

GOVERNMENT OF ODISHA

MSME DEPARTMENT

NOTIFICATION

No. MSME-IP-MISC-0006-2024 2731 /MSME, Bhubaneswar, the 30^d May, 2024

OPERATIONAL GUIDELINES FOR EMPLOYMENT COST SUBSIDY UNDER ODISHA MSME DEVELOPMENT POLICY, 2022

(Reference: Para 7.9 of Odisha MSME Development Policy, 2022)
(Effective from 30.11.2022)

- 1. Policy Provisions:** Para 7.9 of Odisha MSMED Policy' 2022 states as follows,
- 100% reimbursement of employers' contribution paid towards ESI and EPF for a period of 5 years for new and existing units undertaking E/M/D, with investment in Plant & Machinery up to INR 50 crores, which employ unskilled, semi-skilled, skilled and highly skilled workers who are domicile of the State and are on the payroll of the unit.
 - 100% reimbursement of employers' contribution paid towards ESI and EPF for a period of 7 years for new and existing units undertaking E/M/D, with investment in Plant & Machinery up to INR 50 crores in Focus sector which employ unskilled, semi-skilled, skilled and highly skilled workers who are domicile of the State and are on the payroll of the unit.

2. Terms and Expressions;

- 2.1 Terms and expressions used in this operational guideline, but not specifically defined here, shall have the same meaning as in Odisha MSME Development Policy, 2022.
- 2.2 Cost of Plant & Machinery -Definition of Plant and Machinery and assessment of its values shall be done exactly as provided in the Operational Guidelines of IPR 2022 issued/to-be-issued by Industries Department.
- 2.3 New MSME enterprise means as defined in Sl. No. 22 in Annexure-I of Odisha MSME Development Policy-2022.
- 2.4 Expansion/Modernisation/Diversification (E/M/D) means as defined in Sl.No. 9 in Annexure-I of Odisha MSME Development Policy, 2022.
- 2.5 Transferred unit means as defined in Para 6 of Odisha MSME Development Policy, 2022.

Note:

- Investment made on Plant & Machinery from the date of 1st Fixed Capital Investment till the date of Commencement of Production shall be considered for determining the cost of P&M of the enterprise.*
- In case of E/M/D, the total cost of Plant & Machinery both original and towards E/M/D shall be up to INR 50 crores.*
- New enterprises/ Existing enterprises undertaking E/M/D with total investment in Plant & Machinery above Rs. 50 Crores shall not be eligible for incentive under this policy.*

3. Eligibility:

- 3.1 New and existing units undertaking E/M/D, with investment in Plant & Machinery up to INR 50 crores except the units/activities listed under Annexure-II of Odisha MSMED Policy, 2022.
- 3.2 New and existing units undertaking E/M/D in Focus sector as expressed in Para 4.5 of Odisha MSMED Policy, 2022, with investment in Plant & Machinery up to INR 50 crores.

- 3.3 Migrated industrial unit/Transferred unit shall be treated as new industrial unit under Odisha MSME Policy, 2022.
- 3.4 Date of first Fixed Capital Investment (FCI) for new units should be on or after the effective date of this policy. This is not applicable in case of Migrated units.
- 3.5 New units must commence commercial production within three years from the date of first FCI.
- 3.6 Eligible Industrial unit that has availed Employment Cost Subsidy under any scheme of State Government or Government of India or Government Agencies or any Financial Institution(s) shall be entitled only for the differential amount of benefit.
- 3.7 Incentive shall not be sanctioned and disbursed if a unit is found closed / has gone out of production as on the date of sanction or disbursement. In such case, sanction and/or disbursement, as the case may be, shall be reconsidered if commercial production resumes satisfactorily within two years from the date of closure of the unit.

4. Time frame for filing application:

- 4.1 Eligible units shall file their claim in AIM portal (<https://odishamsme.nic.in>), annually within six months from the end of the respective financial year. Applications received beyond the specified time frame shall be rejected. However, Government may consider condonation of delay for filing of application as per provisions in ODISHA MSME DEVELOPMENT POLICY, 2022 (See Para 9.6 of the Policy).
- 4.2 The application with requisite documents shall be self-attested by Proprietor / Managing Partner / Managing Director / Authorized Signatory.

