not defaulted to Banks / Development Financial Institutions / SIDBI / OSFC / IPICOL / Government and Government controlled agencies.
 - iv) This industrial unit has not applied / availed Employment Cost Subsidy in any manner under any other scheme of the State Govt. or the Central Govt. or any Financial Institution(s).
- I / we shall furnish its audited financial statements and other periodical statements of each financial year to the DIC / IPICOL/ Directorate of Industries, Odisha during the period of incentives

Signature of Proprietor / Managing Partner/
Managing Director / Authorized Signatory
in full and on behalf of M/s-----

Date.

**Annexure –C
(FOR OFFICE USE)**

OFFICE OF THE GENERAL MANAGER, DIC----- / IPICOL

Letter No.----- / Date-----

Acknowledgement

(To be issued by authorized officer / General Manager, DIC /MD, IPICOL on the day of receipt)

(Strike out whichever is not applicable)

To

Sri _____

M/s. _____

Received the application for sanction & disbursement of Employment Cost Subsidy under Industrial Policy Resolution, 2022 along with documents mentioned below for the period----- from M/s----- At/PO-----Dist. _____ on dt. --
----- through post / person.

List of documents

- 1.
- 2.
- 3.

Signature of authorized officer / **MD, IPICOL**
General Manager, DIC----
with seal & date-----

Annexure –C

(TO BE DISPATCHED TO THE APPLICANT)

OFFICE OF THE GENERAL MANAGER, DIC----- / IPICOL

Letter No.----- / Date-----

Acknowledgement

(To be issued by authorized officer / General Manager, DIC/ **MD, IPICOL** on the day of receipt)

(Strike out whichever is not applicable)

To

Sri _____

M/s. _____

Received the application for sanction & disbursement of Employment Cost Subsidy under Industrial Policy Resolution, 2022 along with documents mentioned below for the period----- from M/s----- At/PO-----Dist.
_____ on dt. ----- through post / person.

List of documents

- 1.
- 2.
- 3.

Signature of authorized officer/ **MD, IPICOL** / General Manager, DIC----
with seal & date-----

Annexure-D

EMPLOYMENT COST SUBSIDY UNDER IPR-2022

(For 1st / 2nd / 3rd / 4th / 5th / 6th / 7th year of claim)

CERTIFICATE TO BE FURNISHED BY THE ESI / EPF AUTHORITY.

(Strike out whichever is not applicable)

Certified that M/s. _____, Proprietor / Managing Partner / Managing Director / Authorized Signatory Sri _____ At/PO _____ Dist. _____ (Address of the Registered office of the unit) has been registered with ESI / EPF authority bearing No ----- Dt-----

Further it is certified that the above unit has already paid Rs. _____ (in words) _____ towards Employer's contribution for ESI / EPF due against the period of claim i. e. Dt ___ to Dt. _____ and the unit has not defaulted in payment of his dues.

The details of Employers contribution paid towards ESI / EPF by the industrial unit from the date of commencement of production i.e., Dt----- are –

Details of Employers contribution paid towards ESI / EPF for the claim of period (In Rs.) Dt----- to Dt-----			
		Amount Due	Amount paid
1	Total		

Signature & Seal of ESI / EPF Authority

Copy to-

Director Industries, Odisha, Cuttack

Copy to

GM DIC /MD IPICOL

OFFICE OF THE GENERAL MANAGER, RIC / DIC-----
OFFICE OF THE DIRECTOR OF INDUSTRIES, ODISHA, CUTTACK

(Strike out whichever is not applicable)

SANCTION ORDER

Office order No. _____ dt. _____

Sanction is hereby accorded for payment of Employment Cost Subsidy on Employers contribution for ESI / EPF paid for the period----- (i.e starting from the date of commencement of production to the end of the first financial year / 2nd. financial year / 3rd. financial year / 4th. financial year / 5th. financial year / 1st. April of 6th financial year to the end of completion of 5 years of production / 6th financial year / 7th, financial year / 1st. April of 8th financial year to the end of completion of 7 years of production (ie additional period in case of Pioneer Unit) for Rs. _____ (Rupees _____) only in favour of M/s. _____ Proprietor / Managing Partner / Managing Director / Authorized Signatory Sri _____ At / PO _____ Dist. _____ (Address of the Registered office of the unit)in accordance with the provisions laid down in Industrial Policy Resolution 2022 and its operational guidelines.

This Sanction is towards differential amount of assistance as prescribed in IPR- 2022.

The captioned industrial unit is a New / Migrated industrial unit treated as new industrial unit/ Existing Industries/new unit taking up expansion / modernization / diversification as defined in IPR under Trust / Priority Sector unit as defined in IPR 2022.

General Manager, DIC ___ /
Director of Industries, Odisha.

Memo No. _____/Ind., dt. _____

Copy forwarded to M/s. _____ Proprietor / Managing Partner / Managing Director / Authorized Signatory Sri _____ At/PO _____ Dist. _____ for information.

General Manager, DIC ___ /
Director of Industries, Odisha.

Memo No. _____/dt. _____

Copy forwarded to the Director of Industries, Odisha / Managing Director, IPICOL / General Manager, DIC _____ for information and necessary action.

General Manager, DIC ___ /
Director of Industries, Odisha.

Memo No. _____ /dt. _____

Copy forwarded to General Manager, DIC concerned / Director of Industries, Odisha for information.

General Manager, DIC ___/
Director of Industries, Odisha.

Memo No. ----- Dt. -----

Copy forwarded to ESI / EPF Authority for information.

General Manager, DIC ___/
Director of Industries, Odisha.

OFFICE OF THE GENERAL MANAGER, DIC----- /
OFFICE OF THE DIRECTOR OF INDUSTRIES; ODISHA; CUTTACK

No----- Dt.-----

(Strike out whichever is not applicable)

This is to inform that –

The application for sanction of EMPLOYMENT COST SUBSIDY (EPF / ESI) made by M /
s. _____ bearing Production Certificate No _____ Dt _____ on
dt. _____ for the period _____ under IPR-2022 ----- is **rejected** due to
following reasons.

(Specify the reasons)

- 1.
- 2.
- 3.
- 4.

Signature of G.M, DIC / MD, IPICOL/ D.I Odisha

with seal & date-----.