

Employment Subsidy

No. 3/40/2003/IND(Part)
Government of Goa,
INDUSTRIES DEPARTMENT,
Secretariat, Porvorim - Goa.
Dated:- 31st December, 2008.

NOTIFICATION

Whereas vide Notification No. 1/49/2000/S(IND)/Vol. II dated 04-08-2003, published in the Official Gazette, Extraordinary No.4 Series 1 No.18 dated 06.08.2003, the Government of Goa notified the Goa Industrial Policy, 2003 (hereinafter referred to as the "said Policy").

Now, in pursuance of clause 5.9 (iii) of the said Policy, the Government of Goa is pleased to frame the following Scheme, namely:-

1. Short title and commencement

- 1) This Scheme shall be called the GOA STATE EMPLOYMENT SUBSIDY SCHEME FOR THE INDUSTRIES, 2008.
- 2) It shall come in force from the date of its publication in the Official Gazette, and shall remain in force upto 31st March, 2011.

2. Introduction - For effective implementation of new Industrial Policy, the Government of Goa is pleased to introduce the Goa State Employment Subsidy Scheme for the Industries, 2008 for industrial units to be set up and the units already set up in the State of Goa. The Scheme will be in operation as per the period indicated herein. However, the Government may decide to extend or curtail the period of the same without effecting the benefits already availed.

3. Objectives - The main objectives of this Scheme are :-

- a) To promote industrial growth in the State of Goa.
- b) To create a healthy environment for setting up new industrial units in the State of Goa.
- c) To revive sick industrial units in the State of Goa.
- d) To give boost to provide employment to local youths.
- e) To create manpower suitable to the needs of the Industry.

4. Eligibility - Only those units involved in manufacturing activities and falling under the following categories are eligible subject to the following conditions:

1. New as also existing Micro and Small Enterprises permanently registered or acknowledged with Entrepreneurs Memorandum II by Directorate of Industries, Trade and Commerce.
2. Existing micro and small/medium or large units under Revival Plan subject to approval by authority under Sick Unit Revival and Rehabilitation Scheme.
3. Medium and large scale units "approved by High Powered Co-ordination Committee (or any Authority in place of High Powered Co-ordination Committee) on or after 01.04.2008
4. Units engaging 80% of local manpower or regular employment are eligible (for the purpose of this condition, employees under contract/temporary employment/daily wage employment shall not be considered)
5. The Scheme is applicable only to those units listed under Green category, Orange category and specified orange category (including Orange II and II B category).

Explanation - For the purpose of this Scheme, units registered on or after 01.04.2008 shall be treated as new units even though the benefit is with effect from September, 2008.

5. Period of Subsidy

- A) For the new units, the period of subsidy shall be five years, starting from the expiry of thirty days from the date of commercial production. In case of any doubt in respect of the date of production, the decision of the Director of Industries, Trade and Commerce shall be final.
- B) For units under revival plan, the period of subsidy shall be as specified by the competent authority under Sick Unit Revival and Rehabilitation Scheme, subject to maximum five years.
- C) For those existing micro and small industrial units, who have gone into commercial production before 31.03.2008, the benefit shall be as follows:-
 - i. Those who have gone into commercial production before 01.04.2006, for two years from September, 2008.
 - ii. Those who have gone into commercial production before 01.04.2007, to 31.03.2008, for three years from September, 2008.
 - iii. Those who have gone into commercial production before 01.04.2008 to 31.03.2009 for four years from September, 2008.

6. Quantum of Subsidy - For determining the quantum of subsidy, the State is divided into developed and less developed talukas, Pernem, Sattari, Bicholim, Sanguem, Quepem and Canacona are less developed talukas. The rest shall be treated as developed talukas.

- i. For new units in developed talukas, the subsidy shall be 25%.
- ii. For new units in less developed talukas additional 10% incentives will be given in the subsidy.
- iii. For existing micro and small industrial units in developed talukas, the subsidy shall be 10%.
- iv. For existing micro and small industrial units in less developed talukas additional 5% benefit will be given in the subsidy.
- v. For sick units, under revival plan, it shall be defined by the appropriate authority, subject to maximum 25% and shall be uniform across the State.
- vi. Under any circumstances, the total quantum of subsidy shall not exceed 40% including all the additional benefits under this and various other schemes.

