

**Jharkhand Industrial  
And  
Investment Promotion Policy  
2016 (draft)**

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# 1. Introduction

Jharkhand, the 28th state of the Indian Union, was brought into existence by the Bihar reorganization Act on 15th Nov 2000. The State has immense potential for industrialization with its large deposits of minerals amounting to 40% of the total mineral wealth of the country. It is the sole producer of coking coal, uranium and pyrite and ranks first in the production of Coal, Mica, Kynite and Copper in India.

The State has made impressive strides over the years in industrialization. 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.

Jharkhand is becoming the vanguard of industrialization among the Indian States. 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.

Jharkhand is presently producing about 20-25% of total steel being produced in the country. With the proposed expansion of a number of integrated steel plants, Jharkhand will be producing over 25 MT of steel and thus will turn to be a potential steel-hub of India. Recently, an MOU has been signed between the Steel Ministry and NMDC for establishment of 6 MT integrated Green Field Steel Plants. Even various types of auto grade steels, which were earlier being imported, are now being produced within the State.

Department of Industries organizations like Industrial Area Development Authorities, Jharkhand State Khadi & Village industries Board, Jharkhand Industrial Infrastructure Development Corporation (JIIDCO), Single Window Society and JHARCRAFT are making significant contribution in industrialization of the State and some of them are cash surplus. Government is committed to provide international standard infrastructure and facilities in the industrial areas and estates managed by the Industrial Area Development Authorities.

Jharkhand Government is also keenly working towards skill development, improving exports, Mineral based products, Agriculture and Processed Food products to ensure increased industrial development across the State. Jharkhand is leading and is wooing investors in mineral exploration, Plastics and Rubber, Chemicals, Electrical, Cement, Metallurgy and Automobile components, Equipment's for Heavy Engineering companies etc.

Jharkhand has some important steel plants and mines, there is a distinct advantage with respect to freight in sourcing Cold Rolled sheets; auto grade steel plants are being set up. Jharkhand's automotive industry produces a wide range of products from simple nuts and bolts to complex items like shafts, radiators and axles supported by the Tata Motors as the anchor company.

Jharkhand has experienced phenomenal growth in Sericulture Sector. 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.

Around 30% of Jharkhand's geographical area is covered with highly bio diversified forests, thus, giving opportunity for development of Minor forest produce based industries and herbal based industries. Also, its agro-climatic condition is suitable for development of Agri-based and allied sector industries.

Jharkhand's proximity to the Ports of Kolkata, Haldia and Paradeep, makes the State attractive for it to be an ideal location for Export Oriented Units (EOUs), interested to enter in emerging markets of South East Asia considering the freight advantage with safe, smooth and faster movement of their produce.

Golden-Quadrangular-Super-Highway that passes through Jharkhand, is very close to some of the cities, viz. Dhanbad, Hazaribagh, Bokaro, Giridih, and Barhi. These cities are well connected to the super highway via branch roads. Further, it has high logistical advantage in catering to markets within and adjoining states of West Bengal, Orissa, Bihar & Chhattisgarh. The combined population of Jharkhand and these four adjoining states is about 247.5 million, which is nearly 25% of the country's population, making it very advantageous from business perspective.

The Central Government's Eastern Dedicated Freight Corridor passes through the state and would connect Jharkhand with West Bengal, Bihar, Jharkhand, Uttar Pradesh, Delhi, Haryana, Punjab and Rajasthan and is expected to be immensely beneficial for industries in the state; it would immensely help in the transport of finished products to ports in Bay of Bengal in lesser amount of time thereby bringing down transportation cost.

There has been large scale change in industrial environment due to economic liberalization, privatization and globalization. Strong emphasis is being placed on Micro, Small and 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 etc. Value Added Tax (VAT) regime has been implemented and is likely to be further replaced by Goods and Service Tax (GST).

Jharkhand is progressing fast on adopting best practices for making an investor friendly environment in the state to facilitate investments, employment generation and welfare of the people. Measures like, Jharkhand Investment Promotion Board, single window clearance, online payments, online verification, third party certifications, self- certification, time bound approvals, availability of information online, standard operating procedures for approvals, deemed approvals, etc. are being adopted by various departments and government agencies.

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.

Government of India has launched ambitious programmes like Make in India, Skill India, Digital India, Start-up India, Swachh Bharat, Zero Defect-Zero effect etc. to improve the standard of living of the common people, revenue generation for social sector activities and employment generation, leading to overall development of the country. It is the right time to realize the objectives of these initiatives for the welfare of the Jharkhand State.

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. It is expected that implementation of the policy will facilitate industrialization of the State, generate employment and add to its overall growth.

### **1.1) Policy Approach**

Industrial development promotes higher capital formation, raises wage incomes and absorbs surplus workforce to bring about equitable development. Therefore the State Government has accorded top priority to industrial growth as a means to mitigate poverty and unemployment. Jharkhand Industrial Policy aims to establish state-of-the-art infrastructure, promote manufacturing, enhance inclusivity, foster innovation and create employment opportunities across sectors. Various policy instruments have been detailed in this document to catalyze the same.

The state intends to be the most preferred destination for investors by providing favorable business climate, excellent infrastructure, good law and order and peaceful industrial relations. The new industrial and investment promotion policy focuses on creating a conducive eco-system which makes industries based in Jharkhand innovative and globally competitive. Government of Jharkhand lays utmost emphasis on sustainable industrial development anchored by capacity building at the grassroots level. The policy approach is encapsulated below:

### **(1.1.1) Objective:**

- a. To convert Jharkhand into a favoured destination for investors and to promote sustainable Industrial growth of the State
- b. To create time bound, web based transparent working mechanism for project clearance, Date of Production declaration and financial & non-financial assistances and clearances
- c. To establish linkages between large industries and MSME/ ancillary industries
- d. To ensure participation of scheduled tribes, schedule castes and other underprivileged sections of the society for inclusive industrial growth
- e. To promote employment generation in industrial and service sector by providing facilitation under Industrial and Investment promotion Policy, MSME Act 2006 & other policy interventions
- f. To promote MSME sector for textile, auto component, food processing & I.T, besides ancillary & downstream industries
- g. To increase the level of processing, reduction of wastage, value addition, enhance the income of farmers as well as increase exports thereby resulting in overall development of food and feed processing sector
- h. To create more Industrial Park in private, joint venture & PPP mode under Jharkhand Industrial Park Policy 2015
- i. To provide direct & indirect employment in the MSME sector
- j. To promote SEZ for IT and auto components
- k. Time bound disposal of project clearances through Single Window System
- l. To promote quality certification, FPO, process ISO and patent certification for local industries
- m. To promote new tool rooms and expand the activities of existing tool rooms
- n. To set up new training institute/centre for skill development with emphasis to train 30% women and up gradation of existing training institute with modern standard syllabus
- o. To realize the potential of Agriculture sector and rural economy by setting up some more food parks in Jharkhand
- p. To revive viable sick units
- q. To promote specific sector approach & value addition in production
- r. To encourage the adoption of green, clean-energy business practices
- s. To promote innovation, start-ups & technology transfer
- t. To promote qualitative enhancement of skill and human resources of the State

### **(1.1.2) Strategy:**

The strategy for achieving growth seeks to promote collaboration among regional value chains by encouraging innovative activity and sector-specific interventions:

- a. Promotion of private investment and PPP mode mechanism in the development of infrastructure-road, power, telecom, industrial estate, industrial clusters and industrial parks including rural & village industrialization e.g. Sericulture, Khadi, Handicraft ,Food Processing, Handlooms, Bamboo, Leather, & Lac etc.
- b. Organization of quality training to rural women SHG in the sericulture, handloom and handicraft for rural village industrialization
- c. Industrial parks of specialized nature shall be promoted by private, joint venture or PPP mode
- d. Striving to put in place appropriate arrangements for ensuring timely and adequate flow of credit to industries, specially the MSE sector
- e. Development of a strong networking with Export Promotion Councils, Commerce and Transport Department, FIEO, ITPO and Product Sectoral Associations and MSME sector associations to give impetus to Public Private Partnership
- f. Development of international trade service providers to boost international trade
- g. Strengthening of Single Window System for facilitating exporting Industries
- h. Better land management and increasing the availability of developed plots readily for new investors in Industrial Area Development Authority
- i. Special incentives are proposed for women, SC/ST entrepreneurs
- j. Institutionalization of Monitoring, Evaluation and Grievance Redressal Mechanism.
- k. Institutionalization of consultation mechanism with stakeholders and Industrial associations
- l. Thrust to entrepreneurship and skill development programmes
- m. Accelerating Development of Infrastructure
- n. Promoting labour intensive industries
- o. Focus approach for Industrially under-developed Areas
- p. Strengthening sector-specific skill development and vocational skills
- q. Encouraging Universities for start-ups & innovative product development a Support technology up-gradation and research &development
- r. Promotion of trade facilitation & e-governance
- s. Conducive labour reforms including more opportunity for Women
- t. Focus approach on 'Make in India' program
  - ✓ Improving business environment with stress on 'Ease of Doing Business'
  - ✓ Enable manufacturing processes
  - ✓ Zero effluent discharge plants

## 2. Improving the Business Eco-system

Government of Jharkhand has accorded highest priority to improve business eco-system in the state. With the view to steer rapid economic reforms and to promote investment in the State, it is imperative to create an environment which is congenial to entrepreneurship development. Industry consultation, timely clearances, responsive administration and transparent government have been identified as the corner-stone for improving business environment and boosting investor's confidence. To that end, the state shall provide both, pre and post investment services and facilitation for rapid industrialization.

