

**Sustainable Industry Incentive Scheme 2023**

Annexure F

**SCHEME 7**

**Employment Creation Incentive**

# Sustainable Industry Incentive Scheme 2023

## SCHEME 7: Employment Creation Incentive

### A. The Scheme

1. When more than 50% of the permanent jobs are filled from local population, an amount equivalent to 25% of the monthly wages of each additional employment thus created, subject to a maximum of Rs.5000/- per month per person shall be reimbursed to the employer for one year
2. When more than 50% of the permanent employees are women an amount equivalent to 25 % of the monthly wages of each additional employment thus created, subject to a maximum of Rs.5000/- per month per women employee, shall be reimbursed to the employer for one year
3. When permanent employment is provided to transgender of the State, reimbursement will be provided to employer for one year, at the rate of Rs.7500/- per month per transgender employees.

### B. Eligibility of applicants

- For the purpose of this scheme an industrial unit eligible for this assistance shall be an independent legal entity.
- The Scheme shall be applicable all New & Existing Large and Mega enterprises in Kerala engaged in manufacturing or service activities in any of the priority sectors as outlined in the Kerala Industrial Policy 2023. Trade is excluded from the ambit of the Scheme.
- Enterprises shall have created new / additional employment on or after 01-04-2023 as specified in Clause A (1),(2) & (3) below.
- 

#### **Eligibility Criteria for Clause A (1)**

1. New unit having more than 50% permanent employees from Local population, then the unit will be eligible for all persons so employed from the local population
2. Existing unit already having more than 50 percent employees from local population, will be eligible for assistance under this scheme to the extent of the additional local employment provided on permanent basis, provided the local employment given is above 50percent at any point of time.
3. Existing units that meet the 50 percent criteria of local employment by providing additional employment to the local population, the

## Sustainable Industry Incentive Scheme 2023

only the additional local employment will be eligible for assistance under this scheme.

4. At any given point in time, the local employment shall be above 50 percent
5. Assistance shall be only for the additional employment given to the local population

### **Eligibility Criteria for Section A (2)**

1. New unit having more than 50% permanent women employees will be eligible only for number of permanent women employed from domicile of Kerala
2. Existing unit already having more than 50 percent permanent women employees, such units will be eligible for assistance under this scheme to the extent of the additional local women employment engaged on permanent basis, provided the female employment shall be more than 50% of the total employment at any point of time.
3. Existing units that meet the 50 percent criteria of women employment by providing additional employment, then only the additional local female employment will be eligible for assistance under this scheme.
4. At any given point in time, the female employment shall be above 50 percent
5. Assistance shall be only for the additional employment given to the local female population

### **Eligibility Criteria for Section A (3)**

New / Existing unit creating additional employment from Transgender community from Kerala shall be eligible for assistance for the additional employment thus created

- Units undertaking activities which are mentioned in the negative list are ineligible to apply.
- Government controlled industries, public sector undertakings, units started by Government controlled agencies shall not be eligible for assistance under this scheme

### **C. Definition and explanation**

The definitions for the terms mentioned in this scheme are used only for the purpose of this Scheme and not applicable elsewhere.

- i. **Large Enterprise:** A company with Investment in plant & machinery / equipment above INR 50.00Cr and not exceeding INR

## Sustainable Industry Incentive Scheme 2023

- 300.00Cr or Turnover above Rs.250.00 Cr, or defined by GoK/GoI from time to time.
- ii. **Mega Enterprise** : A company with Investment in plant & machinery / Equipment above the definition of Large Enterprises, or defined by GoK/GoI from time to time.
  - iii. **Permanent employment**: An employee on the regular rolls of the company who will superannuate from the entity at the retirement age fixed as per employment norms adopted by the entity.
  - iv. **Employee**: A person who discharges duties as per the assigned responsibilities in an organization for a remuneration paid on a monthly basis.
  - v. **Employer**: An enterprise engaging personnel with specific responsibilities by paying remuneration on a monthly basis for achieving a common goal of the enterprise.
  - vi. **MSME units**: All Micro Small & Medium Enterprises (MSME's), as defined in the MSMED Act 2006.
  - vii. **Enterprise**: An industrial unit falling under the Micro, Small, Medium, Large or Mega category.
  - viii. **Transgender**: "transgender person" means a person whose gender does not match with the gender assigned to that person at birth and includes trans-man or trans-woman (whether or not such person has undergone Sex Reassignment Surgery or hormone therapy or laser therapy or such other therapy), person with intersex variations, gender queer and person having such socio-cultural identities as Kinner, hijra, aravani and jogta.
  - ix. **Negative List**: List of Industries declared by Government from time to time, which are not to be encouraged by giving any Government financial from time to time
  - x. **Agreement**: An agreement refers to a legally binding document signed in stamp paper (Value as defined by the Sanctioning Authority) in the prescribed format between the Sanctioning Authority and applicant detailing the rights, obligations, and responsibilities of both the parties involved with regards to compliance to the rules and regulations, reporting requirements, repayment/recovery terms (if default), monitoring and evaluation processes, and any other specific conditions set forth by the Sanctioning Authority.
  - xi. **Local population**: A person can be considered as among the local population, if he/she was born and/or brought up in Kerala or having at least primary education or more from Kerala.