5. Procedure to avail Employment Cost Subsidy (Scrutiny, Approval and Rejection);

- 5.1 Eligible new units/ Existing units having undergone EMD shall submit online application (as per Annexure-A), with uploading of supporting documents (as per Annexure-B), to General Manager (DIC) in AIM Portal (<https://odishamsme.nic.in>). They need not have to furnish physical copies of documents unless asked for.
- 5.2 Application for Employment Cost Subsidy for subsequent years, after 1st Year / initial year of claim, shall be accompanied with documents and valid statutory clearance/ approvals related only to the year of claim.
- 5.3 General Manager (DIC) shall verify the application within 7 working days and acknowledge the same in the Portal if it is found in order. If not, he will either reject the application by citing grounds of rejection in the Portal or ask the applicant unit to make good the deficiencies in the application by reverting the application to the applicant unit in the Portal with details of the deficiencies found in the application.
- 5.4 If the application is in order, the General Manager (DIC) shall inspect the unit within 15 working days from the date of online application to ascertain its working status and to check veracity of submitted documents to assess eligibility of the unit and furnish report in Annexure-C. If the unit is found not eligible for Employment Cost Subsidy, General Manager (DIC) will reject the application in the Portal citing detailed grounds of ineligibility. However, if on inspection of the unit, the General Manger (DIC) wants some clarification or some more information, he shall ask the applicant unit, in Offline mode, to furnish necessary clarification/information and shall keep the application processing pending in the Portal till then.
- 5.5 If the unit is found eligible, General Manager (DIC) shall transmit one set of application to the concerned authorities of Employees State Insurance Corporation (ESI) & Employees Provident Fund Organisation (EPF) of the



region who has to furnish the certificate on amount of Employer's contribution paid towards ESI & EPF for the period of claim in the format prescribed in Annexure-D under intimation to the concerned unit within 3 working days after inspection of the unit.

- 5.6 At the same time (within 3 working days as mentioned above), in case of units with investment in Plant & Machinery above Rs. 10 Crores, General Manager (DIC) shall forward one set of application to the Director of Industries (Odisha) for processing under intimation to the concerned unit.
- 5.7 The concerned authorities of ESI & EPF shall furnish necessary certificate in the format as at Annexure-D to General Manager (DIC) in case of units with investment in Plant & Machinery up to Rs. 10 Crores /to Director of Industries (Odisha) in case of units with investment in Plant & Machinery above Rs. 10 Crores within 7 working days of receipt of proposal at his end under intimation to the concerned unit / General Manager (DIC) and Director of Industries (Odisha).
- 5.8 If felt necessary / required, the unit may be checked jointly by (a) General Manager (DIC) & ESI / EPF authority - for units with investment in Plant & Machinery up to INR 10 Crores (b) Addl./ Joint Director of Industries (Odisha) & ESI / EPF authority - for units with investment in Plant & Machinery above INR 10 Crores.
- 5.9 General Manager (DIC)/Director of Industries (Odisha) may also defer consideration of a proposal for want of further information. In that case, the application shall be shown pending in the Portal till a final decision is taken.

6. Sanction:

- 6.1 General Manager (DIC) (in case of units with investment in Plant & Machinery up-to Rs. 10 Crores) shall issue sanction order in favour of the applicant unit in the Portal, in the format prescribed at Annexure-E, within 7 working days of receipt of Certificate from the concerned authorities of ESI & EPF.
- 6.2 Director of Industries (Odisha) (in case of units with investment in Plant & Machinery above Rs. 10 Crores) shall issue sanction order in favour of the applicant unit in the Portal, in the format prescribed at Annexure-E, within 7 working days after receipt of Certificate from the concerned authorities of ESI & EPF.
- 6.3 In case of rejection, the General Manager (DIC)/ Director of Industries (Odisha) shall upload the rejection letter in the format prescribed at Annexure-F, clearly mentioning the grounds of rejection, on the AIM portal within 7 working days from the date of rejection of the proposal.

7. Disbursement:

- 7.1 General Manager (DIC) shall verify the working status of the unit and report in the format at Annexure-C within 3 working days from the date of issue of sanction order and update the same in the Portal.
- 7.2 In the case where sanction is made by Director of Industries (Odisha), General Manager (DIC) shall verify the working status of the unit and report in the format at Annexure-C within 3 working days from the date of issue of sanction order and intimate the same to the Director of Industries (Odisha) by updating the same in the Portal itself.
- 7.3 Disbursement shall be made by the concerned sanctioning authority directly to the Bank Account Number of the applicant unit given in the online application form within 3 working days, if the unit is found operating at the given location.
- 7.4 Disbursement shall, however, be held up if the unit is found to be non-operational at the given location and will be made only on satisfactory resumption of operation. However, if operation does not resume within two years from the date of sanction order, the sanction order shall be cancelled.



8. Recovery:

8.1 In the following events or circumstances, Employment Cost Subsidy received by an unit shall be recovered fully or partly, as the case may be, along with penal interest @18% per annum from the date of receipt of the subsidy to the date of recovery, under the provisions of OPDR Act, 1962.

