

Draft

Jharkhand Industrial Policy - 2011

JHARKHAND INDUSTRIAL POLICY – 2011

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GOVERNMENT OF JHARKHAND
DEPARTMENT OF INDUSTRIES

Resolution

SUBJECT: JHARKHAND INDUSTRIAL POLICY – 2011.

1. INTRODUCTION

- 1.1 Jharkhand Industrial Policy – 2001 was formulated and implemented after the creation of the State of Jharkhand. The basic objective of the policy was to optimally utilize the available resources in planned and systematic manner for the industrialization of State. It was aimed at enhancing value addition of the natural and human resources in efficient manner to generate additional employment and resources for the growth and development of the State.
- 1.2 Considerable progress in industrialization has been achieved during the policy period. As many as 26 mega industries, 106 large and medium industries and 18,109 micro and small industries have been set up in the State during the period with an approximate investment of Rs 28,424.06 crore and about 63,000 people thus far got employment in these industries. It has contributed to the revenue collection of the State besides improving the quality of life in certain pockets like Jamshedpur-Saraikela-Chaibassa, Ramgarh-Patratu-Hazaribagh, Latehar-Chandwa, Ranchi-Lohardaga, Bokaro-Chandankiyari-Dhanbad-Giridih etc.
- 1.3 To ensure regular and mega investment, the State has been able to convince the ambassadors of industries to choose Jharkhand as preferred investment destination. Accordingly, major industrial houses have inked MoUs with the State Government. Several bottlenecks and difficulties

notwithstanding, the industries have been able to acquire about 8,000 acres of land through direct negotiation with raiyats. In addition the State Government has also been able to provide approximately 3000 acres of land to these industries including power units. Around 17 mega industries have already come into production and several other industrial units are likely to be commissioned during the financial year 2011-12.

- 1.4 Steel production in the State has increased from 8 million tonnes to over 12 million tonnes per annum during the 11th Plan period. Similarly, the production of alumina has increased from about 80,000 s to over 200,000 s. Significant capacity enhancement could also be achieved in cement and clinker production.
- 1.5 There has been a phenomenal growth in sericulture sector. A record growth in production of 716 metric of Tasar Silk has been achieved during 2010-11 compared to the production of less than 100 metric tonne before implementation of the policy and approximately 1.25 lakh employment has been generated in the sector.
- 1.6 Growth in Mining and Quarrying has also been observed in the State. The output from this sector has increased from Rs 6523.4 crore in 2003-04 to Rs 10170.5 crore in 2009-10.
- 1.7 There has been almost three times growth in Gross State Domestic Product (GSDP) of the State which is an indicator of fast growth. GSDP of Jharkhand at current prices has increased from Rs 39191.09 crore in 2000-01 to about Rs 120010.20 crore in 2010-11. Similarly the per capita income of Jharkhand has also increased from Rs 14392 in 2001-02 to Rs 38350 in 2010-11.
- 1.8 However, there is a need to boost the economic activities to sustain the current level of growth and achieve even better pace of development.

Since the State is endowed with rich mineral resources, its optimal utilization including value addition is essential for maximizing the benefit of local people.

- 1.9 There has been large scale change in industrial environment due to economic liberalization, privatization and globalization. Strong emphasis is being placed on Micro Small Medium Enterprises (MSME), clusterisation is being promoted, pollution norms have become more stringent, concept of 'go' and 'no go' zoning has been developed for mining clearances. Value Added Tax (VAT) regime has been implemented and is likely to be further replaced by Goods and Service Tax (GST).
- 1.10 Enough of learning experience has been gathered from implementation of Jharkhand Industrial Policy 2001. Organisations like Industrial Area Development Authorities {Ranchi Industrial Area Development Authority (RIADA), Adityapur Industrial Area Development Authority (AIADA) & Bokaro Industrial Area Development Authority (BIADA)}, State Khadi Board, Jharkhand Industrial Infrastructure Development Corporation (JIIDCO) and JHARCRAFT are making significant contribution in industrialization of the State and are cash surplus. But desired progress in areas like IT, Biotechnology, Special Economic Zone (SEZ), Food Processing, Down Stream Processing etc is yet to be achieved.

Further, investors trying to set up large / mega industries in the State are facing difficulties in acquisition of land.

- 1.11 Jharkhand ranks first in production of Tasar Silk in the country. In order to maintain the leading edge and rejuvenate existing rural industries including sericulture, handloom, handicraft, khadi, textile etc., it is envisaged to assist them in modernization/technological upgradation and provide necessary common facilities, backward and forward linkages

including product design, marketing support etc. so as to make them globally competitive and their product remunerative.

- 1.12 The present policy, aims at creating industry-friendly environment for maximizing investment especially in mineral and natural resource based industries, MSMEs, infrastructure development and rehabilitation of viable sick units. The objective here is to maximize the value addition to state's natural resources by setting up industries across the state, generating revenue and creating employment.
- 1.13 In view of the above, this policy has been drafted after intensive interaction with representatives of industries, industry association, investors, subject experts etc and efforts have been made to accommodate their views /remarks. It is expected that implementation of the policy will facilitate industrialization of the State, generate employment and add to its overall growth.

2. OBJECTIVE :

- 2.1 To convert Jharkhand into a favoured destination for investors and to promote sustainable Industrial growth of the State.
- 2.2 To establish linkages between large industries and MSME/ ancillary industries.
- 2.3 To give a boost to manufacturing activity and develop downstream processing industries for consumer durables, engineering goods etc in major industrial pockets.
- 2.4 To facilitate optimal utilization of states mineral and other natural resources.

- 2.5 To accelerate the growth of sericulture, handicraft, handloom, khadi and village industries etc. in rural areas for achieving the objectives of employment generation, utilization of local resources and exploiting the export potential of finished products. Efforts would be made to take steps to protect and promote rural handicrafts so as to conserve and enrich cultural heritage, traditions and customs of the region.
- 2.6 To promote skill-based, environmental pollution free industries like IT, Biotechnology, Tourism etc.
- 2.7 To utilize the advantage of the state in horticulture, floriculture and food processing industries.
- 2.8 To ensure participation of scheduled tribes, schedule caste and other underprivileged sections of the society in the industrial development.
- 2.9 To set up clear and creditable specific measures to improve the investment climate.
- 2.10 To promote innovation and technological upgradation of industrial units for improved production, product and productivity.
- 2.11 To revive viable sick units.
- 2.12 To ensure Balanced Regional Development so as to prevent socio-economic distortions due to backwardness of any region.
- 2.13 To develop industrial parks / clusters / industrial areas in PPP mode.
- 2.14 To simplify the procedures and to ensure administrative and legal reforms so as to provide hassle free sensitive administration and time bound effective disposal of matters in a transparent manner.
- 2.15 To promote private investment in engineering colleges / medical colleges / nursing Institute / management institutes under Human Resource Development programmes and other skill development programmes.

3. STRATEGY :

- 3.1 Creating and enabling environment for development of industrial and related social infrastructure.
- 3.2 Development and operationalisation of Industrial Facilitation Mechanism (**Single Window System**) for "time-bound clearance".
- 3.3 Rationalisation of fiscal concession and benefits.
- 3.4 Striving to put in place appropriate arrangements for ensuring timely and adequate flow of credit to industries, specially the MSE sector.
- 3.5 Assist Industrial Sector in their marketing efforts by providing adequate support services backed by appropriate enabling provisions in the legislations / rules.
- 3.6 Thrust to entrepreneurship development programme.
- 3.7 Emphasis on small power generating units and developing non-conventional sources of energy using clean technology through private participation.
- 3.8 Development of ancillary units by major industries.
- 3.9 Institutionalisation of Monitoring, Evaluation and Grievance Redressal Mechanism.
- 3.10 Implementing the concept of Public-Private-Partnership (PPP) in industrialization especially in Infrastructure Development / Industrial Area Development / Industrial Park / Human Resource Development / Service Sector etc.
- 3.11 To develop Human Resources with appropriate scientific, technical and managerial skill to suit the requirement of local industries and gain maximum employment. Adoption of existing technical institutes under Government by Mega Investors under their Corporate Social

Responsibility (CSR) programme will be encouraged to achieve the objective.

- 3.12 Setting up new Industrial infrastructure dedicated to steel, automobile, food and agro-processing, electronics, information and communication technology etc. including through new organizational forms such as Knowledge Cities, Centres of Excellence, Incubation Centres, SEZ etc.
- 3.13 Marketing assistance to be provided to small, tiny, cottage industries, handloom, sericulture and handicraft.
- 3.14 Identification and revival of sick units, including prevention of sickness by developing a district level monitoring system.
- 3.15 Promoting cluster based development of MSMEs either on their own or with mother industries for bringing about more production efficiencies, branding and bringing about economies of scale.
- 3.16 Thrust on development of MSME Sector through attractive package of Incentives and Concessions including implementation of MSME Act 2006.
- 3.17 Modification of Rehabilitation & Resettlement Policy (R&R Policy), 2008.
- 3.18 To develop quality infrastructure including road, water, land, power etc and provide it at the doorstep of industries for encouraging industrial growth.
- 3.19 Special incentives are proposed for women, SC/ST entrepreneurs.
- 3.20 To make industries technically competitive, special incentives are proposed for adoption of latest technologies, getting quality certification like BIS, ISO 9000 / 1400 or other national or international certification.
- 3.21 Awareness programmes on export marketing and other related issues will be organized in association with MSME Development Institutes / EAN

India and local chamber of commerce and association to sensitize and encourage exporters for export promotion.

- 3.22 Government proposes to facilitate setting up of effluent treatment plants and hazardous waste management plants in various industrial estates and clusters with private sector participation. Efforts will also be made for value addition to some industrial wastes including minerals lying as wastes at pit-head / mines site.

4. LAND

- 4.1 Industrial Area Development Authorities (IADA) under its command area will be responsible for acquisition of land and development of infrastructural facilities, such as roads, drainage, parks, water supply and public utilities for the industrial area under their control.

Land / sheds in these authorities would be allotted to entrepreneurs for setting up their industrial units on lease of 30 years on annual rent with the facility of renewal. It would be ensured that land is allotted as per the actual requirement of the Unit proposed to be installed and only for the setting up of industrial units.

- 4.2 (a) Efforts will be made to create land bank in each district by acquiring a minimum of 200-500 acres of land and demarcating them as industrial estates with provision of basic industrial infrastructure.
- 4.2 (b) A comprehensive exercise will be undertaken to identify and utilize land that is owned by the Government or common land, mostly waste and fallow land in different parts of the State.
- 4.3 Industrial Units (Central Public Sector Undertakings, State Government Undertakings and Private Enterprises) are retaining excess land, earlier

allotted to them, for more than 20 years. The actual requirement of these industries will be reassessed and, wherever required, land in excess of their requirement which is not being used for the purpose for which it was allotted, will be taken back by the Govt. and inventory of such surplus land will be worked out to create land bank. This will enable the State to offer land readily to investors as and when required.

- 4.4 Project proposals of Investors for setting up industries will be thoroughly scrutinized to arrive at the actual requirement of land for the project.
- 4.5 For any type of land acquisition i.e. voluntary, involuntary or direct purchase from raiyats, as permissible under CNT / SPT Act, consent award under Jharkhand Voluntary Land Acquisition Rule 2010 and Schedule Area Act (PESA) will be applicable.
- 4.6 GM land or Government land will be transferred to the investing company only when the raiyat and other land availability has been ensured.
- 4.7 GM land will be leased out to the investing company for 30 years. However, the land should be used for the purpose it has been allotted within 5 years from the date of transfer.
- 4.8 In case of conversion of agricultural land for industrial purpose the existing land rent will be modified.
- 4.9 (a) All efforts shall be made to avoid double cropped agricultural land and minimize R & R requirement.

(b) Waste land / degraded forest land may be made available by the State Government on long term lease basis after taking prior approval from the Government of India under Section '2' of Forest (Conservation) Act 1980, wherever required, for plantation development / tourism purposes which will encourage forest based / tourism industries.

- 4.10 Government will try to acquire land in new suitable location and ensure infrastructure development for specific and general industries.
- 4.11 Efforts will be made by each Industrial Area Development Authority (IADA) of the State to acquire at least 1000 acre land and develop infrastructural facilities for commercial exploitation / revenue generation.
- 4.12 IADA shall undertake a comprehensive Land Zoning Plan in respect of new Industrial Estates, Parks etc, and would also undertake zoning in existing industrial estates to the extent possible. Particular type of similar industries with identical output / product will be grouped together in a particular zone.
- 4.13 Industrial Area Development Authority will act as knowledge centre and facilitator for investors of their command area.
- 4.14 **5% of the revenue generated by Industrial Area Development Authority will be earmarked for expenditure on skill development / entrepreneurship development / disaster and hazards management of land losers in their command area so that land losers or their wards are equipped with proper skill to get gainful employment in that industrial area.**
- 4.15 **25% available allotable land in any new industrial area (land acquired during the duration of this industrial policy) will be earmarked for land losers who have lost one acre or above land. The land will be offered to such land losers at prevalent rate for setting up industries provided land is available and they fulfill other eligibility criteria.**
- 4.16 IADA will organize annual inspection of all allotted plots to find out its utilization. Detailed information complied by the inspection team will be placed on website. The cases of units not utilizing the plot or inadequately utilizing the plot for the purpose for which the allotment was made, will

be considered for cancellation or penalty equal to land cost. After land allotment in industrial area if the allottee does not set up fully functional industries within stipulated time (2 years for Micro and Small Enterprises and 5 years for medium industries), the allotment of land will be cancelled. In case of such cancellation there will be a deduction of money deposited at the rate of 10% every year for the period the allottee has retained the land.