## Sustainable Industry Incentive Scheme 2023

- xii. Domicile : A Domicile is a resident of a Kerala.

### D. Entitlement of successful applicant

Subject to meeting the eligibility criteria, the unit shall be eligible for reimbursement as specified as below:

Sector	Large & Mega		
	Category	% entitlement	Ceiling per employee
General	25% of salary	Rs.5000/-	When more than 50% of the permanent jobs are filled from local population, reimbursement will be created for a period of one year for the additional employment thus created
Women	25% of salary	Rs.5000/-	When more than 50% of the permanent employees are women reimbursement will be for a period of one year for the additional employment thus created
Transgender	Not stipulated	Rs.7500/-	When permanent employment is provided to transgender of the State, reimbursement will be for a period of one year provided to employer

The entitlement for the scheme for the eligible applicant will be one time only

### E. Mode of Application & Processing Fee

Eligible applicant shall apply online, with all relevant supporting documents and remit the applicable processing fee. The processing fee shall be Rs. 1000/- +GST per claim.

### F. Recommending Authority

The Recommending Authority for the applications shall be the concerned Assistant District Industries Officer. The duties of the Recommending Authority are to;

- i. Verify the documents submitted by the applicant via online

## **Sustainable Industry Incentive Scheme 2023**

- ii. Conduct inspection if required,
- iii. Ascertain the eligibility, and recommend eligible amount to the Sanctioning authority.
- iv. Provide additional details if any called for by the Sanctioning Authority.
- v. Handhold smooth implementation of the scheme in close co-ordination with the applicant and Sanctioning Authority.

### **A. Sanctioning authority**

The General Manager DIC shall be the Sanctioning Authority for all applications, irrespective of the claim amount. The Sanctioning authority shall,

- i. Review the recommendation, verify the entire procedure of the Recommending Authority if required
- ii. Take a final decision on the claim submitted by the applicant.
- iii. Based on the final decision, a proceedings shall be issued by the Sanctioning Authority.
- iv. Issue intimation letter to the applicant via online.
- v. Facilitate executing the "agreement" for this scheme by the applicant before General Manager DIC of the respective district.
- vi. Submit the copy of the proceedings and relevant details to MD-KSIDC for the disbursement.
- vii. Collect the details of the fund being released and intimate the applicant accordingly.

### **B. Mode of Release of Assistance**

The following procedures will be adopted for the release of assistance sanctioned to a unit under this Scheme;

- i. Upon approval from the sanctioning authority, a sanction letter will be issued to the applicant.
- ii. Within 30 days of receipt of the sanction letter, the applicant is required to either sign an agreement with the Sanctioning Authority for facilitating for the disbursement of the assistance or to file an appeal in the prescribed format as mentioned in section "Appeal" against the decision of the sanctioning authority if the unit desires so.
- iii. In case of applicant filing an appeal, the disbursal of assistance will be kept on hold, until the disposal of the same.
- iv. If the applicant is unable to sign the agreement within the stipulated time due to genuine reasons, they should inform in writing, the reasons thereof to the sanctioning authority within this 30 days itself.

## **Sustainable Industry Incentive Scheme 2023**

The sanctioning authority will review the situation, and if deemed satisfactory, may grant an extension on a case-by-case basis.

- v. If the applicant fails to sign the agreement or file an appeal within the specified 30-day timeframe, the sanction will stand cancelled automatically, without prior notice.
- vi. In case the applicant wishes to avail the assistance, a fresh application has to be submitted remitting the applicable processing fee, again. In such cases, the application will be considered as a new application.
- vii. In the case of units, which has successfully executed the agreement, Sanctioning Authority shall forward such cases to MD- KSIDC.