- i. If Employment Cost Subsidy is availed by misrepresentation of facts, fraud or by furnishing false and misleading information or by suppression of facts.
- ii. If the enterprise shifts its location to outside the state or removes the Plants and Machineries (on which Employment Cost Subsidy has been availed) from the installation location, within 10 years from the date of receipt of the incentives, without prior approval of MSME Department.

8.2 If reimbursement of Employment Cost Subsidy disbursed is found to be made erroneously or found to be in excess of the amount actually admissible without the industrial unit being responsible for such erroneous or excess payment; then such erroneously paid or excess paid subsidy amount shall be recovered from the industrial unit along with interest as given below.

- i. Actual interest earned by the unit on the subsidy amount received, from the date of receipt to the date of issue of notice for recovery of such excess or erroneous payment of subsidy.
- ii. @12.5% interest per annum, as per the provisions of OPDR Act, 1962, from the date of issue of notice for recovery to the date of recovery.

9. Miscellaneous

9.1 Application for condonation of delay in implementation of projects due to force majeure (like natural calamities) and reasons beyond the control of the industrial unit only shall be dealt on case-to-case basis. General Manager (DIC) shall examine such case(s) and forward the application made by the entrepreneur with justification to the Director of Industries (Odisha). The Director of Industries (Odisha) shall examine and recommend such case(s) to the MSME Department for placement of the same before the Empowered Committee constituted under chairmanship of the Secretary, MSME Department for consideration of such cases.

9.2 Government may inspect the unit at any time, to ascertain whether the incentive is availed by fraudulent means or not.

9.3 Any change in facts or circumstances affecting the eligibility of the unit shall be intimated immediately to the General Manager (DIC) / Directorate of Industries (Odisha) by the unit.

9.4 Where any doubt arises regarding implementation of these rules, the same shall be referred to the MSME Department whose decision shall be final and binding on all the parties.

This Operational guidelines have been concurred in by Finance Department in OSWAS File No MSME-IP-MISC-0006-2024.

By order of the Governor



(Saswat Mishra)

05.05.2024

Principal Secretary to Government

Memo No. 2732 /MSME Dated 03-05-2024

Copy forwarded to Principal Secretary (Industries Department)/Commissioner-cum-Secretary (Labour and Employee's State Insurance Department)/MD (IPICOL)/MD (IDCO)/Director of Industries (Odisha)/All General Manager (DICs) for information and necessary action.

MSD
03.05.2024

Memo No. 2733 /MSME Dated 03-05-2024 Additional Secretary to Government

Copy forwarded to Regional Director, ESI Corporation, Regional Office (Odisha), Bhubaneswar/Additional Central Provident Fund Commissioner, EPFO, Zonal Office (Odisha), Bhubaneswar for information and necessary action.

MSD
03.05.2024

Memo No. 2734 /MSME Dated 03-05-2024 Additional Secretary to Government

Copy forwarded to all Industries Associations for information and necessary action.

MSD
03.05.2024

Additional Secretary to Government

Annexure-A

APPLICATION FOR AVAILING EMPLOYMENT COST SUBSIDY BY NEW AND EXISTING UNITS
UNDERTAKING EXPANSION/MODERNISATION/DIVERSIFICATION (E/M/D) UNDER ODISHA
MSME DEVELOPMENT POLICY-2022

(See Para 7.9 of OMSMED Policy-2022)

(Strike out whichever is not applicable)

From:

To

The General Manager,
District Industries Centre, _____

Sub : Application for Employment Cost Subsidy under the provisions of Odisha MSME
Development Policy- 2022.

Sir / Madam,

In accordance with the provisions laid down in Odisha MSME Development Policy-
2022, its operational guidelines notified by MSME Department, Government of Odisha, the
application for sanction and disbursement of Employment Cost Subsidy @ 100% of
Employer's Contribution Paid is submitted with following particulars for the period from
_____ to _____ (Period of claim).