### 2.1) Jharkhand Investment Promotion Board

Jharkhand Investment Promotion Board (JIPB) has been approved to advise the government on issues related to attracting investments and building a positive word of mouth. Captains from the industry have been invited to provide direction and guidance on measures to be taken to promote Jharkhand as an attractive investment destination

The composition and modalities of functioning of JIPB is as follows:

- ▶ Hon'ble Chief Minister will be the Chief Patron
- ▶ Hon'ble industries Minister- will be the Patron
- ▶ Minimum 10 or more senior most reputed industrialists will be nominated by the government as members
- ▶ Chief Secretary - Member
- ▶ Principal Secretary, Finances - Member
- ▶ Principal Secretary/ Secretary, industries will be the Member Secretary of the JIPB
- ▶ There will be sector specific committees of 5-7 members from the industry headed by the industry captains only
- ▶ Industry Members of the JIPB will be treated as State Guests whenever they come to attend the meeting
- ▶ Coordination for the JIPB will be provided by the industry Department

The scope of work of the JIPB may be as under:

- ▶ To meet twice in a year and deliberate on strategies to promote investments in Jharkhand

- ▶ To advise the government on issues related to attracting investments in the state
- ▶ To work as Jharkhand's brand ambassador for development of industrial environment in Jharkhand
- ▶ Suggest ways for simplification of procedures, policy making and policy reforms

## **2.2) Single Window Clearance Mechanism**

For the promotion of investment and industries in the Jharkhand State, Department of Industries has established a Single Window Clearance System for Ease of Doing Business and to provide mandatory clearances and disbursement of fiscal incentive within the time limit. This mechanism shall have Single Window Clearances Committee under the Chairmanship of Principal Secretary, Industries with all the important Secretaries as members in this Committee. This Committee shall approve projects including financial incentives till MSME level. For projects other than MSME, this Committee shall recommend to the High Powered Committee for approval.

The High Powered Committee has been formed under the Chairmanship of Chief Secretary, with finance Secretary and Industries Secretary and few other Secretaries as members for granting approvals for large Industries and this Committee shall recommend approval of incentives for the mega and Ultra-Mega Projects to Governing body.

This Single Window Clearance mechanism shall have a governing body under the Chairmanship of Hon'ble Chief Minister and few other ministers as members. This Governing Body shall give policy guidelines to the Single Window mechanism and grant approval for incentives to the Mega and ultra-Mega Projects.

### **2.2.1) Single Window Portal**

Jharkhand Single Window Clearance Act 2015 focusses to create an investor friendly environment and improve ease of doing business in the State. This is being facilitated by providing accelerated and time bound grant of various licenses, permissions and approvals, promoting industrial development and facilitating new investments as well as by simplifying the regulatory framework by reducing procedural requirements and rationalizing documents.

All proposed or existing investments which need clearance under one or more of the applicable acts are eligible for facilitation through single window clearance web-portal (<http://advantage.jharkhand.gov.in>).

This e-platform is a one-stop service for investors planning to invest in Jharkhand from within the state as well as other parts of the country and abroad. The main activities of this portal include:

- ▶ Interactive system for identifying approvals for setting up of business and starting of business operations
- ▶ Easy access to all information on procedure, timelines, formats etc.
- ▶ Comprehensive checklist of all NOCs, licenses, registrations, etc., available online
- ▶ Combined Application Form (CAF)
- ▶ Single Sign-On at Single Window portal allows seamless integration of single window portal with the respective department's portal by eliminating the need of signing in multiple times as well as the need of creating separate login credentials at various department portals.
- ▶ Follow up action and coordination between the Government departments and investors
- ▶ Facilitation and Coordination for implementing Project in Jharkhand

### **2.2.2) Single Window Cell**

The Single Window system has four cells for facilitation and to address the problems faced by entrepreneurs. Departmental and domain experts have been appointed in *Single Window* to provide technical know-how on departmental and area specific issues pertaining to industry and business and shall be involved in end-to-end grievance handling and investor facilitation. Nodal officers of various departments are deputed and seconded to the cell for granting mandatory state approvals in the Single Window System itself.

### **2.3) Ease of Doing Business**

In sync with the 'Make in India' campaign launched by the central government, Jharkhand has launched 'Make in Jharkhand' to enhance the experience of industry as well as society stakeholders. Government of Jharkhand accords highest priority to improving Ease of Doing Business and therefore, has embraced the changes in new business environment over the last few months, which led to Jharkhand being ranked among top three Indian states in the 2015 year ranking on "Ease of Doing Business" (EODB) by World Bank. Timely clearances and responsive post investment facilitation services have been identified as the cornerstone for improving business environment and boosting investor confidence.

### **2.3.1) Responsive and Simplified Operations**

- ▶ Defined punitive actions on non-compliance to services covered under Jharkhand Right to Service Guarantee Act
- ▶ Combined application for different type of mandatory state approvals
- ▶ Only two documents required for obtaining Electricity connection
- ▶ Standardized Contract templates available online
- ▶ Unified ID for all State Taxes
- ▶ Defined inspection procedure for Commercial Taxes, State Pollution control board, Forest, Environment and Climate change and other departments available online
- ▶ Online payment Gateway operational through a broad network of 67 Banks
- ▶ Two way online payment arrangement through six Banks
- ▶ Simple online e-filing return facility for dealers through Common Service Centre (CSC) - 'Pragya Kendra'
- ▶ 24x7 availability of Helpline Numbers assisting tax payers in preparing and filing returns
- ▶ Single Joint Site Inspection for Construction permit approval
- ▶ Harmonised Inspection by synchronising inspections through constitution of Central Inspection Agency in Pollution Control

### **2.3.2) Reduced Timelines**

- ▶ VAT Registration certificate issued within one working day
- ▶ Professional Tax registration certificate issued within one working day
- ▶ Inspection reports for Pollution Control Board, Forest, Urban, Commercial Tax, and Labour Dept. in 48 hours
- ▶ Water allocation approval now available within 30 days
- ▶ Processing timelines for HT and LT connection has been reduced to 15 days
- ▶ Inspection lead time for electricity connection has been fixed at 2 days from time of application

### **2.3.3) Initiatives for Online Applications and Approvals**

- ▶ Online land allotment in industrial areas
- ▶ Online application and payment for Land Registration, disbursal of incentives, Electricity connection, Consent to Establish, Consent to Operate, authorizations
- ▶ Registration, Licencing and Renewal of Certificate for employing Contract Labour, Registration under Shops and Establishments Act, Registration of Societies and Firms, Registration under Building and Other Construction workers (RECS) Act, Grant and renewal of Factory License, Approval of Factory Building Plan, Grant of License and renewal for Boilers

### **2.3.4) Online Inspector Allocation and Register Maintenance**

- ▶ Online inspector allocation for field verification, tree felling and issue of transit permit by Forest Dept.
- ▶ Online system for allocation of inspectors for Tax inspections based on computerized risk assessment
- ▶ Online Register for Environment/ Pollution compliances
- ▶ Provision for Simplified online registers for easy compliance of labour laws

### **2.3.5) Ease in Environment Compliance**

- ▶ No CTO and CTE approval required for Green industries having investment below Rs 50 Lakhs
- ▶ Auto Renewal of CTE and CTO based on self-certification/ 3rd Party certification
- ▶ Computerized risk assessment for Inspection for Pollution compliance
- ▶ CTE and CTO clearance provided for minimum of five years validity

### **2.3.6) Amendments for Easy Compliance**

- ▶ Factory Map approval for up to 50 workers at regional offices
- ▶ Self-Certification Scheme for Boilers, permission for 3rd party inspection
- ▶ Self-Certification Scheme: Single joint inspection for 14 labour laws
- ▶ Self-Certification Scheme: Single annual return for 14 labour laws
- ▶ Self-Certification Scheme: Inspections once in 5 years

- ▶ Five years validity of Factories License
- ▶ Standard Operating Procedure and Inspection Checklist for Labour laws
- ▶ No returns for Small Shops and Establishments (< 10 workers)
- ▶ All licences and certificates of Labour Dept. are verifiable online

In addition to above initiatives, efforts will be made to bring all mandatory state approvals provided by all State departments under Single Window Clearance Mechanism for easy compliance and also to improve business eco-system in the state.

#### **2.4) Jharkhand Investment Centre**

Jharkhand investment centre shall be set up at New Delhi to attract investment to the state. This centre shall be headed by Investment Commissioner, who is an Indian Administrative officer of Secretary or Principal Secretary rank. The Investment commissioner shall coordinate with all departments of the state and organizations and also with central government, if necessary.

### 3. Development of Industrial Infrastructure

High-end quality infrastructure facilities are absolutely essential for industrial development of the State. As a result of availability of quality infrastructure, industries get established with less capital investment and can function without impediments. These infrastructure facilities assist in growth of business and industry along with promoting fair competition. In addition to social development and generation of new employment opportunities, it helps in attracting indigenous and foreign investment. Development of Industrial infrastructure in the under developed region has been identified as one of the strategies to attract industries and investments to these regions. In this regard, following infrastructure facilities shall be developed by State government.