4.17 The following exit practice will be applicable to entrepreneurs willing to surrender the allotted land before the expiry of lease period or the authority finds that the Unit has remained closed and non-functional.

4.17.1 If unit has remained operative / functional for more than 10 years and paid revenue to the State exchequer in the form of sales tax equal to original land value then the lease holder of the land of the unit will be allowed to surrender the land to the authority and the lease holder will be paid back the amount equal to the original value of the land.

4.17.2 Land lease holder of an industrial unit can surrender land voluntarily within the lease period. In such cases only 50% of the original land value will be paid back to the lease holder.

4.17.3 In case of violation of lease conditions by the lease holder the Authority may cancel the lease right of the lease holder without any refund of land value.

4.17.4 Ownership of land including mortgaged land will always rest with the Authority. Land value including development charges will remain non-negotiable and will always be settled by the Authority.

4.17.5 For transfer of ownership of all kinds of firms on account of succession or inheritance (legal heirs duly approved by competent Court of law), IADA shall charge Rs 10,000 as processing fee with all kinds of dues for land

area upto 0.25 acre in case of Micro and Small Industries. The processing fee for area up to 0.5 acre and up to 1.0 acre will be Rs 25000 and Rs 1 lakh respectively. For land area above 1 acre, 5% of land value will be charged as processing fee. For all types of transfer of ownership approval of IADA will be essential.

4.17.6 If, at any stage, holding / ownership interest of the proprietor / promoting partners, who were there in the firm at the time of plot / land allotment as the case may be, goes down below 51% in the firm, the same will be treated as transfer of allotted plot and transfer fee or processing fee as prescribed below will be charged :

(a) For transfer of more than 50% share of ownership in case of non-sick units, a processing fee of Rs 25000 along with outstanding dues, plus 25% of present value of land.

(b) For transfer of more than 50% share of ownership in case of sick / closed / abandoned unit, a processing fee of Rs 25000 along with outstanding dues plus 50% of present value of land.

4.17.7 Tourism, Information Technology (IT) and Biotechnology related units including laboratories may be allowed in Urban areas irrespective of the earmarked use shown in current master plan prepared and being implemented by Urban Development Deptt. Floor Area Ratio (FAR) for above mentioned unit may also be relaxed.

4.18 Rehabilitation and Resettlement (R&R) Policy, 2008 of the State will be suitably modified to offer adequate package to land owners whose land is acquired for development purpose. Compensation will be available not only to the people who are within the affected area of the project but also to those living in periphery of the Project. The policy will also have a

provision to make the land owners as partner in the project by offering certain equity to them.

5. MINES

- 5.1 It is proposed to allot mines / captive mines on preferential basis to the investing companies who have put up their plant in the State for value addition to the raw material.
- 5.2 Cases for grant of mining lease to potentially viable sick units which have previously generated adequate employment and revenue resources for the State Government will be preferred over industries situated outside the State.
- 5.3 Cases of Industries who have been allotted mines but not set up their plants or where reserve of the leased mines is in excess of the requirement of plant are proposed to be reviewed and, if required, the steps will be initiated for cancellation of the allotted mines or curtailment in the leased quantity of raw material.
- 5.4 Efforts will be made to work out a mechanism for State ownership of 25% raw material being dispatched to other States in the Country or exported to other countries.
- 5.5 Methodology for time bound disposal of mines lease application are proposed to be developed.
- 5.6 Efforts will also be made to allot more iron ore and coal mines to Jharkhand State Mineral Development Corporation (JSMDC) to enable the company to enter into joint venture with other companies for taking up the development of these mines for supplying raw material to the needy industries of the State.

- 5.7 It is proposed to try for increase of ad valorem on raw material of the State for augmentation of State's revenue.
- 5.8 Comprehensive plan for development of railway network and other infrastructure for major mines of the State are also envisaged.

6. WATER

- 6.1 The State has normal rainfall pattern of 1400 mm spread across all the regions and possesses a large number of water bodies, reservoir and river basins spread across the State, which is available for industrial use. It is proposed to carry out a fresh survey to ascertain the actual availability of water.
- 6.2 Efforts will be made to impress on investors to implement appropriate measures for rational use of this scare resource and the need for adoption of minimum water consumption technologies, recycling of water after use in industries and treatment of waste water.
- 6.3 Efforts will be made to prepare water supply scheme. Feasibility of desalination plants and supply of recycled and treated waste water to industries will be explored. Govt. will try to implement and facilitate mega water supply schemes for industries at specified locations through Special Purpose Vehicle (SPV).
- 6.4 Concept of differential water tariff is being introduced :
- (a) Lower tariff for industries minimizing the industrial water consumption to the extent possible and also to industries devising means / methods to use flood water for its consumption.
- (b) Higher tariff for industries consuming water more than the specified average norm.

(c) Differential water tariff is also being introduced with respect to the source of allocation (natural river source, govt. owned storages, canals etc) and also whether water is being consumed as raw material.

- 6.5 Many Mega Industries have been allocated water by Water Resources Department (WRD) for their proposed plant in Jharkhand. Some of these units are yet to make substantial progress in installation of their Units which could justify the quantum of water allocated to them. Steps have been initiated to reduce the quantity of allocated water to such industries keeping in view their actual requirement in near future and allotment of balance quantity to such mega units where substantial progress has been made in installation of the plant.
- 6.6 Rain water harvesting shall remain mandatory for industries. Industrial Area Development Authority under their command area will ensure its implementation.
- 6.7 Ground water is not to be used for industrial purpose.
- 6.8 Storage intervention by industrial units will be encouraged to meet the industrial water demand during non-monsoon period.
- 6.9 Industrial units will be required to adhere to the discharge norm fixed by Jharkhand State Pollution Control Board (JSPCB).
- 6.10 Water Policy detailing availability of water in the river basin, water allocation to different consuming sectors, priority areas for allocation etc is being worked out by WRD and will be published shortly.

7. INFRASTRUCTURE

- 7.1 Efforts will be made by the State Govt. to provide quality infrastructure to investors like all-weather road, uninterrupted power supply, adequate water, connectivity through railways etc.

- 7.2 Top priority will be accorded by the State Govt. in development of physical and social infrastructure through Public-Private-Partnership (PPP). Private investment in power, telecom, roads, airports, logistics etc will be facilitated.
- 7.3 20-25% of the land in industrial areas / estates will be earmarked for townships facilitating walk-to-work concept in such areas.
- 7.4 In the process of infrastructure development, due care will be taken to save water bodies, ecology and greenery adopting integrated environment management plan for the region as a whole.
- 7.5 Special efforts will be made to make dedicated corridor for transport of natural resources of the State. Help of Ministry of Railways and Transport, GOI will be sought for the purpose.
- 7.6 The State Govt. would take specific measures for development of sectoral clusters taking into account the need of the targeted industries. The State has already started implementing the concept of BOT, BOOT etc and would evolve comprehensive guidelines for funding and operating infrastructure projects with private investment.
- 7.7 The State has extensive and well developed railway system providing links to mining industry. Extensive goods handling facilities are available at Ranchi, Bokaro, Dhanbad and Jamshdepur. In addition, ore loading facilities are available at Kiriburu, Lohardaga and all the coal mines of Central Coalfields ltd.
- 7.8 Work on providing Rail Connectivity between Koderma-Hazaribag-Ranchi, Koderma-Giridih, Deoghar-Dumka, Barhi-Hazaribag and Tori-Lohardaga has already been taken up.
- 7.9 (a) 4 laning of NH-33 between Barhi-Hazaribag-Ranchi-Mahulia is in progress.

(b) Road Construction Department, GoJ and IL & FS Ltd have jointly set up Accelerated Road Construction Company Ltd. for improvement of 1500 km road of the State on annuity basis. Ranchi-Patratu-Ramgarh Road and six laning of part of Ranchi Ring Road are covered under the scheme.

(c) Several other schemes including Govindpur-Dumka-Sahebganj Road, Adityapur-Kandra Road, East West Corridor and Adityapur Toll Bridge at Jamshedpur are in progress to improve connectivity.

- 7.10 Ranchi, the State Capital is connected with Delhi, Kolkata, Mumbai, Patna by regular air services. The upgradation of Ranchi airport is in progress.
- 7.11 The State Government has taken steps to set up Air Cargo Complex at Ranchi. This would provide boost to export oriented industries, specially, those operating in the area of high value and perishable commodities. Floriculture and horticulture based industries can take advantage of this facility.
- 7.12 Jharkhand is a land locked State. Efforts are being made to provide inland water transport facilities by making Suvarnarekha river navigable. In addition, navigational infrastructure at Sahebganj and Rajmahal is also contemplated to be provided on river Ganges to facilitate sea port access. Efforts are being made to provide a bridge over the Ganges at Sahebganj. The State Government would strive to possess a dedicated berth at either Haldia Port or Paradeep Port to facilitate imports and exports.
- 7.13 (a) Jharkhand State Information & Communication Network (Jharnet) is the State-of-the-art communication network connecting State headquarter with headquarters of 22 districts, 35 sub division and 212 blocks. Jharnet is a broad band IP based E-Governance network which provides a secure platform to transfer data across the State. Treasury, Commercial Tax,

Land Registration Deptt., Provident Fund, Birth and Death Certificate, Residential Certificate etc. are fully computerized and many more are under progress. Computerisation of Commercial Taxes Department will facilitate trade and industry sector in return filing, e-payment, registration etc.

(b) E-procurement has been started in 10 Government Departments. This will enable willing tenderers from aboard to participate in the tendering process within specified time.

(c) State Govt. has envisaged to establish optical fibre linkage throughout the State. Efforts are being made to provide broad band connection to all block headquarters and panchayats. So far optical fibre linkage has been established for about 2200 km by various telecom companies. The number of internet and mobile users is around 4.7 lakhs and 100.05 lakh respectively.

Significant progress has also been made in UID scheme and about 4 lakh urban population and 25 lakh rural population have already been covered.

7.14 A Rs 10 crore grant will be given for the Common Infrastructure Development within a Green field Textile / Apparel Park and IT - ITES / Bio Technology Park.

8. HUMAN RESOURCE DEVELOPMENT

8.1 There will be huge requirement of technical manpower in the State by upcoming industries. Therefore, special efforts will be made on promoting new technical institutions, upgrading existing ones and enhancing industry – institution linkages.

8.2 There are over half a dozen well established engineering colleges in the State imparting technical education in almost all the import branches of engineering and an equal number engineering colleges is in initial stages of stabilization. Similarly, there are 13 government polytechnics in the State and steps have been initiated to establish 17 more such polytechnics. Mini Tool Rooms under Mini tool Room Scheme of Government of India have been established at Ranchi and Dumka.

A Technical University is being set up and Private University Act is in the offing.

8.3 The State Government is willing to transfer existing and upcoming engineering colleges / polytechnics /ITIs to competent educational / Industrial Groups for managing these under PPP mode so that the requirements of qualified and skilled manpower of industries being set up in Jharkhand are easily met.

Under this scheme, it is proposed to transfer all the existing buildings, laboratories, workshops, equipments etc to entrepreneurs so that the upgradation of the Institute is facilitated without any hassle within the shortest possible time.

8.4 To facilitate the setting up of technical / educational institutions under private sector the Govt. proposes to provide land for such institution to willing investors. In case of non-availability of Govt. land the agency **setting up the institution will be reimbursed 50% of the cost of land** at the rate fixed by the Govt. for that particular area. Efforts will also be made to provide necessary infrastructure support to such institutions.

9. SKILL DEVELOPMENT

- 9.1 Development of skilled manpower for the use of industry and trade is a thrust area. Skill upgradation in the emerging skill sets will be focused on.
- 9.2 Endeavour of the State Government will be to promote private sector investment for skill development through market driven approach.
- 9.3 Thrust will be given for skill development amongst women to enhance their employability.
- 9.4 Specialised Industrial Training Institutes (ITIs) shall be set up at locations having heavy concentration of specialized workmen.
- 9.5 A special drive shall be undertaken for introduction of multi-skilling in areas such as material handling, machine operation and maintenance, furnace operation and maintenance, automobile engineering, plumbing, gemstone cutting and polishing, power engineering etc. Industries will be closely associated with the design of the course including practical training.
- 9.6 Industry – institution interaction is proposed to be encouraged to identify skill sets required for the industry and to develop such skill sets in the institutions imparting training.
- 9.7 Skill Development of unemployed / under employed youth is proposed to be undertaken utilizing the services of existing partners of National Skill Development Corporation (NSDC) like EMPOWER, Gram Tarang etc. Advantage with these vocational training providers funded by NSDC are that, through proper monitoring, it will be possible to evaluate the impact of skill development programme through increase in the income of beneficiary unemployed / under employed / self employed youths.

10. ENTREPRENEURSHIP DEVELOPMENT

10.1 Efforts will be made to inculcate entrepreneurial qualities through structured programmes and schemes which will include the following :

(a) Sourcing of services of a reputed consultant to identify the area for utilizing the entrepreneurship opportunities in the State.