1	Name of the Industrial Unit	:	
2	Location Address of the enterprise with PIN Code	:	
3	Address of Registered Office with PIN Code	:	
4	Type of Organization (Proprietorship/ Partnership/ Co-operative / Private Limited/ Public Limited/ LLP/ Trust/ Others)	:	
5	Name of the Proprietor/ Managing Partner/ Managing Director/ Authorised Signatory	:	
6	Email ID for correspondence	:	
7	Mobile/ Cell Phone No.	:	
8	Production Certificate No. & Date	:	
9	Udyam Registration No.	:	
10	Type of Enterprise (Tick the appropriate Box)	(a)	New enterprises
		(b)	Existing enterprise undertaken E/M/D
		(c)	Migrated Industrial Unit treated as new enterprises
		(d)	Transferred Unit shall be treated as a new industrial unit. [See Para 6(e) of ODISHA MSME DEVELOPMENT POLICY 2022]
		(e)	New enterprises in Focus sector

		(f)	Existing enterprise undertaken E/M/D in Focus sector		
11	Date of first fixed capital investment i.e. land/ building/ plant & machinery/ equipment's (As per Production Certificate)	:	Original		
		:	E/M/D		
12	Date of commencement of production as per Production Certificate	:	Original		
		:	E/M/D		
13	Whether commercial production has commenced within three years from the Date of 1 st FCI.			Yes	No
	If no, whether project implementation delay has been condoned by the Empowered Committee			Yes	No
	If condoned, mention decision of the Empowered Committee and date of the meeting	:			
14	Items of manufacture/activity (Add if more)	Sl	Item(s)	Quantity	Value (Rs. In lakhs)
		1			
		2			
		3			
15	Investment in Plant & machinery (In Rs.)	:	Original	E/M/D	Total
		:			
16	Current A/c No of the enterprise with IFS Code		Account No.		
			IFS Code		
17	Employers' Registration No & Date with ESI / EPF authority		EPF	ESI	
18	Employment in Pay Roll (Total)				
19	Types of Employees		Numbers		
	i. Unskilled				
	ii. Semi-skilled				
	iii. Skilled				
	iv. Highly skilled				
	Total				
20	Employers' contribution paid towards EPF for the claim of period (in Rs.)				
21	Employers' contribution paid towards ESI for the claim period (in Rs.)				
22	Details of Employment Cost subsidy sanctioned / availed so far under ODISHA MSME DEVELOPMENT POLICY 2022 during the previous year (s) with sanction order no & date (Financial Year-wise)				
23	Claim for Employment Cost subsidy (Amount in Rs.)				
24	Detail of Employment Cost subsidy availed under any scheme of State Government or Government of India or Government Agencies or any Financial Institution(s) during the claim period				
25	Differential amount of claim (If availed under any scheme of State Government or				

PI

	Government of India or Government Agencies or any Financial Institution(s) during the claim period										
26	Validity of Consent to operate / Authorisation granted by State Pollution Control Board, Odisha (if applicable)	:									
27	Validity of other statutory clearances	:	<table border="1"> <thead> <tr> <th>Type of Statutory Clearance</th> <th>Validity</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td></td> <td></td> </tr> </tbody> </table>	Type of Statutory Clearance	Validity						
Type of Statutory Clearance	Validity										

I, Ms/Smt./Sri _____ D/W/S/o _____ at present _____ (designation) of M/s _____ (name of the enterprise) certify that the information furnished as above are true and correct to the best of my knowledge and belief.

I hereby undertake that, the assets including Plant & Machinery acquired by date of commercial production has not been removed/disposed of/discarded.

I further hereby undertake to abide by the terms and conditions prescribed under the provisions of Odisha MSME Development Policy, 2022 and its operational guidelines. I shall repay the Employment Cost Subsidy amount received in full, with interest @ 12.5% per annum or penal interest @ 18% per annum as the case may be, if the said amount becomes recoverable from me as per the policy and its operational guidelines.

Copies of relevant documents in support of information/facts furnished above are enclosed herewith.

Enclosure: -

- 1.
- 2.

Date

Place

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



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)

Sl.No.	Documents
1.	Production Certificate
2.	Udyam Registration Number
3.	Power of Attorney / Board Resolution / Society Resolution, as applicable, while signing as Partner / Managing Director / Authorized person.
4.	Certificate of registration under Indian Partnership Act 1932 / Societies Registration Act-1860 / Certificate of Incorporation (Memorandum of Association & Article of Association) under Company Act-1956/ LLP
5.	Consent to operate / Authorization issued by State Pollution Control Board, Odisha except for White Category
6.	Document in support of delay in implementation condoned by Empowered Committee, if applicable
7.	Declaration by firms whose Registered Office is outside the State
8.	Other valid statutory clearances
9.	Certificate of Focus Sector Enterprise status issued by Director of Industries, Odisha
10.	Documents in support of Migrated Industrial Unit treated as new enterprises/ Transferred Unit shall be treated as a new industrial unit. [See Para 6(e) of Odisha MSME Development Policy-2022]
11.	Documents in support of 1 st investment in fixed capital
12.	Certificate from District Labour Office/ ALO / Officers from Labour Department on unskilled, semi-skilled, skilled and highly skilled workers employed in the unit who are domicile of the State and are on the payroll of the unit.
13.	Employers' Registration Certificate with ESI / EPF
14.	If availed Employment Cost Subsidy from any other sources, submit proof thereof

Annexure-C

Visit Report to the Industrial Unit for extending financial benefits under the provisions of
Odisha MSME Development Policy 2022.
(Strike out whichever is not applicable)

Name and location address of the Industrial unit.