#### 3.1) Land

Readily available and adequate extent of land is a pre-requisite for industrial development. The State would focus more on making available allottable industrial lands with comprehensive infrastructure facilities to the project proponents across the State. Therefore, following action plan has been prepared to make available the required land:

- ▶ To provide land for establishment of industrial areas, industrial estates and new industrial units, Industrial Area Development Authorities will strengthen and expand their land bank by identifying barren, un-irrigated land and unutilized land of government departments and corporations in their respective areas
- ▶ As far as possible, land of sick and locked out industries will also be included in land bank. Industrial authorities, institutions and Directorate of Industries will systematically compile land availability information to be accessible to potential investors through the Single Window Portal of the State
- ▶ Industrial authorities shall identify the land up to Anchal level in the State to develop Mini Industrial Areas, as per the demand of Micro and Small industries
- ▶ All steps in the process of land acquisition for the industries would be completed in a time bound manner to enable the timely execution of industrial projects. The resumption of land for industrial purpose would be done on priority basis

Project proposals of Investors for setting up industries will be thoroughly scrutinized to arrive at the actual requirement of land for the project.

- ▶ Land acquisition for industrial enterprises i.e. voluntary or involuntary shall be done as provided/applicable under the Right to Fair compensation and Transparency in Land Acquisition Rehabilitation and Re-settlement Act 2013 and Jharkhand Fair compensation and Transparency in Land Acquisition Rehabilitation and Re-settlement Rules 2015
- ▶ Direct Purchase of Land for Industrial Enterprises shall be done as provided under CNT/SPT Act and Direct land purchase policy as notified by the Department of Revenue, Registration and Land Reforms
- ▶ Provision of Panchayati-Raj Extension to Schedule Area Act (PESA) shall be applied in (a) & (b), wherever applicable
- ▶ Department of Revenue and Land Reform shall be duty bound to expedite the above mentioned Land Acquisitions in a time bound manner
- ▶ Department of Revenue and Land Reform shall work-out a detailed time frame for the disposal of proposal for land acquisition/purchase. The details of status of different proposals shall be placed on the website of the department

GM land or Government land may be transferred to the investing industrial enterprises as per procedure established by Department of Revenue, Registration and Land Reforms.

GM land may be leased out to the investing industrial enterprises for 30 years with a provision of renewal of lease twice on specified terms and conditions notified by the Department of Revenue and Land Reform. However, the land shall be used for the purpose it has been allotted within 5 years from the date of transfer.

Department of Revenue, Registration and Land Reforms established land banks for government land. This e-platform of land bank data shall be made dynamic and interactive.

In case of conversion of agricultural land for industrial purpose the prevailing revenue rules pertaining to rent and transfer will be applicable.

- (a) All efforts shall be made to avoid use of double cropped or rich agricultural land and to minimize displacement
- (b) Deemed 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 industrial development, plantation development and tourism purposes

Government will try to acquire land in new suitable location and ensure infrastructure development for specific and general industries.

## **Industrial Areas/ Estates**

There are four Industrial Area Development Authorities located at Ranchi, Bokaro, Dumka and Adityapur. These authorities are responsible for acquisition of land and development of infrastructural facilities, such as roads, drainage, water supply and public utilities for the industrial area under their control. It is also aimed to extend advisory services to MSME industries and helping in their growth in putting marketing supply. These areas will be provided with grants from the government. It will also help the units to get support under MSME/other GOI assistance.

State cabinet has passed regulations for all four IADAs for transparent and time bound allotment of land through online system.

Department of Industries has notified objective criteria for allotment of land in these industrial areas in addition to above mentioned regulations and also issued a notification for earmarking industrial areas on the basis of criteria like type of industries and pollution level.

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.

Devipur Industrial Estate at Deoghar district has area of 547 acres. Appropriate budget provisions will be made for the development of this industrial estate.

Efforts will be made by each Industrial Area Development Authority (IADA) of the State to acquire at least 10,000 acre land and to develop adequate infrastructure and other facilities in this policy period.

Industrial Area Development Authority will act as knowledge centre and facilitator for enterprises of their command area.

Industrial Area Development Authority will ensure the implementation of Rain water Harvesting, Storm Water Harvesting and Recycling and Re-Use of Waste Water in Industrial units under their command area.

IADA will organize annual inspection of all allotted plots to find out its utilization. Detailed information compiled by the inspection team will be placed on website. The cases of enterprises not utilizing the plot or inadequately utilizing the plot for the purpose for which the allotment was made, may be considered for appropriate action as per regulation.

Efforts will be made to recover the mortgaged plots of sick industrial units from financial institutions in which auction notice has been issued by financial institutions provided, the amount of settlement to financial institutions is less than the market value of the plot and there are willing investors to purchase these plots.

Industrial Area Development Authority will work out a plan in detail for supply of both drinking water and water for Industrial purpose for units under its command area.

### 3.2) Industrial Parks

Industrial Parks have played a pivotal role in industrialisation across the globe. Government of Jharkhand has decided to provide assistance to the private industrial parks also. This is because Private Parks also require assistance in developing common infrastructure in the park and provide facilities to the participating units. The Jharkhand industrial Park policy 2015 provides incentives and concessions for Public, Private, PPP, JV Industrial Parks:

- ▶ 50% of the project cost, up to maximum of Rs 10 crores, incurred on development of infrastructure for general industrial parks
- ▶ 50% of cost, up to maximum of Rs 7 crores, incurred on development of infrastructure in the sector specific private industrial parks
- ▶ The incentives for developed for infrastructure of private industrial park will be based on project cost
- ▶ The developer of industrial park availing incentives under this policy will not be eligible to avail incentives under any other schemes of the state government unless specified otherwise while granting approval of the project. However, the industrial units set up in the private industrial park shall be entitled to the benefits and incentives as provided under Jharkhand Industrial Policy and any schemes of the Central and state Government for time being in force

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 Government, Private, Joint Venture or PPP mode:

1. Apparel Fibre and Textile Park
2. IT Park / Software Technology Park (STPI)
3. Gems and Jewellery Park
4. Biotech and Herbs Park
5. Chemical and Pharmaceutical Park
6. Food Park
7. Automobile vendor - ancillary industries park.
8. Any other such activities eg: Ceramic Park, Plastic Park, Knowledge Park, Film City etc.

Efforts will be made for realising the full potential of mega food park at Getalsud, Ranchi. More such food parks in the private sector through SPV route shall be established in other parts of the state. Department of industries, Department of IT and e-Governance and other government organizations shall be encouraged to establish sector specific parks such as plastic park, IT Park, etc. in the state. EMC at Adityapur is being developed as ESDM park and also IT park at Adityapur is under development.

### **3.3) Transport Infrastructure**

#### **3.3.1) Road Network**

Superior road network is essential for all-inclusive development of any State. Hence, for the development of infrastructure in this area, a comprehensive action plan is proposed for connecting all regions with State highways and other roads.

- ▶ Participation of private sector will be encouraged for the development of traffic and transport services
- ▶ All district head-quarters will be inter-connected by four-lane roads.
- ▶ Keeping in view the increasing traffic load, the state highways would be widened and strengthened
- ▶ For the development of high speed transport facilities, the expressways will be constructed as per international standards through Public Private Partnership (PPP)
- ▶ Eco-friendly Metro or Mass Rapid Transport Systems would be introduced in larger industrial cities

Road Construction Department, GoJ and IL & FS Ltd have jointly set up Jharkhand Accelerated Road Development Company Ltd. (JARDCL) for improvement of 1500 km road of the State on BOT (annuity) basis. This organization will be strengthened further for the development of more highways and express ways road network in the state.

#### **3.3.2) Railway Network**

Rail connectivity is vital for industrialization, so that easily accessible and cheap transport is available to the industries. Existing, extensive, well developed railway system is being modernized, expanded, up-graded with the support of Indian Railways. Inland Container Depot located at Tatanagar will be further developed to facilitate export and High-speed Freight & Passenger Train Services. Eastern

Dedicated Freight Corridor passes through Jharkhand covering all northern states and connectivity to ports.

Memorandum of Understanding (MoU) has been signed between Ministry of Coal, Railway Ministry and Jharkhand government on 4 May 2015 for special purpose vehicle (SPV) to implement "Coal Connectivity" projects.

### **3.3.3) Airway Linkage**

In response to the industrial and tourism development needs, Air Transport facilities will be developed and strengthened in the State.

Existing Ranchi Airport is well connected to Delhi, Mumbai, Kolkata, Bangalore and Patna, with several flights running daily. An up-graded Ranchi Airport is now of International standard. Air Taxi service between major towns/ cities/ industrial centres, is underway. Also, Air Cargo complex is being setup at Ranchi for products of export oriented industrial units and transportation of perishable goods from the state with the financial assistance from Government of Jharkhand.

Government of Jharkhand will coordinate with airline companies for operation of more commercial flight services from Ranchi airport. Efforts shall be made with appropriate authority for commercial operation of Jamshedpur airport. Existing air strip in Deoghar, Palamu, Dhanbad, etc. shall be developed for the operation of Air taxis, Air ambulance and private jet operations etc.