(b) Establishment of an Entrepreneurship Development Institute and strengthening it through various measures, including Govt. support, strategic alliances with national level entrepreneurship institutes and linkages with industries, technical and professional institutions, R & D, NABARD, Banks, PPP initiatives etc.

10.2 **Special incentive of 50% reimbursement of fee (subject to a maximum of Rs 50,000 for six months entrepreneurship course and Rs 100,000 for 1 year course)** will be given to SC/ST and women for pursuing entrepreneurship course from a reputed institute. List of such institutes will be notified by the State Govt. from time to time.

10.3 IADA will extend necessary help to entrepreneurs. Interaction programme will be organized by IADA for entrepreneurs undergoing training to sort out problems which are likely to be faced by them.

10.4 Entrepreneurship Development Programme at XLRI, Jamshedpur has already been started and the second batch of trainees are being trained. The programme is proposed to be continued further.

11. DEVELOPMENT OF INDUSTRIAL AREAS/ ESTATES

11.1 The State Govt. would encourage establishment / development of **Private Industrial Estate** of minimum 75 acres. Land has to be acquired by the developers. The government in turn will support infrastructural facilities

for the estate. **Cost up to 50% on development of infrastructure, with maximum limit of Rs 10 crore**, will be borne by the Government. Such infrastructure will mainly include road network, drainage, drinking water etc.

- 11.2 The maximum area of 60% of such private industrial estate will be used by investor / developer and the rest of the allotable area will be earmarked for MSME Industries. Ownership of such private industrial estate will rest with investor / developer.
- 11.3 Initiative of the investor in developing private industrial areas / estates either in PPP mode / individual entrepreneur / companies / cooperatives will be encouraged with supportive package.
- 11.4 **State Govt. will provide 50% concession in registration cost of land of such private industrial estate.**
- 11.5 The Industrial Estates, Industrial Areas, Industrial Parks, Growth Centres etc. shall be excluded from the tax regime of the Municipal and other local authorities for management by local industries associations, provided that the latter undertake to maintain the infrastructure of the industrial estates either directly or through other agencies by taking consent of Urban Development Department by amendment of the relevant Act, if required.
- 11.6 Efforts will also be made to explore the possibility of development of such industrial estate under joint venture with IADA.
- 11.7 **Mega Growth Centre** at Barhi with 350 acre land has been taken up for development with modern infrastructural facilities for rapid industrialization. The development of the growth centre is proposed on competitive bidding. Similarly DPR for 547 acres Devipur Industrial Estate at Jasidih has also been prepared. It will be taken up for implementation shortly.

- 11.8 Project proposals of establishment of industrial estate by private developers will be evaluated and its approval, sanction of grants / benefits will be decided by the committee under the Chairmanship of Development Commissioner with Principal Secretary / Secretary, Road Construction, Finance, Water Resources, Energy, Planning, Industries as its member and Director, Industries as member secretary.

12. **INDUSTRIAL CORRIDOR**

State Govt. shall take proactive steps to promote / develop two industrial corridors, namely Koderma – Bahragora and Ranchi-Patratu-Ramgarh Road. The State Government proposes to develop Industrial corridor along Koderma to Bahragora, a distance of 350 KM. It is proposed to develop the corridor with 25 KM each side of this 4 laning which will cover 21% of the total State area and about 1/3rd population of the State connecting Hazaribagh, Ramgarh, Ranchi, Jamshedpur and Ghatsila.

Development of second Industrial corridor between Ranchi-Patratu and Ramgarh Road is also under active consideration of the Govt.

The Industrial Corridor will be equipped with an array of infrastructural support such as power facilities, rail connectivity, Industrial Estates, SEZs and cluster with top-of-the line infrastructure.

13. **INDUSTRIAL PARKS**

To encourage industrial activities of specialized nature at suitable location, sector specific industrial parks have been envisaged in the State.

Following industrial parks are planned to be set up under Govt, Private, Joint Venture or PPP mode.

- i. Apparel Fibre and Textile Park
- ii. IT Park / Software Technology Park (STPI)
- iii. Gems and Jewellery Park
- iv. Biotech and Herbs Park
- v. Chemical and Pharmaceutical Park
- vi. Food Park
- vii. Any other such activities eg : Ceramic Park, Plastic Park, Knowledge Park, Film City etc.

13.2 Since these above mentioned centres can work as **incubation centre** it is proposed to make some of these centres as centres of excellence with State-of-the Art Technology taking into consideration the emerging R&D scenario in India and abroad.

13.3 Efforts will be made to get above mentioned schemes under Govt. of India Scheme.

13.4 All the facilities and benefits proposed to be extended to Private Industrial Estate (Sl. 11.1 & 11.4) will also be available to above mentioned parks developed under private or PPP mode.

13.5 Monitoring and mechanism of project approval and sanction of benefits will also be the same as detailed in 11.8.

14. **SPECIAL ECONOMIC ZONE (SEZ)**

14.1 Special Economic Zone is a growth engine for attracting Industrial investment and boosting exports. This concept will be promoted in IT / chemical-pharmaceutical and other sectors.

14.2 First Product Specific Automobile and Auto Component SEZ at Adityapur has been sanctioned and is under implementation.

15. CLUSTER DEVELOPMENT

15.1 The Government has initiated measures for promoting clusters in the State. These clusters will be group of Industries manufacturing identical and complementary products. Development of cluster will enable the member units in the clusters to avail of the common facilities developed and make these units globally competitive by enhancing productivity, upgrading technical skill and capacity building of the enterprise. Under the scheme, assistance will be provided to cluster representative bodies for carrying out certain activities leading to strengthening of the clusters. This will come under the relevant schemes of the Govt. of India viz Small Industry Cluster Development Programme of Ministry of MSME and IIUS Scheme of Directorate of IPP.

15.2 Adityapur Auto Cluster is under implementation at a total cost of Rs 65 crore. It aims at developing testing facilities and environmental improvement through installation of CETP & HWMF.

15.3 A number of clusters are already under implementation in Sericulture, Handloom and Handicraft Sector. State Government has identified 56 clusters including Refractory Cluster, Dhanbad; Mini Cement Cluster, Ramgarh; Bell Metal Cluster at Bishnugarh, Hazaribagh and Khunti, Steel Processing Cluster at Giridih, Hard Coke Cluster at Dhanbad and Forging and Hand Tool Manufacturing Cluster at Bhendra, Bokaro.

15.4 Quality of infrastructure in industrial clusters of the State would be upgraded through a cluster development action plan in collaboration with industries and all other concerned department / agencies availing the

Government of India schemes. State Government will support and supplement the cluster plans depending upon the nature of cluster, sustainability of activities and other considerations.

15.5 **Minimum grant of 10% will be offered** by the State Govt. to cluster schemes approved by Govt. of India for the State.

15.6 Necessary help through DCs / MDs, AIADA, BIADA, RIADA, SPIADA and other State Govt. agencies will be extended to cluster SPV in purchase / allotment / acquisition of land.

16. **MSME**

16.1 Taking into consideration the significant contribution of Micro, Small and Medium Enterprises (MSME) in manufacturing sector and its potential of export, preferential treatment has to be given to this sector. There is an urgent need to provide attractive package of incentives and concessions.

40% of the land in IADA will be reserved for Micro and Small Enterprises in the existing IADA or upcoming IADA, Industrial Estates / Area / Park etc.

16.2 Price preference will be allowed for goods manufactured by Micro and Small Industries of Jharkhand in case of purchases by Govt. Departments and State owned PSUs including Boards, Corporations, Development Authorities, Improvement Trusts, Municipalities, Notified Area Committees, Cooperative bodies and institutions aided by State Govt. and Companies where Govt. share is 50% or more.

16.3.1 The State Government proposes to formulate a Marketing Policy for safeguarding the interest of local Micro and Small Enterprises. Provisions of the proposed policy include :

(i) **Tender forms for bidding will be made available free of cost.**

(ii) **Exemption from payment of Earnest Money Deposit (EMD) and Security Deposit (SD).**

(iii) **Bill discounting facility will be made available on Government Orders.**

(iv) **10% price preference i.e. where the bid of Micro and Small Enterprises are within 10% of L1 (least priced bid), the local Micro and Small Enterprises will be given an offer of reasonable part of the Order at L1.**

(v) Providing platforms for interaction between Enterprises of Jharkhand and potential domestic and global markets through Trade Fairs, Road shows.

(vi) Encouraging the SMEs to participate in national and overseas business fairs and exhibitions, and international delegations.

(vii) Creating a Facilitation Council – a quasi judicial body to redress the problems being faced by local MSEs in marketing their quality products.

(viii) Setting up a permanent exhibition-cum-convention centre for exclusive display of MSME products.

16.3.2 Efforts will be made to make full payment for the items bought from MSEs under 16.3.1 (iv) within 30 days of complete supply.

16.3.3 Industrial units of the State without price preference facilities will be allowed to supply their products to Government Departments and other organizations (as mentioned in 16.2) at the lowest rate (L1), depending on their capacity, at maximum of 50% of the work order, if they qualify otherwise.

16.3.4 The raw material generating units shall be persuaded to give purchase preference to the local industries, **whose production is dependent upon**

the supply of such raw material. Similarly, the PSU's / Private Sector large industries, located within the State would be persuaded to give purchase preference to the local industries while making purchases of raw materials and other items required by it. Preference would also be given to the local industries in supply of forest produce available in the State.

- 16.4 A symbiotic relationship between the MSME and the Technical Institutions will be developed by linking each cluster with a technical institution to solve the technical and design related problem of the MSMEs.
- 16.5 Efforts will be made to provide linkages for MSMEs with micro-finance institutions, raw materials, focused market access etc.
- 16.6 Special emphasis will be given on providing Common Facility Centres (CFC) mainly through Public-Private-Partnership (PPP) initiatives to MSME projects of a cluster.
- 16.7 Schemes like ASIDE, Credit Guarantee Fund Trust Scheme, Cluster Development Programme for MSMEs, Credit Linked Capital Subsidy Scheme, Technology Upgradation Scheme being operated by Govt. of India and various other Promotional Schemes of different Ministries of Govt. of India are proposed to be suitably dovetailed for the benefit of MSM Enterprises of the State. Efforts will also be made to suitably complement these schemes enabling the entrepreneurs to avail maximum advantage of these schemes.

17. **VALUE ADDITION**

- 17.1 The State of Jharkhand is blessed with huge natural resources such as minerals, forests, water resources etc. Value addition to these resources will enable the State to develop fast.

The State can be roughly divided in 8 major zones based on raw material deposits and industrialization.

Palamau – Garhwa : Deposits of Iron Ore, Dolomite, Coal, Graphite, China Clay and granite.

Lohardaga Industrial Area : Aluminium Industries based on bauxite reserves.

Koderma– Hazaribagh Industrial Area : Mica based Industries, Power, Cement, Glass, Alloy Steels, Telecom and Refractory.

Ranchi Industrial Area : Medium and Large Scale Industries.

Dhanbad-Bokaro Industrial Area : Coal and Steel

Singhbhum Industrial Area (Jamshedpur & Adityapur) : Iron and Steel, Auto Component, Cement, Uranium, Copper and Gold Mining.

Ghatsila Industrial Area : Copper and Forest based Industries.

Deoghar-Jasidih : Oil Mills, Glass, Steel

Efforts will be made to add value to the above mentioned resources of the State located in various industrial areas and fully exploit the potential of respective areas so that the spread of industries and economic activities take place uniformly throughout the State without any regional imbalance.

- 17.2 Over the years, large amount of Iron Ore Fines / dust has been accumulated near iron ore mines of the State. The quantity of the fines will continue to increase with future mining activities in existing mines already under operation and envisaged mining in unexplored iron ore mines. It is, therefore, essential that investors come forward to utilize the iron ore fines for pelletization and subsequent use of these pellets after pelletization in steel plants set up within the State. In the process the value addition to the iron ore fines which is lying as waste will be substantial

(about 8 to 10 times). Pellets thus produced will also be as good or even a better feed to iron and steel making units than lump iron ore and iron and steel plants of the State can benefit from it.

- 17.3 In order to sustain the industrialization process in the State, adoption of sound environment management practices is essential. With this in view, endeavour of the State Govt. will be to encourage investment in new cement plants based on blast furnace slag and fly ash, which would be available in abundance due to a number of steel plants and thermal power plants already existing in the state and some more such units coming up in near future. Even these mega plants may take initiative to make use of such wastes themselves or by entering into joint venture or long term raw material contract to other new / existing cement units and fly-ash brick making units in MSME.
- 17.4 Industries will be encouraged to secure better waste management through innovative technology for pollution prevention and abatement.
- 17.5 Enhancement of revenue through carbon credit mechanism is proposed to be encouraged. A nodal agency will be identified for promotion of carbon credit trading that will provide technical, financial and institutional support to interested companies.

18. **PROMOTION OF SERICULTURE, HANDLOOM & HANDICRAFT**

- 18.1 Jharkhand ranks first in the country in production of Tasar Silk. In order to maintain the leading edge and give special thrust to the sector, Jharkhand Silk, Textile and handicraft Development Corporation (**JHARCRAFT**) was established in 2006 to provide support in design, training, entrepreneurship development, marketing, raw material support in clustered and organized manner by grouping local artisans, SHG's and

NGOs involved in similar activities. JHARCRAFT has emerged as a brand not only in the country but also abroad. JHARCRAFT is supporting more than 2.0 lakh rearers, reelers, spinners, weavers, artisans etc. It also maintains cocoon banks using existing infrastructure besides creating new infrastructure with the financial support of the State Government and has 18 marketing outlets in cities including Ranchi, Delhi, Kolkata, Bangalore, Ahmedabad and Mumbai. Marketing is also being extended under franchisee mode.