7. Criteria for other Eligibility conditions

- 1) All the employees who are paid gross salary of less than Rs.10,000/- per month shall be considered. For this purpose, gross salary shall mean all benefits paid to an employee except bonus (in whatever name it is called and reimbursement of traveling expenditure at actual). However, the payment shall be restricted for the salary of Rs.6,000/- per month or actual salary, whichever is lower.
- 2) Actual limit of the subsidy amount for micro and small industrial units shall be Rs.3.00 lakhs for each half yearly return (Rs.6.00 lakhs per annum) and for medium/large units, it shall be Rs.6.00 lakhs for each half yearly return (Rs.12.00 lakhs per annum).
- 3) Maximum benefit under this Scheme shall not exceed Rs.30.00 lakhs for micro and small industrial units and Rs.60.00 lakhs for Medium and Large Units, in a block period of 5 years, subject to the condition that Rs.6.00 lakhs benefit per annum or cumulative basis is not exceeded. For example, for micro and small industrial units, the maximum limit shall be Rs.3.00 lakhs for the first half year claim, Rs.6.00 lakhs for second half year claim, Rs.9.00 lakhs for the third half year claim and so on (Refer Annexure II).
- 4) Proprietor, Partner, Promoters, Director or their spouses, relations including father, mother, son/daughter (married/unmarried), grand father/grandmother, son-in-law, daughter-in-law, brother, sister, first cousin of the owner or their spouses, grand-son/grand-daughter or their spouse shall not be considered as employees for purpose of claiming benefit under this Scheme. However, they shall be counted in calculating the criteria of 80% employment to locals.
- 5) Declaration in this regard executed before the Magistrate should be produced at the time of every claim.

8. Procedure to file the claims - All units/Persons eligible under this Scheme should register themselves in the Directorate of Industries, Trade and Commerce giving details as per the prescribed Performa/form.

1) The unit shall file half yearly claim before the Director of Industries, Trade and Commerce. The first half yearly claim shall cover the period from January to June and the second half yearly period shall cover the period from July to December.

2) The unit shall submit their claim within a period of three months after end of every half yearly period, failing which, the benefit for that half year shall lapse. (Refer date wise schedule at Annexure-I).

Explanation: The claim for first half year shall be filed before 30th September and the second half yearly claim shall be filed before 31st March, failing which, the claim will lapse and shall not be revived in any case by any authority. However, the registration under this Scheme shall remain valid for future claim and non receipt of any claim during particular period of half year shall be treated as no claim period. In case of micro and small industrial units Rs.3.00 lakhs and in case of medium/large units Rs.06 lakhs, shall be deducted from the cumulative figures for future benefits as per Annexure II hereto.

3) Subject to other eligible condition; units are eligible for the payment of employment subsidy only against salary paid by them to the employees, holding Green Social Security card (i.e. employee having 15 years residence employee) and from the date of issue of such card. This condition shall be effective from 01.01.2009.

Task Force Committee :

There shall be a Task Force Committee for the purpose of this scheme which shall scrutinize and sanction the benefits under this scheme, consisting of the following members :-

1. General Manager (DIC) of Directorate of Industries, Trade and Commerce, as a Chairman.
2. Assistant Director (Admn) of Directorate of Industries, Trade and Commerce, as a Member.
3. Under Secretary (Finance / Expenditure), as a Member.
4. One person to be nominated by the Government from Goa Chamber of Commerce and Industry.
5. One person to be nominated by the Government from Goa State Industries Association.

The Committee may co-opt additional members from Financial Institutions or Associations, if felt necessary.

9. Disbursement Procedure

1) At the end of the period for claim, the Directorate of Industries, Trade and Commerce shall prepare the list of eligible units and the amounts of subsidy payable to such units after primary scrutiny; and this list shall be forwarded to the Task Force Committee within one month.