### **3.3.4) Sea Port Connectivity**

Even though Jharkhand is a land-locked state, but it is very near to Bay-of-Bengal. Kolkata, Haldia and Paradip ports are in close proximity to the industrialist regions of Jharkhand. The following measures shall be taken to improve the import and Export potential through these ports:

- ▶ Internal container depot at Jamshedpur shall be strengthened
- ▶ Road connectivity and rail connectivity shall be strengthened to these ports in coordination with Ministry of Surface Transport and Shipping, Government of India and concerned State Governments
- ▶ Dedicated freight corridor shall be established from the industrialist regions of Jharkhand to these ports in coordination with Ministry of Railway

### **3.4) Gas Pipeline Network**

To ensure availability of ample natural gas as clean energy for industrial development, a Gas Grid will be developed in the State. Necessary steps will be

taken to ensure supply of natural gas according to industrial and domestic demand in the State.

Prominent industrial areas will be identified and included in the gas grid map, by coordinating with Gas Authority of India Ltd (GAIL) and other oil companies engaged in laying the proposed natural gas pipeline network from east coast of the country. Efforts would be made to make gas available through pipeline to maximum areas, especially industrial locations. MoU has been already signed between Government of Jharkhand and GAIL to establish gas pipeline network in the state.

A JV company shall be formed between Jharkhand Industrial Infrastructure Development Corporation and GAIL for providing city gas distribution network at Ranchi and Jamshedpur and as per demand, this network may be extended to other cities and industrial regions.

### 3.5) Power

The availability of coal in abundance makes Jharkhand an ideal state for setting up thermal power plants. The Government of Jharkhand has taken several initiatives for the development of this industry:

- ▶ It has signed Memorandum of Understanding with the Government of India as a token of its commitment to the reforms in the power sector
- ▶ Rural Electrification has been accorded top priority with an objective of 100% Electrification by 2017
- ▶ The work on renovation and modernization of existing power generating stations has already commenced. In order to accelerate the growth in the power industry, the State government is also encouraging public/ private participation and thus is inviting investment from the industry
- ▶ Government of Jharkhand has signed an MOU with NTPC to develop a 4000MW power plant at Patratu thermal power station
- ▶ State Government power distribution company is providing power connections to industrial units through Single Window system. In addition to this, investors are having option of getting power connection for DVC and JUSCO in some industrial areas in the state.
- ▶ Efforts will be made for installation of ULMP at Hazaribagh and Deoghar districts
- ▶ Efforts will be made for operationalization of already constructed power plants which have not started production due to de-allocation of coal blocks.
- ▶ Efforts will be made for ensuring 24 hours uninterrupted power supply to the industries situated in all industrial areas of the State government. All the

industries getting electricity supply from 132/220 KVA feeders, will be exempted from power cuts, until it is necessary for safety of the grid. For this purpose, generation and distribution systems will be adequately upgraded.

- ▶ All such feeders of 33/11 KVA substations, which have more than 75 per cent industrial load, will be recognized as industrial feeders and exempted from power cuts. If consumers of other categories are connected to these feeders, then steps would be taken to separate them. Dedicated feeders constructed by the industries at their own cost will in no case be tapped for other purposes. It will be allowed only if, the industry concerned permits tapping by mutual agreement with any other industrial unit under the existing rules

Department of Energy has brought out Jharkhand State Solar Power Policy 2015 in the state for development of Solar Power. Jharkhand Energy policy 2012 is under operation. Efforts will be made to formalize new policy in line with the development in the power sector.

### **3.6) Water Supply & Drainage**

Of all the critical factors for industrialization, water is an essential. Sufficient water is available in the state; therefore to supply water according to the demand of industries and to strengthen the drainage system for water and waste, efforts will be made to ensure private participation. Water would be made available to the industries on priority basis. For this purpose, rain water harvesting, recycling of used water by industries, laying of separate pipeline for industrial water use will be promoted as per ground-water policy.

- a. The State has normal rainfall pattern of 1200-1400 mm spread across all the regions and possesses a large number of water bodies, reservoir and river basins spread across the State, which is also available for industrial use. It is proposed to carry out a fresh survey to ascertain the actual availability of water.
- b. Efforts will be made to impress on investors to implement appropriate measures for rational use of this scarce resource and the need for adoption of minimum water consumption technologies and also fixing the percentage of water requirement to be used by recycling of water after use in industries and treatment of waste water.
- c. 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 IADA/Special Purpose Vehicle (SPV) etc.

- d. Concept of differential water tariff:
  - i. Lower tariff for industries minimizing the consumption of industrial water and using less than the norm fixed by any regulatory body / authority / National Standards to the extent possible and also to industries devising means / methods to use flood water for its consumption.
  - ii. Higher tariff for industries consuming water more than the specified average norm from national standards or standards fixed by any regulatory body / authority.
  - iii. 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.
- e. Department of Water Resources in consultation with Department of Industries, Department of Energy and other Departments will make periodical review of allocation of water to Industries/Power plants etc. and reduce/deallocate/reallocate the water on actual requirement keeping in view the immediate future need.
- f. Rain Water Harvesting, Recycling and Re-Use of Waste Water shall remain essential for industries. Department of Water Resource will monitor its compliance outside the command area of IADA for industries other than MSME. In case of MSME outside IADA, self-certification with respect to the above by units shall be allowed.
- g. Department of Water Resources will issue guidelines in detail regarding use of underground water by the Industries in different areas / zones of the State.
- h. Storage intervention by industrial units will be encouraged to meet the industrial water demand during non-monsoon period.
- i. Industrial units will be required to adhere to the discharge norm fixed by Jharkhand State Pollution Control Board (JSPCB).
- j. Water Policy will be worked out and published by Water Resources Department shortly.

### **3.7) Telecommunication Network**

It is extremely important to further strengthen telecommunication system in the state. This sector has been identified as priority for the state, so that its benefits

are available to the rural and urban areas in addition to industries and it is backbone of IT/ ITeS sector and e-governance.

State government shall promptly provide necessary administrative assistance to agencies related to the development of broadband, high speed communication and data connectivity, 4-G and similar new technologies for transfer of information and data at high speed.

Jharkhand State Information & Communication Network (Jharnet) is the State-of-the-art communication network connecting State headquarters with headquarters of 24 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.

All district headquarters are connected by optical fibre cable media and advanced technologies that help linking rural area through WLL networking are in place. All gram panchayat headquarters will be connected via optical fibre network. Department of IT & e-governance notified Jharkhand Communication Towers and Related Structures Policy 2015 for the development of IT & IT enabled services in the state.

### **3.8) Special Economic Zone (SEZ)**

The Government of Jharkhand intends to develop SEZ and other export oriented parks for fast industrial growth of the state. For this purpose, land acquisition and infrastructure development shall be supported through state budget.

### **3.9) Industrial Corridor**

Transportation and communication adds cost to the finished goods as well cost time. To gain experience, the Department of Industries has requested JINFRA to prepare 'Diagnostic Study' for Industrial Corridor along Ranchi-Patratu-Ramgarh State Highway. Preliminary Diagnostic Assessment report has been prepared and Diagnostic Study is under way. After approval of Diagnostic Study Report, development of Industrial corridor shall be taken up.

Government of India has also proposed to develop Amritsar-Delhi-Kolkata Industrial corridor along Eastern Dedicated Freight Corridor. GoJ has proposed to Gol to establish Integrated Manufacturing Cluster (IMC) Node Point at Barhi, Hazaribagh. Perspective plan is under preparation and this cluster will be developed with a Government of India assistance of around Rs. 2500 cr. A separate SPV will be formed for the development of this IMC and it will have state of art infrastructure facilities

State Govt. shall also initiate necessary steps to promote / develop Koderma - Bahragora industrial corridor

Efforts will be made to develop the corridor with 25 KM each side of 4 laning between Koderma and Bahragora. 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.

## 4. Development of MSME sector

MSME sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. MSMEs contribute to nearly 8% of the country's GDP, 45% of the manufacturing output and 40% of the exports and hence, Government of Jharkhand places strong impetus on development of MSME sector.

MSMEs provide the largest share of employment after agriculture and hence, development of MSME sector can contribute enormously to the socio-economic development of the state. MSME sector underscores entrepreneurship and innovation. Moreover, MSMEs are complementary to large industries as ancillary units.

### 4.1) MSME Eco-system

Micro Small Medium Enterprises Development (MSMED) Act, 2006 seeks to facilitate the development of these enterprises, enhance their competitiveness and provides a legal framework for recognition of both manufacturing and service entities in state. GoJ proposes to frame rules for the implementation of this act, especially MSME facilitation council and procurement of goods and services by Central PSUs and other government organizations.

The Government intends to offer a conducive eco-system and competitive fiscal incentives to MSMEs:

- a) 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
- b) The State Government proposes to formulate a Marketing Policy for safeguarding the interest of local Micro and Small Enterprises (MSE). GoJ launched Procurement Policy in 2014
- c) Providing platforms for interaction between Enterprises of Jharkhand
- d) Providing platforms for interaction between Enterprises of Jharkhand and potential domestic and global markets through Trade Fairs, Road shows
- e) Encouraging the MSEs to participate in national and overseas business fairs and exhibitions, and international delegations
- f) Setting up a permanent exhibition-cum-convention centre for exclusive display of MSME products

- g) Strengthening Jharkhand Micro and Small Enterprises Facilitation Council - a quasi-judicial body to redress the problems being faced by local MSEs in marketing their quality products. Information technology shall be effectively utilized for facilitation and speedy disposal of cases in this council
- h) 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
- i) 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
- j) Efforts will be made to provide linkages for MSMEs with micro-finance institutions, raw materials, focused market access etc.
- k) Special emphasis will be given on providing Common Facility Centres (CFC) mainly through Public-Private-Partnership (PPP) initiatives to MSME projects of a cluster
- l) Schemes like Credit Guarantee Fund Trust Scheme, Cluster Development Programme for MSMEs, Credit Linked Capital Subsidy Scheme, Technology Up-gradation 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.