- 18.2 **Skill development** efforts in the area of Sericulture, Handloom and Handicraft have been intensified with the setting up of Jharkhand Silk Training Centre, Kharsawan, in collaboration with NIFT, Kolkata; Saheed Nirmal Mahto Institute at Bhagaiya in collaboration with NID, Ahmedabad; and Apparel Training Centre, Irba in collaboration with Export Promotion Council, GOI.

Further expansion of this sector for setting up of reeling / spinning / weaving etc. is envisaged in PPP mode with viability gap funding.

- 18.3 State Govt. will make efforts to set up at least one unit for sericulture, handloom, handicraft (one of these or mixed) activities for generation of employment of 250, if one of the above mentioned activities is taken up for implementation and 1000, if all the activities are taken up for implementation.
- 18.4 Financial assistance will also be extended for establishment of Skill Development Centre (SDC). The assistance will be restricted to Rs 5,000 maximum per trainee to be trained in such SDC. Thus for **trainee strength of 1500, an assistance of up to Rs 75 lakh will be made available to SDC.**
- 18.5 Quality power supply will be made available to powerlooms.

- 18.6 **Interest rate subversion of 2%** will be given against working capital to weavers, reelers, spinners, handicraft artisans etc of Self Help Groups (SHG) of 10 or more members for producing articles / products worth more than Rs 1 lakh per member. This financial benefit will be available to such SHGs who are registered with JHARCRAFT and are supplying products worth Rs 10 lakh or more per annum.
- 18.7 **Finished products of all existing and new khadi, village, cottage and handicrafts industrial units will be exempted from sales tax** when sold at sales outlets of authorized cooperatives / Government agencies and agencies recognized by Khadi and Village Industries Commission / Board, Coir Board, Handicraft Corporation and DIC.

19 **TEXTILE AND APPARELS**

- 19.1 Industrial units under this category including Jharcraft, or projects under joint venture, PPP mode, State Govt. etc will be facilitated to get access to all the existing schemes of Govt. of India such as
- (i) Technology Upgradation Fund Scheme (TUFS)
 - (ii) Scheme for Integrated Textile Parks (SITP)
 - (iii) Scheme for Integrated Skill Development
- 19.2 The State Government will extend the benefits to textile / apparel units excluding those which have been covered under Govt. of India schemes.
- 19.3 The facilities available in industrial training institute of the State for apparel production will be upgraded by the State Govt. and such training institutes will be allowed to run various courses in apparel production as per the schemes of All India Apprenticeship Training.

- 19.4 Efforts will be made to attract major textile companies for establishment of textile units in the State.
- 19.5 Since there is substantial scope of employment generation in textile sector, efforts will be made to set up reeling / spinning / weaving / readymade garments / apparel parks etc under PPP / Joint venture / private mode.
- 19.6 **Jharcraft will be given assistance of 75% of the total project cost incurred, upto Rs 5 crore maximum,** for setting up an autonomous institute of quality apparel training. The financial assistance can be used by Jharcraft towards fixed cost, plant machinery, equipment etc. and Jharcraft can set up the institute on its own or in joint venture or in collaboration with multiple agencies / institutes. The recurring expenditure for the training institute, however, has to be borne by the promoter institutions.
- 19.7 Similar facilities of financial assistance, as mentioned in sl. 18.4 can be extended to any reputed organization or institute which has run and managed such institution at least during last five years. This may also be set up in joint venture or PPP mode with Jharcraft, ITIs, Industrial houses or other institutions.
- 19.8 A networking of training institutions will be done by Directorate of Handloom and Sericulture and detailed data base will be maintained.
- 19.9 The Training Institutions mentioned in sl. 18.4 charge tuition fees from trainees to meet their recurring expenditure. Since the training fee of ITIs for apparel training is very high compared to that of other courses, **50% of total fees upto maximum of Rs 5000 per trainee per course** charged by the institution will be reimbursed by the State Govt. However, this support will not be available to those trainees availing any other similar

benefit provided by State Govt. / Central Govt. / sponsorship under CSR activities of the Industries etc.

19.10 **Financial assistance, as reimbursement of training cost with maximum limit of Rs 5000 per trainer per week**, will also be provided to apparel training institutions / centres approved by State Govt. for imparting training to the trainers

(a) 100% in case of trainers attending autonomous institutions promoted by Govt. / Public Sector Undertakings and

(b) 50% in case of trainers attending other institutions. The training will be conducted in the institutions approved by the State.

19.11 (a) **100% reimbursement or exemption of stamp duty and transfer duty paid by the industry will be allowed for execution of lease, lease cum sale or sale deeds** in respect of industrial land / plots allotted or purchased by industry and Execution of Lease Deeds in case of industrial sheds / plots taken on lease.

(b) Textile / apparel manufacturing units will be provided financial assistance for purchase of land close to the Apparel / Textile Park for construction of dormitories to house the workers at the rate of one acre for every 1000 workers employed. **The assistance will be limited to 50% cost of land up to a maximum of Rs 50 lakh.**

19.12 The Govt. of Jharkhand will notify all Textile and Apparel Parks as Public Utility Services.

20. **PROMOTION OF AGRO-FOOD PROCESSING BASED INDUSTRIES**

20.1 Jharkhand has diverse agro climatic conditions suitable for the cultivation of a wide range of crops and a progressive farming community along with

high purchasing power of people in industrial and urban area. The main objective is to focus on food processing and preservation to create more off farm jobs, bring greater value addition and increase the income of rural workforce.

20.2 Several Departments of Government of India (including Department of Food Processing Industries, Rural Development, Commerce & Industry, MSME, Agriculture etc.) directly or through agencies such as APEDA provide support to various elements of the value chain through existing programmes & Schemes. In addition to these the State Government also helps private investors in developing end to end integrated project in agro industry / food processing value chain by providing a convergence of all existing schemes. The State Government will provide viability gap funding or other necessary help. The help of international funding agencies like World Bank, ADB and IFAD may also be taken.

20.3.1 A **Food Park** is an agri / horticultural processing estate developed for individual processing units with support infrastructure, including some common processing facilities and other services where needed, and linked with a well established supply chain both inside and outside the estate. Such food parks would enable particularly small and medium enterprises to attain viability by sharing the cost of major common facilities such as R&D, cold storages, warehousing, pack houses, laboratory for food testing and analysis, effluent treatment plant, common processing facilities, power, water supply etc. Very limited number of food parks is being sanctioned by Government of India. In view of this special request can be made to Government of India to increase the number of food parks in the State.

20.3.2 Food Parks may also be established on land acquired privately. Such parks will also be entitled for the same benefits as envisaged for other

types of parks provided by the State under the Policy. Other terms and conditions of establishing the private food parks can be negotiated by the investor.

20.3.3 The developer of Food Park on Government land / IADA land will be allowed to sub lease the land to other food processing industries in consultation with Government / IADA.

20.3.4 MSME cluster will be promoted under specific crop e.g. cashew, mango, jack fruits etc. The micro cluster will have a common facility centre providing necessary infrastructure for storage of produce, grading, processing and packaging, cold storage extension and information counter. This would act as aggregation point for large processing units

20.3.5 It will be developed in SPV mode as envisaged in MSME cluster schemes.

20.3.6 **The State Government will give an assistance of 10% of the project cost provided the DPR of the project is approved by GOI-MSME.**

20.3.7 Promotion of setting up of new cold chain / cold storage or upgradation of existing facilities may be aggressively promoted under NHM where subsidies are available up to 55% in schedule area and 40% in non schedule areas. Quality power at agricultural rate will be provided to cold storage / cold chain facilities for five years.

20.3.8 (a) APMC will promote upgradation of storage capacity of their existing godowns. APMC may enter into joint venture or PPP mode for the development of accredited warehouse facility / quality warehouse / cold storage / grading, sorting, packing facilities for the farmers in their market yards / land.

(b) **Private investment for this or private land will be given an assistance of 25% of capital cost upto a maximum of Rs 50 lakh, as**

incentive, if similar incentive has not been availed under any other schemes of Government of India, State Government or other organization.

No other facility envisaged in this policy shall be admissible.

20.3.9 **No Mandi Fee (Market Fee)** would be charged on notified agriculture produce purchased for use as raw material from outside the State by the food processing industries.

20.3.10 Department of Agriculture, Animal Husbandry & Fisheries and Cooperative along with SAU, CFTRI, IHRI, UAS, CIMAP, APEDA will promote necessary R & D support, skill development and entrepreneurship development among the farmers, investors and entrepreneurs. Detailed guidelines will be worked out by the Department.

20.3.11 One Mega Food Park is being set up at Getalsud, Ranchi on an area of 56 acre where 32 food processing units are likely to be established with basic facilities such as roads, drainage, water connection, power and cold storage chains. Central processing unit at Getalsud will be linked to production centres at places like Lohardaga, Gumla, Hazaribagh, Patratu etc where primary processing will be done.

20.4.1 The State with its diversified agro-climatic conditions is well suited for the development of **horticulture-based economy**. It has total production of 37.7 lakh MT horticulture produce out of which 20.77 lakh MT is surplus. The National Horticulture Mission (NHM) and National Mission on Micro irrigation besides several other initiatives have been taken by the State Government on adequate training, crop area expansion, cold-chain establishment, floriculture, vermin compost, bee keeping, renewal of old arcade had benefited the farmers. The production and productivity is improving continuously.

- 20.4.2 Efforts are being made to increase the productivity of fruits (from 9.8 tonnes per hectare to national average of 11.9 tonnes per hectare) by necessary technological inputs and practices.
- 20.4.3 Entrepreneurship development programme with focus on this sector will be specially designed and implemented in consultation with the Deptt. of Agriculture-Horticulture & AHD and agriculture , biotechnology / management institutes and experts. Technical and Management experts in related area including bio-technology will also be involved.
- 20.4.4 Enterprises using local agro raw material will get preference in land allotment by IADAs.
- 20.5 **Food processing** industries will be declared as seasonal industry wherever necessary and thus will be eligible to get **relief from minimum electricity charges during the closure** (non-seasonal) period.
- 20.6.1 **Fish cultivation** has emerged as one of the major income generation activity in the State. The fish production has increased from 14,000 MT to 72,000 Mt in last 10 years. It could be achieved with help of the State Government and involvement of Matsya Mitra- a voluntary body, in quality seed production which has increased from 9.0 crore to 67 crore in last 10 years. This concept of Matsya Mitra has been accepted by NIRD as the most innovative concept and one of the best practices. There are 3600 Matsya Mitra in the State and about 24000 families are dependent on fishing activity for their livelihood.
- 20.6.2 It requires creation of new water bodies, along with upgradation of existing ones, pooling up of resources from MNREGA and other programmes of GOI-State Government, Participation of farmers in financial matter. Existing water bodies in the State include 1.15 lac hectare reservoirs, 55000 hectare Tanks and 1800 km rivers.

- 20.6.3 Since the State has already started promoting reservoir fish culture with the help of NFBD, de-silting and development of reservoir is essential to enhance the production of fishes and generate employment.
- 20.6.4 Apart from sustained technical and financial support from Government, development of cold chain network, marketing network, web based information system for farmers etc. are also required to increase additional income of rural families through reservoir fish culture.
- 20.6.5 Dedicated site may be developed by Jharkhand State Marketing Board, Urban & Rural local bodies etc. for the fish farmers with adequate infrastructure e.g. water, light, waste disposal etc.
- 20.6.6 Considering the demand and status of fish industry in the State the intervention of the State Government is proposed in investment across the value chain such as pond management, harvesting, sorting / grading, packaging and marketing infrastructure in fish sector. Efforts will also be made to promote pisciculture by developing new ponds for composite fish culture, setting up of carp hatcheries, promoting fish farming along with animal husbandry activities.
- 20.6.7 Promotion of prawn cultivation and ornamental fish will also proved to be excellent economic activity.
- 20.7.1 Organized production, better handling and packaging facilities for eggs in Poultry Sector** can contribute significantly to the economy of producers, State and the Country.
- 20.7.2 It is proposed to take up poultry on commercial scale under an integrated and sustainable farming manner based on the experience gained by Lohardaga Grameen Poultry Cooperative Society Ltd. so that it can significantly impact the livelihood of rural families. Steps will be initiated

in other districts of the State with the help of Self Help groups / NGOs to exploit the full potential of poultry.

20.7.3 State Government will organise the entrepreneurs, help support in development of necessary infrastructure in marketing, besides advisory and medical facilities to avoid spread of disease by regular immunization etc.

20.7.4 If given the status of industry certain benefits including power tariff and some other benefits will encourage private entrepreneurs to make investment.

20.7.5 It will generate employment locally.

20.8.1 The **meat sector** in the State is pre-dominantly unorganized. There are no modern abattoir and processing facilities in the State. In spite of a large livestock population, the meat industry in the State has not evolved to its potential.

20.8.2 Urban local bodies and State Marketing Board can extend necessary help in development of meat markets in hygienic and clean conditions.