If the documents submitted by the Sanctioning Authority are in order, MD-KSIDC will initiate further steps for the disbursement of the eligible amount directly to the bank account of the Beneficiary depending up on the availability of the fund.

### **C. Obligations of the applicant entrepreneurs and other General Guidelines**

- After creating the new / additional employment, the unit should complete one year of operations at time of submission of application.
- The applicant shall submit the application, online through the web portal along with supporting documents.
- The applicant shall pay the requisite application fee through the online portal.
- The applicant shall provide all required details and declare such information as to be true.
- The applicant shall provide the Bank Account details of the unit at the time of submission of application.
- The unit shall apply for the claim within one year after meeting the eligibility criteria.
- The applicant shall provide clarifications or further details sought by the Recommending/ Sanctioning Authority.
- The applicant, if so required by the Recommending/ Sanctioning Authority, shall allow inspection or verification of any details mentioned in the application including plant and machinery and all other assets, all documents related to the employments created such as payroll, attendance register, bank records of the salary remittance, PF details etc by the Recommending/Sanctioning Authority or a Third Party authorised by the Recommending/Sanctioning Authority.

## **Sustainable Industry Incentive Scheme 2023**

- The applicant shall produce originals of any important documents if so required by the Recommending/ Sanctioning authority for verification.
- Labour registration certificate along with muster roll certified by an official from Labour department , GoK , to be submitted along with the application
- The applicant shall execute requisite legal agreement, if assistance is sanctioned.

### **D. Recoveries and Penalties**

Any assistance provided under this scheme to a unit is subject to refund by the unit in full with an annual interest rate of 14% from the date of receipt upon the issuance of a registered demand notice to the unit by the Recommending/Sanctioning authority on the following grounds.

- a) In cases of obtaining assistance through misrepresentation, forgery, deception etc.
- b) violating any of the conditions in the agreement executed
- c) Unauthorized subletting, subleasing, transfer, or sale of the unit, change of activity without the consent of Sanctioning Authority

In case of default, any amounts owed to the Government under the provisions stated above shall be recoverable as if they are arrears of land revenue. The recovery process will be carried out in accordance with the provisions of the Kerala Revenue Recovery Act, 1968, and other relevant laws applicable to the Government, from time to time. However, the company will have to be provided with three opportunities to showcase in writing before such recovery measures are initiated.

### **E. General Guidelines**

1. The assistance under this scheme shall be released to the eligible applicant in one go.
2. The claims under this scheme will be entertained only during the currency of this Scheme and Budgetary allocations. The Government of Kerala may modify, amend and if required completely withdraw the Scheme, any point of time in part or in full.
3. The processing fee collected from applicant shall be used for the meeting the incidental expenses for processing including TA/DA, other administrative overheads, consultancy expenses, if any, incurred for the proper processing of the claims etc.
4. An amount of 2% of the budget allocation under the scheme shall be earmarked and made available for disposal with the Director of Industries & Commerce for allotting to the District/State Level



## **Sustainable Industry Incentive Scheme 2023**

Committees towards administrative expenses and advertisement and publicity costs. The expenses can be met for the purpose of canvassing applicants, hiring of vehicles, associated telephone charges, printing and publishing publicity materials, light refreshments for investor meets. The Director of Industries & Commerce will determine the limits under which such expenses are to be footed.

### **F. Appeal & Dispute Resolution Mechanism**

There is a provision for the applicant to appeal against the award of the Sanctioning Authority, if needed. The appellate authority for applicants in such circumstances shall be MD-KSIDC. The Appeal Form affixing court fee stamp for Rs.10.00/- in the prescribed format, to be submitted within 30 days from date of sanction of the Proceedings. The Appellate Authority in such cases shall convene a meeting with the Sanctioning Authority and aggrieved applicant to resolve the matter. The decision of Appellate Authority will be final on such cases.

The assistance proposed in this scheme is envisaged as a fiscal incentive for the investment made in Kerala and to attract more investors. Any dispute arises, which cannot be resolved at the level of Appellate Authority can only be questioned at courts having its jurisdiction at Thiruvananthapuram

### **G. Forms and Clarifications.**

MD-KSIDC shall have the full authority to prepare the application forms, form of agreement and any other formats required for the proper implementation of the Scheme and to issue clarifications sub-rules, modify the check-list etc, if required.

\*\*\*\*\*