#### **4.2) Promotion of Cluster Development in the State**

- (a) The State Government will promote cluster development of industries under existing schemes of Government of India.
- (b) The State Government will extend all necessary support for cluster development of industries under the relevant schemes of Government of India viz Small Industry Cluster Development Programme of Ministry of MSME and IIUS Scheme of Directorate of IPP.
- (c) 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.

- (d) Clusters' are being implemented to increase productivity, upgrade technical skills, competitiveness and capacity building of enterprises. Adityapur Auto Cluster Development has state-of-art testing facilities and CETP, and Hazardous Waste Management facility is under construction. Electronic Manufacturing Cluster has been sanctioned at Adityapur by Govt. of India.

Government of Jharkhand has identified the following clusters:

- 1) Refractory Cluster, Chirkunda, Dhanbad. Jharkhand Refractory & Research Development Centre, Nehru Road, Chirkunda
- 2) Black Smithy/Hand Forging Cluster, Bhendra, Bokaro.
- 3) Brass & Bronze Utensils Cluster, Bishnugarh, Hazaribarh.
- 4) Brass & Bronze Utensils Cluster, Jariagarh, Khunti.
- 5) Ranchi-Ramgarh Refractory Cluster, Ranchi
- 6) Black Smith Cluster, Badki Lari, Ramgarh
- 7) Bamboo Cluster, Bundu & Sonahatu, Rehebundu, Ranchi
- 8) Engineering Components Cluster, Tupudana, Ranchi
- 9) Silver Jewellery Cluster, Sukrigarha, Ramgarh
- 10) Fly Ash Cluster, Jamshedpur
- 11) Dhanbad Flour Mill Cluster, Dhanbad
- 12) Sari Calendaring Cluster, Chirkunda, Dhanbad
- 13) Steel Utensils Cluster & Agriculture Equipment Cluster, Deoghar
- 14) Deoghar Pera & Allied Cluster, Deoghar
- 15) Auto Service Cluster, Dhanbad
- 16) Tribal Art Products, Sarsawa

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.

A number of clusters are already under implementation in Sericulture, Handloom and Handicraft Sector.

- (e) A number of clusters are already under implementation in Sericulture, Handloom and Handicraft Sector.

### **4.3) Development of Handicrafts**

Jharkhand State is very rich in Handicraft. There are more than 40 types of handicraft such as Kantha, Applique, Satin Stitch, Tie & dye, Terra-cotta, Tasar

Print, Papier meshe, Dhokra, Agarbatti making, Bamboo & Lether craft, Pyatkar and Jadopatia Painting, Tribal Jewellery, Pearl jewellery, Paper packaging & forming in different items which are being practiced in the State of Jharkhand.

The development of the cluster is proposed to be done under Jharcraft, which will also provide marketing support to these clusters. The emphasis will be on domestic as well as international market. Six micro clusters have been identified and DPR is under preparation. Skill upgradation initiatives shall be taken up to improve the quality of handicrafts and productivity of craftsmen. E-commerce platform shall be utilized to improve the handicrafts product visibility in the cyber-space and also to reach larger customer base.

#### **4.4) Development of Handloom**

Product line will improve with Auto CAD design training, e-commerce of products and improvement of loom and replacement of old looms. Jharcraft will continue to extend marketing and design support to marketable products. Jharcraft will promote SPV/Joint venture with other PSU, private enterprises/organization to become an organization of Rs. 1000 crore by the end of this policy period with ISO 9000/14000 certification besides best trade practices global certification. It will promote franchise model of marketing outlets within India and abroad besides on line marketing network with strong e-commerce practices on pattern of reputed retail companies.

##### **▶ Mega Handloom Cluster**

The Mega Handloom Cluster scheme has been sanctioned by Government of India, developer and consultant has been selected by GOI. DPR of Mega Handloom cluster has been approved by PAMC under comprehensive Handloom Cluster Development scheme (CHCDS). All six districts of Santhal Pargana i.e. Deoghar, Dumka, Gooda, Sahebganj, Jamtara & Pakur will be covered under this Mega Handloom cluster. DPR of the said Mega cluster with total project cost of Rs. 83.19 crore (with Gol's share of Rs. 69.99 crore and remaining Rs. 13.20 crore by SPV/beneficiary/State Govt.) has been approved by PAMC. About 25000 handloom will become functional at the end of fifth year of project and this will help more than 1,00,000 weavers.

#### **4.5) Development of Sericulture**

Jharkhand, traditionally a Tasar producing state, is the leading producer of Tasar silk in the country. It was mainly producing Tasar cocoons (Raw material of Tasar silk). The post cocoon activities having large employment opportunities were taken up on a very small scale in some other states.

State Govt. is keen to develop Tasar post cocoon activities in the state in view to provide employment opportunities particularly for the women in the rural areas.

To develop post cocoon activities Common Facility Centre (CFC) are being established where facility of reeling machines & other necessary equipment are provided for Tasar silk reeling for a group of 30 women. After training the women group is involved in production of Tasar silk. The marketing support is provided by Jharcraft.

- ▶ It is proposed to organize reares, spiners, reelers and weavers into SHG & clusters on prominent place in industrial areas, urban centre, district HQ etc. in park mode activities
- ▶ It is proposed to strengthen one year certificate course of JSTDI, Chaibasa in consolidated course covering Sericulture, weaving, Dyeing and Printing in common syllabus
- ▶ For meeting Physical target we will try to get financial assistance from Central Silk Board, NABARD, RKVY, National Livelihood Mission and National Skill Development Corporation including other funding agencies of GOI (welfare dept. etc.)
- ▶ It is also proposed to earmark some funds for Research and Innovations in this sector
- ▶ In addition to rearing of Daba Eco Race, efforts will be made for the rearing of Laria Eco Race of Tasar on Sal trees. This is going to be one of the important activities in this sector. This will pave the way for export oriented Tasar silk production in the country. Jharkhand will guide the other States in Tasar sector
- ▶ Ahimsa and organic branding of silk with competent certification will be ensured

## 4.6) Enhance Competitiveness in MSMEs

### a) Improving sophistication in MSMEs

Jharkhand has witnessed strong growth in MSMEs and wishes to strengthen the sector by making it more technology-driven. This support will come by way of interest subsidy for manufacturing and service sector, quality certification, patent assistance for national and international, energy and water conservation audit, market development assistance and support, raising capital through SME exchange, reimbursement of CGTSME scheme for collateral free loan, State awards under MSMEs and skill development etc. Support would also be extended for development of ancillary and auxiliary enterprises for labour intensive industries.

### b) Technology support

The industrial sector, these days, suffers from lack of sophistication in technology. Upgradation of the existing technology is a requirement of modern industrialisation process to ensure supreme quality. The policy intends to extend financial assistance to industrial enterprises intending to upgrade their technological setup. The policy encourages adoption of new and innovative technologies for introducing greater efficiency in operations.

- ▶ Financial support will be provided to each cluster for every innovative technology they adopt and introduce in the manufacturing process
- ▶ GoJ will facilitate the setting up of R&D institutions by defraying part of the project cost
- ▶ GoJ will facilitate the setting up new/ existing laboratories by providing assistance on machinery and equipment
- ▶ For organizations intending to undertake contract research, GoJ will provide financial support to the project cost.
- ▶ Financial support would be extended for the technology used under contract research
- ▶ Financial support through partial reimbursement of cost for filing of domestic patents and international patents

### c) Market Development initiatives

Jharkhand government is taking adequate steps with the intention of giving enhanced visibility to local produce from large industries and specifically from MSMEs. Cognizant of the efforts required to make global distribution of local products a reality, in accordance with the national "Make in India" policy, Government of Jharkhand stresses on "Zero Defect" to produce globally-competitive, locally manufactured goods. It is necessary that these products be marketed aggressively and their promotion facilitated by the Government.

One of the expansive marketing practices around the globe is participation in international and domestic trade fairs to showcase one's products or wares. This gives the product its much-needed visibility and brings buyers and sellers on a common platform. Spot purchases as well as long-term partnerships are formed in such places besides helping create a worldview of prevailing market trends.

Since most MSMEs invest more in production and less in marketing, GoJ would make marketing credit available to them. The new Industrial and Investment Promotion Policy has therefore taken upon itself the onus of facilitating use of better marketing practices by the MSMEs and shall provide financial assistance for:

- ▶ Promotion of machinery purchase during the Exhibitions in Jharkhand
- ▶ Promote organizers for organizing exhibitions in Jharkhand
- ▶ Promotion of local exhibitions in Jharkhand
- ▶ Promotion of MSME participation in the Exhibitions in India including Jharkhand by various means like reimbursing their Stall charges

GoJ would also take necessary steps to cover the entire spectrum of associated marketing activities such as production of product/company brochures etc. The state will promote Jharkhand as the 'Exhibitions Hub' in India and provide a platform for confluence of buyers and sellers.

A separate Cell in Directorate of Industries has been formed for the Development of MSME sector, focusing on marketing and procurement of goods and services by the State and Central Government departments and organizations. Plant Level Advisory Committee will be formed in all central PSUs to ensure the compliance of Government of India's Procurement Policy and provisions of Micro, Small and Medium Enterprises Development Act, 2006.