20.8.3 Establishment and revival of Bacon factory under PPP mode will also help the growth of this sector.

20.9.1 **Dairy** is an important means of sustainable income generation and employment opportunity in rural areas of the State. There are 9 milk chilling plants in different part of the State. The State Government has entered into an agreement with NDDB for 12 districts of the State covering 41500 families in 920 villages at a project cost of Rs 48.2 crore.

20.9.2 A five year comprehensive cross breed development programme at a cost of Rs 60.00 crore is under implementation at 510 centres across the States. It has ensured breed improvement of existing breeds by AI and post AI

care. Additional 500 new AI centres have been sanctioned and are in the process of establishment.

20.9.3 With 5.13 lakh successful AI and 1.30 lakh cross breeds, the milk production has increased from 7.14 lakh MT/year to 15.97 lakh MT/year during the last 10 years. This has resulted in per capita availability of milk from 90 gms to 152 gms.

20.9.4 NDDDB is putting one lacs litre capacity dairy integrated plant in Ranchi.

20.9.5 Manufacturing of feed supplement together with the development of grass land and green fodder are required to be expedited. Rural local bodies and district administration has major role to play in protection of grazing lands and use of common land for grass land development.

In view of the above, the intervention of State Government in upgradation of species of cattle, availability of feed, cooperative development and milk route development through institutional arrangement with milk processing plants etc is proposed for this sector.

21. **AUTOMOBILE AND AUTO COMPONENTS**

21.1 India's leading automobile company, Tata Motors, began manufacturing commercial vehicle in early 1950s at Jamshedpur. The company today is among the leaders in producing commercial vehicles and is among the top three companies in production of passenger vehicles in the country.

More than 600 auto ancillary industries including auto components units have been set up subsequently at Jamshedpur and Adityapur to cater to the needs of Tata Motors and other automobiles companies. It has generated more than 20-25 thousand direct employment and several times of it as indirect employment

- 21.2 During 1980's Tata Steel modernized its steel melting shop with the installation of requisite facilities for the production of auto grade steel which were earlier being imported. Now all types of auto-grade steels are being produced by Tata Steel and Jharkhand is presently producing about 25% of total steel being produced in the country. With the proposed expansion of Tata Steel, Bokaro Steel and commissioning of some other new steel plants like Electro Steel, Jindal Steel etc. the State will be producing over 25 MT of steel and thus will turn to be a steel-hub of India.
- 21.3 There has been several fold increase in number of automobiles users including users of two, three and four wheelers in the last 10 years. Even heavy vehicles as means of transport for goods and public passenger vehicles have increased several folds and the demand of auto components is going to be very large. In view of this it is proposed to create all necessary infrastructures for such industries.
- 21.4 With the assistance of Govt. of India, Auto-Cluster is being made operational at Jamshedpur to extend common facilities such as testing centre, design lab, effluent treatment plant etc. to auto component makers.
- 21.5 Tata Motors had expanded its capacity in different types of vehicles besides putting a new assembly line for the production of World Truck – a heavy duty goods vehicle. This is one of the most successful ventures. It has resulted in the growth of ancillary units and generated approximately Rs 100 crore Net VAT to the State besides creating employment.
- 21.6 Automobile Vender Park will be established under PPP or Private Mode by Mega Automobile Manufacturing Units. This park will be entitled to get same benefits from the State Government as has been envisaged for any other industrial park under this policy.

- 21.7 Mega automobile manufacturing units will set up a skill development centre for the skill upgradation and training in activities like driving, vehicle maintenance etc. pertaining to automobile sector. The capacity of the centre will not be less than 1000 trainees per annum.
- 21.8.1 State Government will bear 50% cost of training subject to a maximum of Rs 5000 per trainee for each successful completion of training as mentioned in sl. 21.7.
- 21.8.2 Trainees against whom reimbursement of the training cost will be claimed by the skill development centre shall be residents of the State as per norms stipulated by Personnel Department of Government of Jharkhand for educational institutes.
- 21.8.3 50% of the total number of successful trainees annually must fall in the category as mentioned in sl. 21.8.2.
- 21.9 Mega Automobile Manufacturing Units will set up new ITI with annual capacity of 300 trainees or adopt and upgrade existing ITIs for the training of fitter and some other relevant trades of Automobile sector keeping in view the employability of the successful trainee.
- 21.10 Mega Automobile Manufacturing Units fulfilling conditions mentioned in sl. 21.6 and sl. 21.9 will be eligible to get VAT concessions for one year extra for each activity.

22 ENERGY

- 22.1 The State proposes to promote increasing use of renewable and environmental friendly sources of energy. Thrust will be given to develop these on BOT basis through private sector participation. There is substantial biomass availability in Jharkhand due to its large agricultural base. These energy units could be based on paddy-waste, rice straw / husk, Jhari leaves, twigs, geo-thermal, solar etc. Similarly, due to day long

sunshine hours for almost 300 days in a year the State has a potential to harness considerable amount of solar power. It is roughly estimated that the potential of Jharkhand to generate energy from the above mentioned non-conventional sources is about 400-500 MW. Also, keeping in view the guidelines of Central Electricity Regulatory Commission it is proposed to purchase at least 3% of State's total power purchases from these sources. A beginning has been made and approximately 6000 houses in 44 villages have been energized with non-conventional energy.

- 22.2. The per capita energy consumption of the State is low (350 kwh) as compared to the national average consumption (600 kwh). In view of the ambitious programme of government of cent percent rural electrification a huge spurt in demand of energy in Jharkhand is likely and it may go to as high as 500 kwh. As such reaching power to end-users requires augmentation of installed capacity from existing level of 1320 MW.

Under tariff based competitive bidding and Government Dispensation route, Jharkhand has been allotted 6 coal blocks which requires to be used for electricity. Large number of MoUs (33) have been signed with private investors for installation of Thermal Power Plants with capacity installation of over 43000 MW in the medium term. Jharkhand is, therefore, poised to leverage the availability of low cost power to investors.

- 22.3 The State Government shall encourage private sector participation in generation, transmission and distribution of power.
- 22.4 Mega Projects will be allowed to have captive power plants, to generate power from waste heat recovery, and to wheel power to sister concerns.
- 22.5 A power plant generating power from non-conventional sources set up after the effective date of implementation of this policy shall be deemed to

be a new industrial unit and will be entitled to all the incentives under this policy.

- 22.6 **New or existing industrial units setting up captive power plant shall be exempted from the payment of 50% of electricity duty for a period of five years for self – consumption or captive use** (i.e. in respect of power being used by the plant) from the date of its commissioning.

23. **PROMOTION OF FOREIGN DIRECT INVESTMENT (FDI)**

Foreign Direct Investment (FDI) is one of the key indicators for determining the attractiveness of a destination. This is also an important way of transmitting skills, knowledge and technology to the State and an important driver of industrial performance.

In view of the above, it is proposed to enter into technological collaboration with overseas corporate bodies / multinational companies / NRIs for foreign investment and latest technologies in selected sectors, such as infrastructure, power, mineral development, food processing, biotechnology, non-conventional energy etc. on mutually advantageous basis. Overriding priority shall be given to such investors.

Efforts will be made to institutionalize it for needs assessment and road mapping of FDI's and to provide special care in timely clearances.

24. **INFORMATION TECHNOLOGY / BIOTECHNOLOGY**

- 24.1 State Government will encourage mega investors in IT / ITES for setting up IT industries, IT parks, IT SEZ in private sector or under PPP mode.

- 24.2 The **objective** of IT policy is to (a) provide congenial and industry – friendly atmosphere for the establishment and growth of IT companies for

providing IT – Services (hardware / software based) and IT – enabled services (call centering, medical transcription, BPO etc) (b) Generate employment opportunities for the educated youth of the State. (c) Exploit export potential of this sector for augmenting GSDP of the State. (d) Bringing IT to masses and accelerating its uses for socio-economic development.

(ii) It has potential to generate large scale employment by using less land mass. The employment generation on per 100 lakh investment is among the highest in industry besides it causes almost zero environmental pollution.

24.3 IT industries will be accorded top most priority in preferential allotment of land by industrial area development authority. In case of land allotment by IADA, mega IT units will be allowed deferred payment of land value i.e. payment of land value by such units will be allowed in five equal installments spread over five years.

24.3.1 **Mega IT units will be exempted from electricity duty for five years.**

24.3.2 **New IT – ITES as well as expansion units investing between Rs 5 crores and Rs 50 crores and employing more than 100 direct workers** would be eligible for a comprehensive project investment subsidy (CPIS).

24.3.3 **Recruitment Incentive of Rs 2.5 lakh per 50 people (local people including those who have studied in the State) will be given to the IT – ITES unit. This will be one time benefit with maximum limit of Rs 25 lakh.**

24.3.4 (a) **100% reimbursement of stamp duty**, transfer duty and registration fee paid by IT-ITES industries on sale / lease deeds on the first transaction.

(b) 50% reimbursement of stamp duty, transfer duty and registration fee paid by IT – ITES industries on sale / lease deeds on the second transaction.

24.3.5 **Lease rentals (including premises on rent) up to 50% of actual cost incurred subject to a maximum of Rs 5 lakh per annum will be reimbursed** up to a period of three years for the plug-and-play built up office space of minimum 2500 sq. ft. These units will not be allowed to take benefit under land / building component of CPIS. However, other component of CPIS like incentive for plant, machinery etc. can be availed by them.

24.3.6 Motor Vehicles Act will be amended to enable the IT Companies to make use of hired privately owned omnibuses etc to transport their employees between their residence and work place.

24.4. **Biotechnology**

There is an urgent need for Jharkhand to promote biotechnology which offers an excellent opportunity in augmenting value creation and employment generation not only in areas of states traditional activities but will also provide avenue for its application in medicine, agriculture and industry. The State's advantage is its large forest coverage with medicinal plants, vast reservoir of scientific human resources and centres of academic excellence, dependence of its large population on agriculture etc.

Objectives of the policy include.

- i. To encourage and facilitate the introduction of biotechnology at the grass root level to strengthen the economy of the State.
- ii. To promote industrial biotechnology for the production of useful chemical compounds.

- iii. To promote cultivation of **Spirulina** as a high value low cost nutrient for rural and tribal areas.
- iv. General end use of different types of bio-energy.
- v. To expand forest cover of the State through social and agro forestry.
- vi. To promote agro industries.
- vii. Production of high-yielding, draught and pest-resistant seeds for agriculture and horticulture crops suited to different agro-climatic zones.
- viii. Enhancement of the productive potential of the aquatic eco-system.

24.4.1 (a) The fiscal incentive and concessions offered under the Jharkhand Industrial Policy 2011 shall be extended to biotechnology industry also. It will get preference in allotment of land by IADA.

(b) Biotechnology industry not covered under Mega Industry as defined under classification of Industries [Annexure 1 {12 (iv)}] will be given the incentives covered under 30.2 and 30.3.

(c) Government will encourage the setting up of venture capital funds for biotech industries

24.5 **Following Special Incentives will be allowed for the IT Industry.**

- (i) Exemption from environmental clearance.
- (ii) Exemption from zoning regulations for purposes of location.
- (iii) Self-certification for purposes of compliance of the following Acts:
 - (a) Water and Air Pollution Act

- (b) Factories Act
- (c) Employment Exchange (Notification of vacancies) Act.
- (d) Payment of Wages Act.
- (e) Minimum Wages Act
- (f) Contract Labour (Regulation and Abolition) Act
- (g) Workmen Compensation Act.
- (h) Shops and Establishments Act.

25. **TOURISM**

- 25.1 The Tourism and Travel Industry is well on its way to become one of the most powerful sector in coming decades. Since there is a huge potential of employment in tourism sector the State Govt. proposes to give special thrust to the sector by attracting higher investment in the areas with tourist potential. Efforts will be made to pool up resources both from government agencies and private sector for investment so that the ultimate objective of employment and revenue generation in the State is achieved. Priority is proposed to be given for the development of eco-tourism, religious tourism, heritage-tourism, resorts etc.
- 25.2 Air- taxi services would be promoted to provide package tours especially keeping in mind the Buddhist circuit, Jain circuit and international tourist flow.
- 25.3 There are about 29 hotels, 33 tourist complexes and several Tourist Information Centres, Way Side Amenity, Ropeway etc. in the Govt. sector. Deptt. of Tourism will ensure Private Sector participation under PPP mode / Joint Venture for its quality and capacity improvement.

- 25.4 Deptt. of Tourism will bring out a comprehensive policy for setting up hotels, motels, yatri niwas etc. in Public, Private, Joint Venture Mode.
- 25.5 The following Fiscal Incentives are proposed for Tourism.
- 25.5.1 **Exemption of 50% in entertainment tax for all new multiplex projects** in the State (except in Ranchi, Dhanbad and Jamsedpur) for a period of 3 years.
- 25.5.2 New Ropeways and Amusement parks set up in the State will be exempted from payment of **entertainment tax for a period of 5 years** from the date of becoming fully operational.
- 25.5.3 **There will be total exemption of luxury tax, electricity charge at domestic rate**, on the Bed and Breakfast (Home stay) facilities on dwelling units and no separate permission from urban local bodies for land use will be required.
- 25.5.4 Necessary assistance will be extended by Revenue Department for purchase of land from Raiyats under consent Award Scheme.