M/s. _____
At: _____
PO: _____
Dist: _____
Production Certificate No. _____
Udyam Registration No. _____

I/We have visited the industrial unit on dt. _____ in connection with verification of working status for sanction/ disbursement of Employment Cost Subsidy for the claim period from dt. _____ to dt. _____ sanctioned vide Order No. _____ Date: _____ of General Manager, DIC _____ /Director of Industries, Odisha.

Status of the Industrial unit:

- The industrial unit is continuing its manufacturing activities as on the date of the visit.
- The industrial unit is found non-operational at the given location with effect from dt. _____.
- The industrial unit was non-operational at the given location from dt. _____ to dt. _____.
- Documents furnished have verified and found correct/not correct (if not correct, mention details).

Remarks:

The industrial unit is eligible/ not eligible for sanction/ disbursement of Employment Cost Subsidy under the provisions of ODISHA MSME DEVELOPMENT POLICY 2022.

Signature of visiting Officer(s) with
Designation and Date.



Annexure-D

EMPLOYMENT COST SUBSIDY UNDER ODISHA MSME DEVELOPMENT POLICY-2022
(See Para 7.9 of Odisha MSME Development Policy, 2022)

CERTIFICATE TO BE FURNISHED BY THE ESI / EPF AUTHORITY
(Strike out whichever is not applicable)

1. 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._____ for the manufacturing unit located At: _____PO: _____ Dist._____.
2. Further it is certified that the above unit has paid Rs. _____ (in words) _____ towards Employers contribution for ESI / EPF against the due amount of Rs. _____ during the claim period i.e. Dt. _____ to Dt. _____ in respect of the unskilled, semi-skilled, skilled, and highly skilled workers employed in the unit who are domicile of the State and are on the payroll of the unit.
3. The unit has not defaulted in payment of their dues.

Signature & Seal of the
ESI / EPF Authority



Annexure-E

OFFICE OF THE GENERAL MANAGER, DIC _____
/ DIRECTOR OF INDUSTRIES, ODISHA
(Strike out whichever is not applicable)

SANCTION ORDER

Order No.

Date:

1. Sanction is hereby accorded for 100% of Employers Contribution paid towards ESI/ EPF in respect of the unskilled, semi-skilled, skilled, and highly skilled workers employed at the Enterprise unit who are domicile of the State and are on the payroll of the unit / differential benefit towards Employment Cost Subsidy in favour of M/s. _____ At: _____ PO: _____ Dist.: _____ having Production Certificate No. _____ Date _____ for Rs. _____ in words (Rupees _____) only for the period from _____ to _____ i.e. (mention period) for the 1st Financial Year (from the date of commencement of production to the end of 1st Financial Year) / 2nd Financial Year/ 3rd Financial Year / 4th Financial Year /5th Financial Year / 6th Financial Year (1st April of 6th Financial Year to the date of completion of five years of commencement of Production) under provisions of Para 7.9 of Odisha MSME Development Policy 2022.
2. The captioned unit is a new / existing enterprise undertaking E/M/D with investment in Plant & Machinery up to Rs. 10 Crores / above Rs. 10 Crores and up to Rs. 50 Crores.
3. The captioned unit is a new / existing enterprise undertaking E/M/D in Focus sector with investment in Plant & Machinery up to Rs. 10 Crores / above Rs. 10 Crores and up to Rs. 50 Crores.

General Manager, DIC _____/
Director of Industries, Odisha

Memo No. _____ Dt.

Copy forwarded to M/s _____ At _____ PO _____
Dist.: _____ for information.

General Manager, DIC _____/
Director of Industries, Odisha

Memo No. _____ Dt

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

General Manager, DIC _____/
Director of Industries, Odisha



OFFICE OF THE GENERAL MANAGER, DIC _____
/ DIRECTOR OF INDUSTRIES, ODISHA
(Strike out whichever is not applicable)

Letter No.

Date:

To

M/s
At
PO
Dist:
Email:
Mobile No.
(Location of the Unit)

Sir,

This is to inform that your application for sanction of Employment Cost Subsidy for the period _____ filed on dt. _____ under Odisha MSME Development Policy 2022 is rejected due to the following reasons.
(Specify the reasons)

- 1.
- 2.
- 3.

General Manager, DIC _____/
Director of Industries, Odisha