#### **a) Quality Certification**

Quality improvement is strongly envisaged in the new industrial and investment promotion policy. The assistance will be granted by national (approved by Quality Council of India) and International certifications.

- ▶ Financial assistance for 3 quality certifications which would comprise part disbursement of the certification fees, cost of testing equipments, calibration charges, consulting fees and training charges

#### **b) Raising capital through SME Exchange**

This assistance would be raising funds through SME exchange on one time basis.

**c) Financial support for the diagnostic study**

Diagnostic studies, aided financially by the GoJ, would be carried out to assess the viability of the sick enterprises. The study would aim at reviewing all aspects of the functioning of sick units and assess the possibility of its renewed operation.

**d) Energy & Water Conservation Audit**

Quality improvement is strongly envisaged in the new Industrial and Investment Promotion Policy. The assistance will be granted by national (approved by Quality Council of India) and International quality certifications for energy and water conservation initiatives.

a) Financial support for Energy/Water audit conducted in an enterprise by a recognized institution/consultant.

b) Group of enterprise/cluster will be given priority

c) Financial assistance for machinery/ equipment would be given

Lean manufacturing technique shall be encouraged in MSME sector to reduce wastage and improve profit with the help of National Productivity Council and other reputed technical institution

## 5. Thrust Areas

Jharkhand has natural advantage in some sectors like Mining, Mineral based industries, steel, coal based thermal power plants etc. Likewise, in some sectors, the natural advantage being possessed by Jharkhand State has not been fully exploited for employment generation and improving living standard of people. Some of these thrust areas have been identified in this policy:

### 5.1 Tourism

Tourism is one of the fastest growing industries in the world. The number of tourists worldwide have been registering phenomenal growth and it is expected that this number would shortly touch 1.5 billion. The dynamic growth of this industry is evident from the fact that a new job is added to this sector every 2.5 second.

Jharkhand state is endowed with rich cultural heritage and bestowed liberally with bounties of nature. The State is kaleidoscope of past splendours and present glory. A fascinating State with luxuriant forest, captivating wild life, enthralling water falls, exquisite handicrafts, sprawling water bodies, enchanting classical and folk dances and music and above all hospitable and peace loving people. It is blessed with immense bio-diversity, moderate climate, rich cultural and historical heritage, religious places of worship and ethnic aspects to make the State the ultimate destination for tourists.

The State Government would actively encourage both-Indian and foreign private investment/ participation in tourism infrastructure projects. The Government would also be prepared to participate in joint ventures for such infrastructure development projects.

All lands identified for promoting tourism development activities would be constituted into a **Tourism land bank** under the control of the Department of Tourism.

To promote private sector participation, the Government would formulate and announce a **Tourism Promotion Land Policy**, which would enable setting up of a transparent mechanism for allotting various categories of lands under the control of the Department of Tourism as per the techno-economic feasibility studies carried out for such land by the department for developing assessed viable and required tourism infrastructure.

The State Government will endeavour to have direct links with important cities of the country. Air taxi services linking Ranchi, Jamshedpur, Deoghar, Bokaro, Dhanbad, Palamu, Dumka etc will be encouraged.

Super luxury trains on the pattern of "**Palace On Wheels**" would be introduced so as to enable the tourists visit to various tourist destinations located in the State and relish the cuisine and hospitality being offered in such super luxury trains.

The Government would encourage establishment of private tourism zones by acquiring and making available such land as per the **Tourism Promotion Land Policy** of the Government. The extent of such private tourism zone shall not be less than 20 acres.

Priority is proposed to be given for the development of eco-tourism, religious tourism, heritage-tourism, resorts etc.

Department of Tourism has launched Jharkhand Tourism policy 2015 to covers areas over and above stated herein for the development of Tourism sector in the State.

## **5.2 Film Industry**

Existence of large number of beautiful natural religious, heritage and industrial sites, dense forest, natural waterfalls 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.

GoJ is also planning to set-up a film city in Jharkhand. It shall also establish Police station, fire station, connecting road and water reservoir centre etc. in that area.

Until a full-fledged working film city is not established in the state, studios and laboratories establishment will be encouraged by the State government

Private investment is being promoted by providing special incentives for setting up of these film studios, film city, multiplexes etc. through Jharkhand Film Policy 2015.

## **5.3 Textile and Apparels**

The textile sector plays a key role in the Indian economy by way of significant contribution to GDP, manufacturing output, employment generation and export earnings.

This sector contributes 14% to industrial production, 4% to India's GDP and constitutes 13% of the country's export earnings. Textile sector is one of the largest source of employment generation in India, it employs over 4.5 crore people directly. Exports in textiles and apparel from India are expected to increase to 3,90,000 crores by 2016-17 from 2,40,000 crores in 2013-14. India's share in global textiles has increased by 17.5% in the year 2013 compared to the previous year.

Keeping this in view, GoJ proposes that Industrial units under this category including Jharcraft, or projects under joint venture, PPP mode, State Govt. etc. may be facilitated to get access to all the existing schemes of Govt. of India such as

- ▶ Technology Up gradation Fund Scheme (TUFS)
- ▶ Scheme for Integrated Textile Parks (SITP)
- ▶ Scheme for Integrated Skill Development

The State Government will extend the benefits to textile / apparel units in areas / activities excluding those which have been covered under Govt. of India schemes.

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.

Efforts will be made to attract major textile companies for establishment of textile units in the State.

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.

**Jharcraft will be given assistance of 75% of the total project cost incurred, up to 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.

Similar facilities of financial assistance 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.

A networking of training institutions will be done by Directorate of Handloom and Sericulture and detailed data base will be maintained.

- ▶ The Training Institutions 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 up to maximum of Rs. 5000 per trainee per course charged by the institution will be reimbursed by the State Government to selected candidates and institutions
- ▶ 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.

- ▶ 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
- ▶ 100% in case of trainers attending autonomous institutions promoted by Govt. / Public Sector Undertakings and
- ▶ 50% in case of trainers attending other institutions. The training will be conducted in the institutions approved by the State

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

#### 5.4 Sericulture, Handloom & Handicraft

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.

- a. 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, Namkum, Ranchi in collaboration with Export Promotion Council, GOI.
- b. Further expansion of this sector for setting up of reeling / spinning / weaving etc. is envisaged in PPP mode with viability gap funding.
- c. State Govt. will make efforts to set up in each district of the State at least one unit for sericulture, handloom, handicraft (one of these or mixed) activities for generation of direct employment of at least 250, if one of the above mentioned activities is taken up for implementation and 1000, if all the activities are taken up for implementation.
  - ▶ Activities under (c) may be taken up under joint venture, PPP mode or as Private Enterprises under broad supervision and assistance of Director, Handloom, Handicraft and Sericulture / Jharcraft

- ▶ All necessary help / assistance in marketing of products will be extended by Jharcraft
- d. 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
  - ▶ The SDC will have a minimum training capacity of 2000 trainees per year
  - ▶ Financial Assistance of 90% of training cost will be provided to SC/ST/ Physically Handicapped / women and 75% to others
  - ▶ SDC will be duly graded by competent Authority
- e. Quality power supply will be made available to power looms
- f. Interest rate subversion of 2% will be offered to MSMEs against working capital with a ceiling limit of Rs.150 lakhs per annum. Special interest subsidy may be provided to SC/ST/handicapped/women entrepreneurs on actual investment of up to Rs. 100 lacs

The Department of Industries shall bring out sector specific policy for the promotion of textiles, apparels, handicrafts and handlooms to generate more employment and improve the living standard of the people involved in this sector.

## 5.5 IT and ITeS

Government of Jharkhand is in process of introducing a new IT policy that envisages providing a proactive and industry-friendly climate conducive for expansion of IT companies incentives and assistance will be provided for allotment of land, mega IT/ ITeS projects, development of IT/ ITeS Technology Park, registration/ stamp duty concession, lease rentals, Electricity Duty Exemption and Industrial Tariff for IT/ITeS. The policy will also work towards establishing the state as a preferred IT destination for Micro, Small and Medium Enterprises (MSMEs) by providing assistance in interest rate subsidy, quality certification, technology acquisition fund, skill enhancement, R&D institutions, establishment of premier IT institutions, patent assistance, market development, simplification of labour laws, subsidy on Bandwidth for Connectivity (for BPOs/KPOs) and exemption from zoning regulations.

Some of the initiatives taken by GoJ include:

- ▶ Online land bank for setting up of IT & ITeS industry in Jharkhand has been created
- ▶ 400 acres IT City and IT Park is being planned in Ranchi

- ▶ Capacity building for ESDM and IT/ ITES units
  - 5 acres of land being provided to NIELIT
  - 5 acres of land being provided to CDAC
- ▶ MoU signed for setting up IIIT in Ranchi
- ▶ 4 STPI centres being set up at Jamshedpur, Dhanbad, Bokaro, Deodhar

**Following Special Incentives will be allowed for the IT Industry:**

- a) Exemption from No Objection Certificate (NOC clearance) of JSPCB
- b) Exemption from zoning regulations for purposes of location
- c) IT industries will be accorded priority in allotment of land by IADA
- d) 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
- e) 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
- f) Self-certification for purposes of compliance of the following Acts:
  - (a) Factories Act
  - (b) Employment Exchange (Notification of vacancies) Act
  - (c) Payment of Wages Act
  - (d) Minimum Wages Act
  - (e) Contract Labour (Regulation and Abolition) Act
  - (f) Workmen Compensation Act
  - (g) Shops and Establishments Act
- g) Alternate Source of Power Generation: IT-ITES units with 5 KVA power requirements can be set up anywhere in the State.
- h) FAR Relaxation  
50% more FAR over and above to permissible FAR of the place will be allowed by the concerned Authority / Urban Local Bodies for IT-ITES units in earmarked areas IT Parks / STPIs in consonance with other provisions of the prevailing Building Bye-laws. Necessary amendment, if required, will be done by concerned Authority / Urban Local Bodies with requisite permission of the Department of Urban Development.