26. **FILM INDUSTRY**

Existence of large number of beautiful natural religious, heritage and industrial sites, dense forest, natural water falls and availability of cheap labour make Jharkhand attractive site for film suiting and its development. Film industry in the State can be a good source of direct and indirect employment. Films in Nagpuri and other languages are being produced locally in the State. Private investment can be promoted by providing special incentives for setting up of film studios, film city etc. The Central Government has accorded industry status to the film sector. Incentives being made available to Industrial Park may also be considered

for setting up of film city, studio etc. Detailed policy will be worked out by the Department of Public Relation & Information in consultation with Department of Tourism, Industry, representatives of film industries, Department of Commercial Taxes etc.

27. EXPORT PROMOTION

In order to boost export the State Govt. proposes to initiate the following measures :

- (i) Programmes will be organized with the help of reputed consultants / IIFT to sensitize exporters about market intelligence, export documentation, finance and other critical areas of export
- (ii) Efforts will be made to set up a State-of-Art external Information Centre in collaboration with local Chamber of Commerce and Industries Association.
- (iii) Setting up of an Air Cargo Complex is proposed. This would give the desired impetus to the export of products like flowers, fruits, vegetables etc.
- (iv) Inland Container Depot (ICD) with the assistance of Govt. of India has been set up at Jamshedpur for large scale containerization of value added and manufactured exportable goods. Similar facility at other places is proposed to be set up in consultation with Railway and customs.
- (v) Industries will be encouraged to participate in International Exhibitions and Trade Fairs. Visits of trade delegations will also be supported financially by dovetailing the schemes of Govt. of India.

- (vi) Export oriented units will be declared as essential services / Public Utilities Services.
- (vii) Export Awards will be provided to Export Oriented Units to recognize quality, R&D and performance.
- (viii) Export oriented units will be preferred in land allotment by IADA.

28. INDUSTRIAL SICKNESS

- 28.1** A concerted effort for revival of willing and viable sick industries for overall industrial growth of the State, specially in view of chronic problems of sickness in small, medium and large industries in the State is among the topmost priorities of the State Government. It need not be emphasized that sickness in industries not only affects the revenue of the State but also results in unemployment and non-productive investment.
- 28.2** The State Government intends to take the following measures for prevention of sickness and revival of willing and viable sick industries.
 - 28.2.1** Periodic coordination meetings with the industrialists / entrepreneurs and financial institutions at the IADA level with respect to the industries located in such industrial areas / estates under the Chairmanship of Managing Director of the concerned Industrial Area Development Authority and at the divisional level under the Chairmanship of the Divisional Commissioner for the rest of areas under their respective jurisdiction shall be reviewed to ensure early detection of sickness / problem, and preventive measures for the same shall be taken.

28.3 **Industrial Sickness in SSI Sector**

28.3.1 For the revival of willing and viable Micro and Small units, the State Government proposes to form a State Level Apex Body with Director of Industries as its head to consider such revival efforts.

28.3.2 The State Level Apex body for rehabilitation of sick industry would recommend required restructuring of management, funding etc for approval of Government under existing provisions.

28.3.3 The sick Micro and Small units would be identified by such Apex body w.e.f. such date as per the guidelines issued by RBI. Appropriate packages of relief and concessions for such units would be approved for their rehabilitation. The units declared sick by such body and opting for rehabilitation shall be eligible for relief and concessions by banks and financial institutions, as per the guidelines of the RBI within a specified time frame.

28.3.4 Such units shall be eligible for all incentives, available to new units under this policy, provided the unit has not availed incentives as a sick unit under any earlier industrial policy.

28.3.5 Sick units shall be allowed full rebate on delayed payment surcharge during the period of sickness, if it is included in the dues of Electricity Board.

28.3.6 In case of disconnection of electricity, the sick unit shall be exempted from AMG charge and other contractual guarantee charges for the period of disconnection.

28.3.7 The balance amount of electricity dues of such sick unit after deduction of the aforesaid amount shall be paid by the unit in such instalments as may be determined by such Apex body on case to case basis without any

delayed payment surcharge. However, if such unit fails to pay any instalment in time, for such delay in payment, it shall be liable to pay delayed payment surcharge for such duration at the rate fixed for such delayed payment surcharge.

28.3.8 The Apex body shall periodically monitor the progress of the revival package and it shall recommend to the Government for approval of such actions as it may deem fit against the defaulting party including the unit and / or other department.

28.3.9 The State Level Apex Body would comprise of such persons / organizations as may be notified by the State Government from time to time and published in official gazette, in which Finance Department / Commercial Tax Department shall be necessarily represented.

28.4 Revival / Rehabilitation of Sick Medium and Large Industries

28.4.1 The State Government has helped revival / rehabilitation of a number of industries in the past. As many as 49 small scale units and 3 Medium and Large Scale Industries have been provided assistance by the State Government under revival / rehabilitation scheme. A committee with Development Commissioner / Secretary, Industries as its head will be constituted by the State Government to evolve suitable measures for revival of viable sick industrial units including State Public Sector Undertakings in large and medium sector.

28.4.2 The Committee shall make an assessment of sick / closed State Public Sector Undertakings and for revival of technically and economically viable such undertakings, recommend adequate measure which may include manpower rationalization / disinvestment / financial restructuring etc.

28.4.3 The Committee will recommend concession and facilities including those in this policy statement, if considered necessary for revival of the sick

units. These recommendations would be placed before the Government through State Level Empowered Committee (SLEC) which would be constituted under the Chairmanship of Chief Secretary for final decision.

- 28.4.4 Sick Medium and Large Scale Units will be required to approach BIFR for being declared sick. Subsequently, concessions and facilities identified under the scheme of rehabilitation prepared by BIFR or by state Level Inter Institutional Committee of RBI (SLIIC) would be placed before the committee headed by Development Commissioner / Secretary, Industries for consideration and recommendation to Government through State Level Empowered Committee (SLEC) for approval.
- 28.4.5 Rehabilitation measures for sick / closed but potentially viable industrial units may inter-alia include financial support / relief and concessions or sacrifice from various Government Department / organization and or additional facilities including allocation of power from SEB / DVC and any other agency / statutory body / local authority.
- 28.4.6 Such closed and sick industrial units which have earlier already availed various facilities due to its sickness would not ordinarily again get facilities unless the State Government may decide to extend such facilities in public interest on case to case basis.
- 28.4.7 Sick units can avail exit policy of Industrial Area Authorities of the State after approval of competent authority.
- 28.4.8 Govt. of India is in the process of finalization of a scheme for rehabilitation of sick, micro, small and medium enterprises by setting up a Rehabilitation Fund. Accordingly, the State would suitably modify its scheme, taking advantage of the Revival and Rehabilitation Scheme of Govt. of India for sick units.

29. INDUSTRIAL FINANCE

- 29.1 The Government appreciates that inadequate industrial finance is the biggest bottleneck in the rapid growth of the State. The Government intends to take such measures, which would promote easy flow of finance to industrial units and entrepreneurs.
- 29.2 The State Government shall make efforts to ensure opening up of Regional / Controlling offices of Banks / Financial Institutions and posting of senior officials having sufficient delegation of powers to enable speedy credit decisions on the spot.
- 29.3 The lead banks in their respective districts would take up preparation of "Industrial Credit Plans" at the district level to accelerate the flow of credit to the industry sector with emphasis on SSI, Tiny and Cottage Industries for which separate targets would be fixed.
- 29.4 The State Government would make efforts to open specialized SSI bank branches in the State to cover all districts having concentration of SSI units, in a time bound manner.
- 29.5 The State Government shall also invite Private Sector Banks / Financial Institutions to provide financial services to various industrial units.
- 29.6 A State level Banker's Committee (SLBC) has been constituted to provide adequate interfacing between State Government and State Level Institutions on one side and RBI, Banks and Term Lending Institutions on the other. This committee provides a useful forum for exchanges of information and discussion on the problems faced by the small and medium scale industrial units and small entrepreneurs. This committee also deals with the problems relating to co-ordination between banks and financial institutions as well as regarding the provision of adequate

infrastructure facilities to industrial units, in addition to the general problems relating to grant of credit to such units.

- 29.7 To facilitate easy flow and recovery of micro credit, financial institutions such as NABARD, SIDBI, Co-operative Banks, Commercial Banks etc would be encouraged to extend credit to Self Help Groups (SHG).
- 29.8 The State Government would take necessary steps to facilitate empowering of the commercial banks and funding institutions to ensure speedy and expeditious recovery of the credit extended.

30. INCENTIVES AND CONCESSIONS

30.1.1 Stamp duty and Registration fee

Manufacturing units with direct employment of 100 persons will enjoy **50% exemption in stamp duty and registration fee** for land directly purchased from the raiyats / acquired through consent award (lessee of IADA / industrial parks will not be eligible for this benefits). This facility will be granted only for the first transaction for a particular plot of land.

- 30.1.2 **100% exemption in stamp duty and registration fee** for land will be allowed for industries offering 100 direct employment per acre of land bought.

- 30.1.3 Industries engaged in mineral extraction without significant value addition (less than 5 times the value of original raw material such as sponge iron production unit and similar other units) will not be entitled for such benefits. However, Integrated Steel Plants or similar plants producing products with sufficient value addition such as flat or long products of steel etc will be eligible to get the benefit.

30.2 Quality Certification

High priority is being accorded by the State government for improvement of quality of the industrial units and will be provided with assistance for obtaining quality certification from B.I.S. and other internationally recognized institutions @ **50% of the expenditure incurred up to maximum of Rs 2.00 lakh.**

Units obtaining certification / accreditation under any of the following internationally recognized / accepted standards will be eligible for the benefit

- ISO-9000 Quality Management System
- ISO-14000 Environmental Management System
- ISO-18000 Occupational Health and Safety Standards.
- BIS certification
- Social Accountability Standards.
- Internationally accredited eco-labels OKE-TEX 100 etc
- Any other internationally accredited certification that will enable better market positioning.

30.3 Patent Registration

Industrial units will be encouraged for filing their successfully generated, registered and accepted patents based on their original work / research. The State Govt. will provide **financial assistance of 50% of the expenditure incurred, up to a maximum of Rs 2 lakh, per patent.** The expenditure incurred will include the amount spent on filing of patent, attorney fees, patent tracking etc.

30.4 Subsidy / Incentive on VAT

This facility will be available to all industries including MSME, Handloom, Sericulture, Handicraft, Khadi and village industries products, as following :

(a). MSME shall be eligible for **reimbursement of 60% of Net Vat paid (NETVAT) up to a maximum of 100 % of total fixed capital investment** made for different duration depending on the location of the units as mentioned in table below.

Sl. No.	Location	Duration Years
1.	A	5
2.	B	7
3.	C	9

(b) **Large and Mega Industries shall be eligible for reimbursement of 50% of the NET VAT paid per annum up to a maximum of 75% of total fixed capital investment** for different duration depending on the location of the unit as shown in the above table.

(c) Handloom, Sericulture, Handicraft, Khadi and Village Industry products shall be eligible for reimbursement of **75% of the NET VAT paid per annum up to a maximum of 100% of the total fixed capital investment** for different duration depending on the location of the unit as shown in the above table

(d) Apparel, Textile, Food Processing, Automobiles, IT/ITES and Bio-Tech units shall be eligible for **reimbursement of 75% of NET VAT paid per annum up to a maximum of 75% of the total fixed capital investment** for different duration depending on the location of the unit as shown in the above table.

(e) Industrial units which have qualified to be new unit by expansion / modernization / diversification will be entitled to get similar benefits in respect of VAT as mentioned above in their respective categories. However, they have to maintain separate record of production and investment details for such expansion / diversification / modernization. In case, maintaining a separate record is not possible by such units the benefit to such eligible units shall be available in the ratio of investment in plant and machinery to the total gross fixed capital investment

(f) Any unit claiming these benefits will have to get registered with Commercial Taxes Department, Government of Jharkhand and shall have to file all their statutory returns.

(g) Department of Commercial Taxes shall give top priority to such units in matters of final assessment of annual tax return in a specific time frame.

(h) Commercial Taxes Department shall also notify the responsibility of assessing officers along with time frame to be maintained in assessment of tax.

(i) Payment against VAT reimbursement claim will be made on annual basis.

(j) The unit for which return assessment has not been duly completed by Commercial Taxes Department will not be reimbursed the VAT claimed for the next year.

(k) VAT reimbursement claim for the final year i.e. the last year of eligibility period can only be entertained after the complete assessment of all the previous years.

(l) After availing VAT reimbursement facility for eligibility period, industrial units are to maintain tax compliance at similar level in future for the same number of years they have claimed VAT e.g. a unit which has claimed VAT reimbursement for five years for location A will have to do

the tax compliance for another five years after the expiry of reimbursement.

For claiming VAT subsidy, the industrial unit will be issued a passbook from the Department of Industries in which the details of the output tax payable (including CST) and tax paid under Jharkhand VAT (including CST) would be entered and verified by the Commercial Taxes Department in the form prescribed in Annexure - III. Director, Industries will be authorised to pay the incentive on the basis of the verification for which rules will be made separately.