2) The Task Force Committee appointed for this purpose will go through the list and verify genuineness of the claim. They may take the help from Directorate of Industries, Trade and Commerce or shall make external arrangement and can also take help of private agencies with prior approval of the Government in order to clear the proposal within two months from the date on which the proposal is forwarded by Director of Industries, Trade and Commerce. (The Directorate of Industries, Trade and Commerce may for the purpose of speedy clearance, prepare part list before preparing final list and Task Force Committee may take it up without waiting for the final list).

3) The Government will generally deposit the money with the Directorate of Industries, Trade and Commerce for disbursement within 15 days from the finalization of the claims.

4) The individual orders to the unit will be issued thereafter.

Such order shall be executed by Directorate of Industries, Trade and Commerce for disbursement as under " 50% of the amount shall be paid in stipulated time on signing of model agreement. The balance payment will be made by way of bonds payable after 05 years from the date of order and bearing interest of 06% compounded annually. The Bond will be encashable on the due date, subject to the condition that the unit is functional and is employing 80% local youths at the relevant time of maturity.

- 5) All claims shall be disbursed within one month of transfer of funds by the Directorate of Industries, Trade and Commerce subject to the documentation.
- 6) Payment shall be made within specified date, by the Directorate of Industries, Trade and Commerce against the funds to be released by the Government. No orders for disbursement shall be released to Directorate of Industries, Trade and Commerce unless the appropriate funds are transferred to Directorate of Industries, Trade and Commerce.

10. Authority to decide any dispute - The Chief Secretary shall be the authority to hear and dispose of any dispute filed before him against the order of the Task Force Committee/Directorate of Industries, Trade and Commerce/or any other Committee constituted for the purpose of the Scheme; and the decision of the Chief Secretary thereon shall be final.

11. Other conditions - The Scheme envisages benefit for 5 years. Once the unit is declared to be eligible by the competent authority, the unit can claim benefit for a period of 5 years. The closure or termination of this Scheme will not in any way alter the benefit.

This has been issued with the concurrence of Finance (Exp.) Department vide U.O.No. 1650 dated 26/6/2008.

By Order and in the name of
the Governor of Goa.
Sd/-
(B. S. Kudalkar)
Under Secretary (Industries)

ANNEXURE I

Sr.No.

Claim No.

Period of Claim

Last date to file claim

Last date for DITC to prepare a list and forward the same to Scrutiny Committee

Last date for Scrutiny Committee to scrutinize and dispose of the claim

Last date for Disbursing Agency to disburse of the claim

Last date to file appeal in case of any grievances.

1

First claim

January to June of each year

30th September

31st October

31st December

31st January

20th February

2

Second claim

July to December of each year

31st March

30th April

30th June

31st July

20th August

ANNEXURE II

- 1) For any Micro and Small Enterprises maximum benefit for first half year shall be Rs. 3.00 lakhs. If any Micro and Small Enterprises files a claim for Rs.2.00 lakhs for first half year, this unit will get maximum benefit upto Rs.4.00 lakhs for the second half year claim; after cumulating Rs.1.00 lakh of previous half year and Rs.3.00 lakhs (max.) for the second half year. If this unit files a claim again for Rs.2.00 lakhs for second half year, then it will get maximum benefit upto Rs.5.00 lakhs for third half year. (i.e. Rs. 3.00 lakhs for third half year and balance of Rs.2.00 lakhs being carried forward of the second half year claim).
- 2) If this unit fails to file any claim during second half year than it will be treated as NIL claim period and the unit will not get any benefit of Rs.3.00 lakh eligible during this half year claim, and in such case unit will be eligible for maximum benefit of Rs.4.00 lakh being carried forward of the first half year claim).
- 3) If this unit submits a claim of Rs.4.00 lakhs for the first half year, than it will get only Rs.3.00 lakhs as per eligibility. In such case, if the said unit files a claim for Rs.2.00 lakh for the second half year than the unit will get Rs.3.00 lakhs as maximum benefit (i.e. Rs.2.00 lakhs claimed during the second half year and the additional Rs.1.00 lakh claimed by the unit during the first half year, which the unit could not avail due to the maximum ceiling of that half year).

NOTE:- In case of Nil claim of benefit, the unit should file the same to carry forward the benefit for next half year.