## **5.6 Electronics System Design and Manufacturing**

Government of Jharkhand shall introduce a new Electronics System Design and Manufacturing Policy with the aim of establishing a self-reliant Electronics System Design and Manufacturing (ESDM) Industry which caters to domestic needs besides gaining a foothold in the international market. The policy includes development of human resources, creation of local demand for electronic products, promotion of ESDM companies in the State, creation of eco system for innovation and promotion of R&D. The policy also includes incentives for clusters & anchor units, registration & stamp duty concession, uninterrupted availability of power tariff subsidy, VAT/CST Incentive, employment generation grant on EPF, single window clearance system. The incentives for ESDM MSMEs are interest subsidy, quality certification, technology acquisition fund, and support to R&D institutions, patent assistance, and market development assistance.

Government of India sanctioned Electronic Manufacturing Cluster at Adityapur, near Jamshedpur, which is under construction, having state of the art facilities and developed plot for setting up of new units in ESDM sector

## **5.7 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.

The fiscal incentive and concessions offered under the Jharkhand Industrial & Investment Promotion Policy-2015 shall be extended to biotechnology industry also.

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

## **5.8 Automobile and Auto Components**

India's one of the leading automobile industry, Tata Motors began manufacturing commercial vehicle in early 1950s at Jamshedpur. The industry 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 automobiles companies. It has generated more than 20-25 thousand direct employment and several times of it as indirect employment

All types of auto grade steels are being produced at Jamshedpur since 1980s.

Demand for automobiles (two, three & four wheelers) Light Motor Commercial Vehicle / Heavy Commercial Vehicle has increased several folds. Accordingly the demand of auto component has also gone up.

All necessary infrastructure exists near Jamshedpur - Adityapur for auto ancillaries.

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.

Tata Motors at Jamshedpur have 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 which has resulted in the growth of ancillary units and additional employment.

Automobile Vendor Park will be established under PPP mode or Private sector by Mega Automobile Manufacturing Units.

Mega automobile manufacturing units will be encouraged to set up a skill development centre for the skill up gradation and training in activities like driving, vehicle maintenance etc. pertaining to automobile sector in association with Auto cluster, Adityapur. The capacity of the centre will not be less than 1000 trainees per annum.

State Government will bear 50% cost of training subject to a maximum of Rs. 5000 per trainee for each successful completion of training.

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.

GoJ shall notify a sector specific policy for automobile and Auto components industries to realize the full potential of Jamshedpur-Adityapur auto hub.

## **5.9 Renewable Energy**

To achieve a sustainable development route that provides for advancement in economic as well as environmental objectives, the Government of Jharkhand is determined in taking necessary steps to encourage the generation based on renewable energy resources. The State has high solar insolation around 300 days of clear sun and offers good sites having potential of more than 4.5 to 5.5 kWh/m<sup>2</sup>/day, which the State intends to harness to support the energy requirements of the State.

Jharkhand aims to encourage participation of Private Sector to set up Solar Power based projects in the State & increase solar power generation to 2650 MW by the year 2020 in a phased manner, build a favourable atmosphere for setting up Solar Power projects, ensure energy security of the State by stable and non-polluting

means and promote local manufacturing facilities which will generate employment in the State.

The State shall identify land and promote development of solar park on non-productive Government land or any other land falling within the area of solar park. It shall also extend all facilities and fiscal incentives provided by central Govt. / National Solar Mission to the Manufacturers and Power Project Developers in Solar Park. Promotion of development of Solar Power Plants on the Canal Top and on the banks of canal is also being focused upon.

Department of Energy has listed a host of incentives to solar power plants under the Jharkhand State Solar Power Policy 2015.

### **5.10 Agro-Food Processing Based Industries**

Jharkhand has huge untapped potential in Agriculture, Horticulture, Fishery and Animal Husbandry. Horticultural development has a vast potential not only in terms of meeting the local requirements of fruits, vegetables, medicinal and aromatic plants but also in terms of exploiting the opportunities for exports. There are many horticultural commodities from Jharkhand which can be made available in National and International markets. The State of Jharkhand is endowed with a climatic condition that is conducive for successful cultivation of a diversity of horticultural crops. The wide product base, high volume of round the year production, strategic geographical location, abundant sunlight and high domestic demand automatically project horticulture as the thrust area for development. The horticultural produce including off-season vegetables from the State are being preferred in the neighbouring states for their quality and time of availability.

Jharkhand has high potential for processing of vegetable crops as the State is the second largest producer of Peas, 6th largest producer of Tomato in the country. Jharkhand is the only state in the country where Cauliflower is produced throughout the year and it is exported throughout the country. The State also produces significant amount of French bean, Capsicum, Chilly etc. Moreover, the State has about 2 million tons of high quality surplus vegetables available for processing or export and the climate is also very conducive for round the year cultivation of high value crops viz., Cauliflower, Broccoli, Lettuce etc. Most of the Vegetables grown in the State have good acceptability in fresh retail markets. Tomato and Potato are produced in abundance in the State which often causes glut situation leading to distress sale and high wastage as the surplus produce cannot be converted in to value added products. Because of the geographical diversity, Potato is available with an almost year round supply. There are many pockets in the State where farmers have developed expertise in the field of high quality vegetable production.

Recent initiatives of the State Government and especially the National Horticulture Mission are indicative of strong focus and thrust to promote fruit cultivation and enhance the acreage under fruit in the State. Fruits like Litchi, Custard Apple, lemon, Mango and Guava are being promoted for commercial cultivation.

To facilitate growth in this sector, the state is developing Food Parks and modern processing facility for fisheries which will enhance value addition. Following activities will be incentivized:

- ▶ Hi-Tech Agriculture
- ▶ Organic farming
- ▶ Pre-farm gate value addition projects
- ▶ Agro processing and Agri-infrastructure projects
- ▶ Research for varietal development
- ▶ Post-harvest management
- ▶ Quality Certifications in entire value chain
- ▶ Setting up of Food testing Laboratories
- ▶ Export of fresh fruits, vegetables, flowers, live plants by air and sea route
- ▶ Participation in International Trade Fairs
- ▶ Setting up of Cold Chain
- ▶ Setting up of Irradiation, Logistics Park and Ware houses

Dept. of Industries has launched **Jharkhand Food Processing Industry Policy 2015**. The objective of this policy is to creating favourable atmosphere for setting-up of food processing units in the state through creation of infrastructure facilities, encouragement of capital investment and technology up-gradation, development of marketing network, development promotion, grants and concessions. This policy also covers processing of minor forest produce and herbals.

Animal Husbandry is an area where, Jharkhand has huge untapped potential in developing an ecosystem suitable for the progress of Animal Husbandry sector which includes Dairy, Meat, Piggery, Goatery, Poultry and Fisheries. Availability of suitable 'Feed' is an important component of animal husbandry ecosystem. This policy will help in developing feed producing capabilities in the state to support the animal husbandry sector. Farmers and intermediaries will also benefit with demand for processing of agricultural by-products and opportunity for additional income. GoJ launched Jharkhand Feed Processing Industry Policy 2015 and the objective of this policy is to create a favourable atmosphere for setting-up of animal feed

processing units in the state through creation of infrastructure facilities, encouragement of capital investment, technology up-gradation, development of marketing network, development promotion, grants and concessions.

## 6. Strategic Promotional Measures

India is experiencing competitive and cooperative federalism and the basic strategy for industrialization should be linked to the advantage of the State. The State of Jharkhand possesses some unique advantages over other states. GoJ proposes the following strategic measures in this policy to give clear-cut directions in the industrialising of the State.