30.5 Comprehensive Project Investment Subsidy (CPIS)

Sl. No	Incentive	Category	Maximum Incentive %	Remarks
1.	(i) Investment for plant & machinery	A	7	
	(ii) Pollution control equipment	B	10	
	(iii) Environment friendly alternative power generation equipment.	C	15	

- List of blocks under category A, B and C is mentioned in annexure I (sl. 13).
- Maximum incentive admissible under CPIS is 7%, 10% & 15% for the blocks A, B & C respectively.
- Industries availing above mentioned subsidy will not be eligible to avail facilities under 30.1.
- Subsidies to investors / companies under 30.1, 30.4 and 30.5, all added together will not be more than total capital investment made by the company in the project. This will also include VAT computed under 30.4 and VAT benefits claimed under any other heads as provided in

this policy. However, incentives for patent / quality certification and special incentives for women will not form part of this.

- **Maximum admissible incentive will be Rs 5 crore.**
- **IT industries can avail subsidy up to 50% cost of alternative source of power generation** because of its non polluting nature.
- Industrial units entitled for benefits in the above category under Government of India Scheme will not be eligible to get benefits under the same category under this policy.

30.6 Industries offering direct employment to **less than 20 people will get subsidy of 5%, 7% and 10% of amount invested** in plant, machinery and pollution control equipment for the category A, B & C respectively. The disbursement procedure of subsidy for such units will be simplified and done on priority basis.

30.7 Industries offering direct employment to more than 20 people and contributing to Employees Provident Fund Scheme (EPFS), Employees State Insurance (ESI), Health Scheme will also be eligible for benefits as mentioned under 30.6

30.8 **IT / ITES industries investing Rs 5 crore or above and offering direct employment to 100 people** will be eligible for Comprehensive Project Investment Subsidy (CPIS).

30.9 **SC/ST/Women/Handicapped entrepreneurs will avail 5% additional grant/exemption/subsidy than the rate fixed elsewhere under this policy.**

This benefit shall be applicable only to residents of Jharkhand. For the purpose of this clause, those persons will be eligible for benefit under SC/ST category who are issued certificate to this effect by any DC in the State of Jharkhand. Similarly, those persons will be deemed to be of

handicapped category who are certified by a competent Medical Board to have handicap of more than 40%.

31. EXPANSION / MODERNISATION / DIVERSIFICATION

Units undergoing Expansion / Modernisation / Diversification and fulfilling the criteria mentioned at sl. 6 and sl. 7 at Annexure-I, will be treated at par with new Industrial units and will be eligible for incentives accordingly even if the unit might have availed of benefits under this or under any earlier policy as an unit.

DPR indicating details of time schedule and completion for expansion / modernization / diversification has to be submitted to industries department for approval. If approval is not communicated within 30 days it will be treated as deemed approval.

Only one time incentive under this category will be provided to the investor. The incentive to be paid will be spread over five years time @ 20% each year.

Projects under MSME category will be approved by a Committee headed by Director, Industries and that under Large and Mega category will be approved by the Secretary, Industries.

32. GENERAL PROVISIONS

32.1 Alternate Source of Power Generation

(a) Government will encourage Captive Power Generation in IT-ITES locations. 50% of the capital expenditure incurred in soundless captive power generating sets will be reimbursed. This will be one time incentive.

(b) IT-ITES units with 5 KVA power requirements can be set up anywhere.

32.2 FAR Relaxation

50% more FAR will be allowed for IT-ITES units in earmarked areas / IT Parks / STPs. Necessary amendment, if required, will be done by concerned authority.

32.3 Special Incentives for SC/ST/Women Entrepreneurs

5% extra incentive will be made available to SC/ST/Women Entrepreneurs of IT-ITES industries.

32.4 **Non-mineral based** (industries not using the mineral resources of the State) new industrial units located in the extremist infested blocks (5 kms beyond municipal boundary) with minimum investment of Rs 5 crore in plant and machinery and providing direct employment to minimum 100 persons **shall be eligible for additional incentive of 5% under CPIS** (sl. 30.5) and VAT reimbursement for one additional year (sl. 30.4)

32.5 The following categories of industries/ establishments shall be declared as "Public Utility Services" for the purpose of application of provisions under Chapter-V of the I.D. Act 1947.

(i) Information Technology & IT Enabled Services.

(ii) Bio Technology

(iii) Agro-based processing

(iv) Electronics & telecommunications

(v) Export Oriented Units and units in parks.

(vi) Infrastructure projects including industrial parks and SEZs

32.6 Industrial units and establishments in the following categories shall be exempted from the provisions of Chapter VI of Factories Act 1948 (working hours of Adults).

- (i) Information Technology & IT Enabled Services.
- (ii) Bio Technology
- (iii) Electronics & telecommunications
- (iv) Export Oriented Units.
- (v) Industries set up in Special Economic Zones.

32.7 A time bound action plan shall be formulated for expeditious implementation of following labour reforms.

(a) According highest priority to amalgamation of different records, registers and returns required to be maintained under the various labour laws, flexible women working hours, and introducing systems of “self-certification” for labour related compliance of routine nature.

(b) A system of joint inspection by various regulatory agencies such as Jharkhand State Pollution Control Board (JSPCB), Labour Inspector, Chief Inspector of Factories & Boilers, Regional Provident Fund Commissioner, and Regional Director, Employees State Insurance Corporation shall be devised and implemented in a time bound manner.

(c) The implementation of these provisions shall be reviewed from time to time and complaint, if any, of investors / companies will be received by the Single Window Cell of the Industries Department.

32.8 The State Government is contemplating to authorise chartered engineers possessing requisite qualifications to perform the duty of Inspector of Boilers with regard to registration, inspection and renewal.

32.9 The policy envisages direct employment of specified number of work force for some industries to avail certain facilities / incentives etc. of the Government. Industries implementing the **State Government reservation**

policy in such direct employment will be eligible for 10% additional incentive than what has been specified under various provisions.

32.10 Industries which made investment earlier and have qualified as mega industries based on norms fixed under annexure 1 {12(iv)} and have not availed subsidy / benefits will be entitled to benefits under this policy.

32.11 Industrial units with investments of three times the investment norm fixed under annexure 1 {12(iv)} for mega classification, will be considered for special incentives, package etc. on case to case basis as decided by the State Cabinet.

32.12 (a) Industrial units will be entitled for reimbursement / payment of subsidy / incentives under different category from the next financial year after the declaration of Date of Production (DoP). Claim for VAT payment, however has to be made after the plant has been operated for full financial year.

(b) The industrial unit becoming eligible for filing of Date of Production can submit DoP application within one month of the commencement of production as envisaged in DPR but in no case latter than 30th September of the next financial year failing which they will forfeit their claim for incentive under the category. The form can also be submitted on-line.

(c) MSME units will get a maximum of six months relaxation of time for submitting their application. However, the application has to be submitted with expressed reason duly supported by the documentary proof. A penalty of 5% deduction per month from the amount of incentives will be imposed for such late submissions. It may be mentioned that submission of completed DoP application form is mandatory even for MSME units. No such time relaxation will be allowed for large and mega units.

32.13 Application forms complete in all respect only will be considered for benefits / concessions. Mere submission of EM & IEM is not sufficient for claiming the benefit because issuing of DoP from competent authority is mandatory for claiming benefits.

32.14 (a) Normally the application for issuing DoP will be disposed of within a month from the date of receipt of application. If for any reason, however, the disposal is delayed the reason of delay will be explained and such delay will not exceed more than three months. In case of delay of issuing of DoP for more than six months the officer concerned will be liable to pay a penalty of 5% to the applicant. The company will be held responsible for the delay on their part.

(b) Application for DoP will not be treated as incomplete in case of non issue of requisite certificates by statutory authorities. In such situation, the applicant has to attach a copy of application submitted to such statutory authority with date etc. along with the DoP application.

32.15 (a) DIC and Industrial Area Development Authority will be organizing interaction meeting between officials of Industry Department and investors / industries bodies / industries association for facilitating the filing of various types of forms claiming incentives / benefits under the policy.

(b) Electronic communication with industrial units including Micro and small units through e-mail will be promoted.

(c) Information kiosks will be set up in major district centres for easy access of information for entrepreneurs and investors.

(d) Investors guide / information booklets will be made available for information of investors. All relevant information will also be made available to the investors in website / on-line.

(e) Investor's meets and road shows will be organized at State / National / International level by the State Government in collaboration with Industrial Houses / Industries Associations etc.

32.16.1 This policy shall remain in force until substituted by another policy. The State Government may at any time amend any provision of this policy

32.16.2 Doubts relating to interpretation of any term and / or dispute relating to the operation of any provision under this industrial policy shall have to be referred to the Industries Department, Government of Jharkhand for clarification / resolution and the decision of Government in this regard shall be final and binding on all concerned.

32.16.3 Implementation of various provisions covering the incentives, concessions etc will be subject to the issue of detailed guidelines / statutory notifications, wherever necessary in respect of each item by the concerned Administrative Department.

32.17 Jharkhand Industrial Infrastructure Development Corporation (JIIDCO) will be the Nodal agency for all infrastructural construction work of Industries Department including Industrial Area Development Authorities (AIADA, BIADA, RIADA, SPIADA), public sector undertakings like Jharcraft and other institutions like Government Mini Tool and Training Centre at Ranchi and Dumka. Besides, JIIDCO will also provide technical input, as and when required by Industries Department including vetting of the project proposal, preparation of DPR, issues pertaining to Single Window Operationalisation etc.

32.18 Jharkhand Infrastructure Development Corporation (JINFRA) will be nodal agency for all projects of Jharkhand to be pursued under PPP.

- 32.19 National Level R & D centers in the State would be encouraged to set up Incubation Centres to encourage innovation by the youth and for development for knowledge based and high technology end products.
- 32.20 (a) Enterprises will be encouraged to adopt cleaner production techniques and go for green technologies and processes to protect the environment and ecology.
- (b) Performance of industries are evaluated every year and on the basis of objective evaluation criteria, suitable awards are given by the State Government for outstanding achievement in environment management, labour welfare, R&D, Safety Profit maximization, innovative production, turn around of sick industries, corporate social responsibility, entrepreneurship and quality. Sixty two awards, during last 6 years have been awarded. Scheme of enterprises adopting such best practices will continue to be recognized with State awards every year.
- 32.21 Industrial Units, with investment above Rs 500 crore, which have commenced production / operation before 01.04.2011 and have not been issued Date of Production (DoP) Certificate by the Industries Department may approach the Department to issue of such Certificates to avail the benefits under Jharkhand Industrial Policy, 2011.

33. FACILITATION

- 33.1 **Single Window Clearance** Mechanism will be enacted for according required clearances / approvals of projects submitted by entrepreneurs within specified period. Composite Application Forms (CAF) along with statutory fees for all clearances connected with the investor's proposals will be received by the Single Window Clearance cell which will facilitate required clearances from the concerned departments or the authorities of the State Government and other agencies.

Till the time Single Window Clearance Mechanism is enacted, existing Single Window Cell in Industries Department will be strengthened with dedicated team of experts to provide better single point contact services for investors. The cell will also come out with newsletters, departmental publicity materials and other relevant documents for entrepreneurs.

- 33.2 A web-based application portal with monitoring and feedback capability will be created to operationalise the framework – administrative guidelines to assist entrepreneurs and facilitate speedy and time bound processing of their applications.
- 33.3 On line monitoring system is proposed to be introduced for developing better interface between the investor, the Industries Deptt. and other related Departments of GoJ.
- 33.4 (a) To ensure smooth environmental clearance the State Level Environment Impact Assessment Authority (SEIAA), and State Level Expert Appraisal Committee (SEAC) as provided in the gazette notification dated 14.09.2006 part II, Sect. 3 (ii) of Ministry of Environment and Forest, Government of India, New Delhi have been empowered.
- (b) The environmental clearance given by Jharkhand State Pollution Control Board to industries of the State will remain valid for 5 years.
- (c) State Govt. would extend necessary support to Jharkhand State Pollution Control Board (JSPCB) for expediting the disposal of applications of investors / entrepreneurs for environmental clearance. The following measures are envisaged to be undertaken for the purpose.

Industrial Zoning : Zoning on the basis of environmental aspects, land availability etc will be carried out to enable the entrepreneurs to select appropriate site for their project so that NOC is issued faster.

Third Party Audit : Necessary support will be extended to JSPCB for organizing third party audit for better compliance of environmental laws.

Skill Upgradation : Skill upgradation programme of technical personnel of JSPCB and related organizations is envisaged to be organized in Environmental Engineering / Management.

- 33.5 With a view to providing a timely and effective dispute / grievance resolution mechanism for industries, the State Government shall constitute a NIVESHAK SAMADHAN ADALAT which shall meet every month and hear the grievances / complaints of investors and make its recommendation to the appropriate authority / authorities for consideration and redressal of the grievances. The NIVESHAK SAMADHAN ADALAT will be chaired by Members, Revenue Board. Two other members of ADALAT will be eminent experts of Finance, Management and Industry. Secretarial assistance will be provided by Single Window Cell.
- 33.6 Efforts will be made to bring all regulatory Departments on the same platform by constituting a committee under the Chairmanship of Chief Secretary. The committee consisting of representatives from all related Departments will work out the detailed modality of joint inspection, frequency of inspection etc so that clearances / approvals are given to the entrepreneurs within specified time.

34. MONITORING AND REVIEW

All concerned departments and organizations would issue necessary follow up notifications within a month to give effect to the provisions of this Policy. This will be duly monitored by Government so that the State Government may carry out a mid - term review of this Policy.

- 34.1. The incentives / subsidies / reliefs outlined in this policy shall be available to all existing units and such new industrial units which commence commercial production from 01.04.2011 till the validity of this policy.
- 34.2. For incentives contained in this Policy a committee would be constituted under the Chairmanship of Secretary, Industries with the Director, Industries, Director, Handloom, Sericulture and Handicraft, a representative each of the Commercial Taxes Department, Jharkhand State Electricity Board (wherever necessary) as well as the concerned Managing Director of the Industrial Area Development Authority or GM, DIC as its Members. This Committee would decide on incentives to be given to industrial units.
- 34.3. The definitions given in the Annexure to this policy shall be treated as part of this policy.

35. POWER OF THE STATE GOVERNMENT

- 35.1 Notwithstanding anything contained in the foregoing paragraphs of the industrial policy, the State Government by issuance of notification in the official gazette may amend or withdraw any of the provisions and / or the schemes mentioned herein above.
- 35.2 If any difficulty arises in giving effect to provisions of the industrial policy and / or if any dispute arises about the interpretation of any provisions of the said policy, the same shall be referred to the Chief Minister through Chief Secretary and thereon the decision taken shall be final.

Order: It is ordered that a copy of the resolution should be sent for publication in the special edition of the Jharkhand Gazette, Reputed Journals and Newspapers

and be circulated among all the Departments / Departmental heads and Subordinate office of the Government.

By the Order of the Governor of Jharkhand

(A.P.Singh)
Secretary
Industries Department,
Government of Jharkhand.

Memo No:....., Ranchi, Dated.....

Copy with enclosure forwarded to the Superintendent, Government Press, for its publication in the special edition of Jharkhand Gazette.

By the Order of the Governor of Jharkhand

(A.P.Singh)
Secretary
Industries Department,
Government of Jharkhand.

Memo No:....., Ranchi, Dated.....

Copy with enclosure forwarded to all Departments / Departmental Heads / Commissioner, Commercial Taxes, Department of Commercial Taxes / Managing Director, All Corporations under Department of Industry / All Industrial Area Development Authorities / Chief Executive Officer, Jharkhand State Khadi Board, Ranchi, Jharkhand/ Chairman, Jharkhand State Electricity Board, Ranchi/ All Commissioners/ All Deputy Commissioners / All Deputy Development Commissioners / All General Managers, District Industry Centres / Director, Handloom, Sericulture and Handicrafts/ Director, Industry / Resident Commissioner, Jharkhand Bhavan, New Delhi.

By the Order of the Governor of Jharkhand

(A.P.Singh)
Secretary
Industries Department,
Government of Jharkhand.

ANNEXURE - I

Definitions

1. **Effective date:** "Effective date" means the date on which the provisions of this Policy come into force i.e. 01.04.2011. This Policy will remain in force for 5 years from the date of issue of orders.
2. **Industrial Unit/Industrial concern:** 'Industrial unit / concern' means any unit / concern engaged or to be engaged in manufacturing / processing / servicing industry under the following categories:
 - a) Industries listed under the First Schedule of the Industries (Development and Regulation) Act 1951 as amended from time to time.
 - b) Industries falling within the purview of the following Boards / Agencies:
 - (i) Small Industries Board
 - (ii) Coir Board
 - (iii) Silk Board
 - (iv) All India Handloom and Handicrafts Board.
 - (v) Khadi and Village Industries Commission.
 - (vi) Any other agency constituted by the Government of India or Government of Jharkhand for industrial development.
 - c) Other categories:
 - (i) Mining or development of mines
 - (ii) The maintenance, repair, inspection or servicing of machinery of any description or vehicles or vessels or motorboats or trailers of tractors.
 - (iii) The setting up or development of an Industrial Area, Industrial Estate, Integrated Infrastructure Development Export Promotion Industrial Park, Export Promotion Zone or Growth Centre.
 - (iv) Providing special or technical knowledge or other services for the promotion of industrial growth.

- (v) Providing Engineering, Technical, Financial, Managerial, Marketing or other services or facilities for industry.
- (vi) Providing services relating to Information Technology, Telecommunication or electronics including satellite linkage and audio or visual cable communication.
- (vi) Tourism.

3. Existing Industrial Unit

"Existing Industrial Unit" means an industrial unit which is in commercial production.

4. New Industrial Unit

"New Industrial Unit" means an industrial unit in which commercial production has commenced within five years from 01.04.2011.

5. Sick Unit

"Sick unit" means an industrial unit declared sick by the Board for Industrial and Financial Reconstruction under the Sick Industries Companies (Special Provision) Act, 1985 or by the State Apex Committee for SSI headed by the Director of Industries or the High Level Empowered Committee headed by the Chief Secretary for large and medium sector. Sick units also include units closed for being in red for years or for financial reasons or for reasons of obsolete technology.

6. Expansion / Modernisation

"Expansion / Modernization of an existing unit would mean additional fixed capital investment in only plant and machinery to the extent of 50% or more of the non-depreciated value of fixed capital investment just before taking up this expansion / modernization in this unit leading to at least 50% of additional production of the added capacity beyond 2/3 of installed capacity prior to the start of expansion or 2/3 of maximum

production achieved during past three years immediately before start of expansion, whichever is higher.

7. Diversification

Diversification of an existing unit would mean additional fixed capital investment in only plant and machinery to the extent of 50% or more of the non-depreciated value of fixed capital investment just before taking up this diversification in this unit leading to increase in turnover by 50% over the highest turnover achieved during past three years immediately before taking up this diversification.

Diversification must result in production of at least one additional product. If the unit discontinue with the existing production, the increase in turnover will not be considered.

N.B : Before expansion/modernization/diversification the project proposal must be submitted for approval. The approval shall be communicated within 30 days of submission, if approval is not accorded within the stipulated time, it will be deemed approval.

8. Fixed Capital Investment

The 'Fixed capital investment' means an investment made in land, building, plant and machinery as well as productive assets of permanent nature such as tools, jigs, fixtures, dies, crane, electrification except DG Set and pollution control equipment.

9. Micro, Small and Medium Enterprise (MSME) Industry

A "MSME Industry" is an Industrial unit in which capital investment has been made up to the limit specified by the Government of India from time to time.

10. Ancillary Industrial Unit

An "Ancillary Industrial Unit" is an industrial unit in which capital investment has been made up to the limit specified by the Government of India from time to time.

11. Date of Production

The "date of production" of an industrial unit shall mean the date on which the unit actually commences commercial production of the item for which the unit has been registered.

As regards the date of production of a SSI unit, the certificate issued by the respective General Manager, District Industries Centre and the respective Managing Director, Industrial Area Development Authority would be valid. In case of any dispute regarding the date of production, the decision of the Director of Industries shall be final. In case of large and medium industries the certificate issued by the Director of Industries would be valid. In case of any dispute regarding the date of production, the decision of the Principal Secretary /Secretary Industries shall be final. Separate certificate for date of production has to be submitted.

Those industrial units which commence production on 01.04.2011 or thereafter, but where capital investment was prior to 01.04.2011 would be eligible under Industrial Incentive Policy, 2001 (in case they qualify) or under the New Policy as alternative. The units will not be entitled to part benefits of both the policies. Three months from the date of publication of the notification in the Jharkhand Gazette of this Policy, the units will have to give in writing to Director, Industries indicating the preferred alternative.

12. Classification of Industrial Units

- i. As per the MSMED Act 2006, **Manufacturing** enterprises have been defined based on investment in plant and machinery and classified into

- Micro Enterprises – Investment up to Rs 25 lakh
- Small Enterprises – Investment above Rs 25 lakh and up to Rs 500 lakh
- Medium Enterprises – Investment above Rs 500 lakh and up to Rs 1000 lakh.

ii. As per the MSMED Act 2006, **Service Enterprises** have been defined based on Investment and Classified into

- Micro Enterprises – Investment up to Rs 10 lakh
- Small Enterprises – Investment above Rs 10 lakh and up to Rs 200 lakh
- Medium Enterprises – Investment above Rs 200 lakh and up to Rs 500 lakh.

iii. **Large Scale Industry**

An industrial unit which is not classified as Micro, Small and Medium Enterprise and with investments up to **Rs 250 crore** shall be classified as large scale industry.

iv. **Mega Projects**

Sectorwise Mega Project classification will be as below :

Sl. No.	Sector	Minimum Investment	Direct employment generation
1.	Manufacturing	Rs 250 crore	300
2.	(a) Automobiles	Rs 300 crore	500
	(b) Auto components	Rs 50 crore	100
3.	Steel, Aluminium and other mineral based industries	Rs 1000 crore	300
4.	Ancillary & Down-stream industries	Rs 50 crore	50

5.	Agro-processing / food processing, bio-technology/ pharmaceuticals	Rs 50 crore	100
6.	Textile / reeling/spinning/ weaving / garmenting projects	Rs 25 crore	500
7	Information Technology (IT-ITEs industries)	Rs 50 crore	1000
8	Apparel	Rs 10 crore	500

- Except the above mentioned sector-wise classification, projects in other sectors with investment above Rs 250 crore will come under Mega project classification.
- Mega investors under above mentioned categories will be required to develop ancillary industries for spares / consumables for their respective mega units. The investment for their ancillary units will be in addition to the investment shown above.

13. **Classification of Backward Areas**

For the purpose of determination of types and quantum of incentives available under this policy, different areas of the State are being classified into the following categories :

Category A (Least Backward) :

Blocks in bracket have been given District-wise. **Ranchi** (Ranchi Sadar, Nagri, Ratu, Ormanjhi, Kanke and Namkum), **East Singhbhum** (Dhalbhum, Potaka, Ghatshila, Nowamundi and Goalmuri), **Dhanbad** (Govindpur, Jharia and Chirkunda), **Seraikela-Kharsawan** (Chandil and Adityapur), **Bokaro** (Chas, Bermo, Chandankayari, Chandrapura and Petarwar), **Ramgarh** (Ramgarh and Patratu) and **Giridih** (Giridih Block)

Category B (Backward) :

West Singhbhum (Jhinkpani and Chakradharpur), **Ramgarh** (Mandu), **Dhanbad** (Baliapur), **Bokaro** (Goria and Jaridih), **Hazaribagh** (Hazaribagh, Katkamdag, Daroo, Keredari, Barakagaon and Barhi), **Giridih** (Saria), **Kodarma** (Chandwara), **Chatra** (Tandwa), **Dumka** (Godda and Sundarpahari), **Khunti** (Khunti), **Deoghar** (Madhupur, Devipur and Deoghar), **Latehar** (Chandwa), **Garhwa** (Garwa and Bhawnathpur), **Palamau** (Daltonganj) and district headquarters of the remaining districts.

Category C (Most Backward) :

All remaining blocks not mentioned in category A and category B.

14. Multiplexes covered under Tourism for exemption in entertainment tax will mean New Multiplex Cinema hall of at least 03 Screens with minimum capital investment of Rs 3.00 crore & above with modern projection system, sound system, air conditioner, generator set, furniture & fixtures etc.
15. Food processing industries will be categorized / classified as per Government of India norms.

ANNEXURE-II

List of Industries Not Eligible For Incentives

1. Saw Mills and Wood Sawing
2. Furniture and Wood Sawing.
3. Drilling Rings, Bore Well and Tube Well Establishing Units.
4. Tea Blending/Mixing Units.
5. Units Connected with Cutting of Raw Tobacco and Gul Related Products and Guraku
6. Bottling and Repackaging of Drugs/Pharmaceuticals/Chemicals without Processing and value addition (Excluding formulation and manufacturing units)
7. Book Binding
8. Rubber Stamp Making
9. Photo Copying
10. Stenciling Units
11. Processing of Stencil Papers.
12. Tailoring (Except Readymade Garment Manufacturing Units)
13. Laundry/Dry Cleaning.
14. Photography/Studio Labs.
15. Clinical/Pathological Laboratories/Nursing Homes/Clinics
16. Beauty Parlours.
17. Video Parlours
18. Goods Transport.
19. Video/Audio Cassette Recording/Watch Repairing
20. Petrol Pumps.
21. Narcotic Drugs.
22. Sponge Iron Plant with or without CPP.
23. Rice hullers & Rice mills excluding Rice Mills.
24. Crushing of Iron ore, Coal, Stone etc including segregation / blending.
25. Tyre retreading.

Note:

1. Government reserves the right to make any changes in the above negative list.
2. The decision of Government whether a unit falls in the Negative list or not, shall be final and binding.

ANNEXURE – III

FORMAT OF PASSBOOK AS DETAILED IN PARA 3 (IV) OF THE INDUSTRIAL INCENTIVE POLICY 2010.

1	2	3	4	5	6	7	8
Sl. No.	Month	Amount of Tax admitted under JVATA*/CSTA*/JETA*	Amount paid against the amount admitted under JVATA*/CSTA*	Main/ Subsidiary headings under which admitted amount deposited	Challan no. & date with Name of Treasury	Name & Designation of certifying officer	Signature with date & seal
TOTAL							

*JVATA = Jharkhand Value Added Tax Act, 2005

*CSTA = Central Sales Tax Act

*JETA = Jharkhand Entry Tax Act.

Note: The passbook entries must be certified by the concerned Commercial Taxes Officer in charge of the circle.

Edited on 09-09-2011