### 6.1) Raw Materials Security

Many drastic changes have happened at the national level in the natural resources allocation policies in the recent times. These changes have constrained the development of mineral based industries, leading to slow down in the sectors in the country, especially, mineral rich states like Jharkhand. Now GoJ proposes to make industry friendly policy initiatives:

- ▶ It is proposed to provide raw material linkages to industrial units that have put up their units in the State for value addition to the raw materials either through MDO or JV companies through the Jharkhand State Mineral Development Corporation (JSMDC) or through Central PSUs
- ▶ Preference for coal linkage shall be given to industries which adds value to coal, such as coal to poly-generation industry through JSMDC
- ▶ Department of Mines and Geology will work-out an appropriate methodology for adequate availability of raw materials required by mineral based Industries in the State
- ▶ Department of Mines and Geology will work-out a transparent web based methodology for time bound disposal of mines license / lease application
- ▶ Finalization and grant of mining lease will be done keeping in view the provisions of tenancy laws
- ▶ Efforts will also be made to get allotment and operationalization of more iron ore and coal mines etc. to JSMDC through State dispensation route to enable the Industrial units including group of MSMEs with adequate financial viability to enter into joint venture with other companies for taking up the development of these mines for supplying raw materials to the needy industries of the State
- ▶ Comprehensive plan for development of railway network and other infrastructure for major mines of the State will be worked-out in consultation with all concerned agencies

## 6.2) Value Addition

The State of Jharkhand is blessed with huge natural resources such as minerals, forests, horticulture, 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 / Latehar	:	Aluminium Industries based on bauxite reserves, Power Plants
Koderma- Hazaribagh Industrial Area	:	Mica based Industries, Power, Cement, Glass, Alloy Steels, Refractory and Power Plants
Ranchi Industrial Area	:	Medium and Large Scale Industries, IT-ITES, Food & Feed Processing
Dhanbad-Bokaro Industrial Area	:	Coal and Steel, Refractories, Coal based Power Plants
Singhbhum Industrial Area (Jamshedpur & Adityapur) and Singhbhum, Kolhan Division	:	Iron and Steel, Automobile & Auto Component, Cement, Uranium, Copper and Gold Mining, IT-ITES, Forest Produce based, Horticultural Food Processing, Silk and Textile
Ghatsila Industrial Area	:	Copper, Automobile & auto component and Forest based Industries
Deoghar-Jasidih & Santhal Pargana	:	Oil Mills, Glass, Steel, Aromatic-Medicinal Plant, Medicine, Coal based power plants, silk-textile, food & feed processing industries

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.

Large amount of iron ore fines / dust from captive and other operating mine has been accumulated over the years. This may increase further in course of time with the economic activities picking up in the area. State Government will promote pelletisation of these fines for further value addition within the State. Department of Mines will facilitate linkage of these fines with pelletisation units.

In order to promote better environment, management practices and clean technology, State Government will promote setting up of cement plant near integrated steel plant and power plant or using slag and fly ash.

Mega steel and power units may take initiative to promote use of these materials by providing long term assured contract for supply to cement and brick unit. MSME may use fly ash for making fly ash bricks.

Industries will be encouraged to secure better waste management through innovative technology for pollution prevention and abatement.

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.

### **6.3) Incubation Centres for Start-ups**

Collaboration between industry and universities brings in seamless access to the most advanced technology, academic research and comprehensive knowledge in a cost-effective manner as the universities possess a large pool of expertise. University-industry interaction covers a wide range of relationships which include seminars, workshops, training, contract research, consultancy, incubation, patenting, spin-offs and the ilk. These relationships generally involve research grants, donations for equipment and facilities, fellowships, scholarships and short-term modes of information exchange such as university sponsored training programs, symposia and technical publications and setting up of Incubation centres. The State Government will actively promote start-ups and once the idea is commercialized, the start-up incubators shall be provided with necessary assistance as per Start-up action plan of DIPP, Government of India.

- a) National Level R&D centres and premier institutes of Science and Technology in the State would be encouraged to set up Incubation Centres to encourage innovation by the youth and for development of knowledge based and high technology end products
- b) Efforts will be made to set up knowledge-hub incubator in association with IIM-Ranchi, XLRI-Jamshedpur, BIT-Mesra and NIT-Jamshedpur to support the start-ups and growth of high Technology Ventures for unifying a range of business development and professional services and providing access to a global knowledge network
- c) Agri-Business incubator is proposed to be established with the support of National Science and Technology Entrepreneurship Development Board (NSTEDB), Department of Science and Technology, Government of India and Government of Jharkhand for providing opportunities for entrepreneurs to incubate agriculture technologies so that they become effective for
  - (i) Agri-business ventures
  - (ii) Business consultancy
  - (iii) Facilitator of funding

- (iv) Infrastructure and facilities access in the incubator
- d) Birsa Agriculture University shall be encouraged to establish incubation centre at its campus for the development of start-ups in agriculture sector. In this venture, SFAC shall also be roped in
- e) GoJ is proposed to provide financial grants up to Rs. 10 Crore or 90% of the project cost, whichever is lower for incubation centre in these identified higher education institutions through Single Window Clearance mechanism

#### **6.4) Inclusive Growth**

After passing through various phases of growth, the State's economy is set to enter the next stage which is marked by a high rate of expansion and focus on 'inclusive growth'.

Inclusive growth brings about equitable distribution of wealth and is necessary for sustainable development. The key components of this growth strategy include sharp increase in rural investment, rural infrastructure and rural employment, besides development of backward industrial areas. The Industrial policy intends to promote labour intensive industries which will boost employment for a balanced regional development and for provisioning equal opportunity for all socio-economic groups particularly women, SC/ST population & under developed industrial areas etc.

#### **6.5) Promoting Labour Intensive Industries**

The role of labour intensive industries is to enable Government & Private enterprises in different sectors to fully exploit the economic scenario generating maximum employment. The government intends to provide incentives for the following focus sectors: Garment, Apparels, Cosmetic industry, Agro and Food processing, Assembling enterprises and others similar sectors which will be defined from time to time. Separate & specific incentives would be earmarked for the development of labour intensive industries. Investment in this sector is likely to create vast opportunities for ancillary and downstream industries in the small, medium & large sector in the State.

#### **6.6) Industrialization of under-developed areas**

Over the years, additional fiscal incentives had been used as a strategy to attract investment to the industrially under-developed areas. Even National and international experience shows that without the development of basic minimum infrastructure, attracting industries to these under developed regions is impossible.

This policy envisages a change in the strategy of development of these industrially under developed areas. This policy proposes upliftment of socio economic

conditions, 24 x 7 electricity supply, increased road and rail connectivity and spread out of communication network.

The new industrial and investment promotion policy emphasizes a need to ensure balanced regional development in Jharkhand by means of adding value, facilitating linkages and leveraging regional advantages. Some regional factors, such as those related to physical features and geographical location cannot be easily altered, but there are others which can be strengthened by improving quality and access to education by developing infrastructure and bettering power connectivity and by incorporating technology at different levels.

### **6.7) Promotion of Women, SC/ST & Physically Challenged Entrepreneurship**

The State Government identifies new projects and incentives in this policy for women, SC/ST & Physically Challenged Entrepreneurship.

Specific training courses shall also be introduced. Measures to encourage women participation would include additional Interest subsidy scheme, assistance for collateral free loans under CGTMSE scheme and additional payroll incentives provided to generation of women employment.

State Government is planning to establish exclusive Industrial Park for Women Entrepreneurs.

### **6.8) Promotion of Young Entrepreneurs**

The policy proposes to encourage entrepreneurship in youth (<35 years) by way of skill development and idea encouragement. Importance will be given to the innovative content in the project rather than the investment required. It will consider granting additional interest subsidy to such projects. Specific courses to train Youth entrepreneurship will also be introduced.

### **6.9) Public Private Partnership (PPP)**

Improvement in infrastructure facilities is an integral factor for industrial development. To cater to the infrastructure needs of the State, it is not possible to meet the financial requirements with budgetary provisions of the government alone.

Additionally, to develop high end infrastructure facilities, large scale capital investment along with high quality management and competence is required. Therefore, to encourage large scale investment in the State, private sector partnership is being ensured in the execution of various infrastructure projects.

Introduction of international level access controlled expressway network, high capacity power stations and world class airport projects under Public Private Partnership will enable all round development of the State.

There will be continuous encouragement to private participation in the development of infrastructure facilities in the State. State government will ensure development of infrastructure facilities through private or joint ventures as much as possible, but if it appears that in certain sectors private or joint venture investment is not possible, State government will establish such infrastructure facilities by itself.

Apart from Viability Gap Funding (VGF), Annuity based model and other models will also be encouraged for Public Private Partnership (PPP) projects.

Department of Planning cum Finance shall introduce State Policy on Public Private Partnerships and empanel transaction advisors to assist various departments and other organizations of the State Government to have access to appropriate advisory support for the implementation of PPP transactions. There shall be a General Panel and Sectoral Panels of transaction advisors. The Sectoral Panel shall include:

- (i) Transport
- (ii) Urban Infrastructure including Solid waste management and drainage and sewerage;
- (iii) Tourism Infrastructure and related facilities;
- (iv) Industrial and Related Infrastructure;
- (v) Infrastructure in Social Sector;
- (vi) Power and Telecommunication
- (vii) E-governance
- (viii) Health
- (ix) Infrastructure
- (x) Education
- (xi) Mines and Minerals
- (xii) IT & ITeS

This panel may include transaction advisors for Social Sector Infrastructure. The objective of this PPP policy is to enhance the quality of life of the people of the state by providing better and efficient public services through participation of private sector.

## **6.10) Export Promotion**

Jharkhand is endowed with a wide variety of natural resources and is one of the most attractive destinations for setting up export oriented units because of its mineral wealth coupled with its skilled and industrious work force. The State is also

rich in agriculture and forest resources. It has a number of manufacturing units producing variety of items suitable for exports.

Exports yield a number of benefits which include creation of infrastructural facilities, adoption of new technologies, skill up gradation and diversification, flow of large investment, increase in labour productivity, generation of employment etc. All these have significant impact on the industrial climate of the state. Exports are also needed to pay for imports and the spin-off effect of exports on State economy can hardly be undermined. Exposure of MSME sector to international market helps them to upgrade their marketing skills by attending to overseas buyers, trade fairs, learning quality needs and statutory and customary practices of many countries.

Promotion of Trade and E-Governance means facilitation of foreign trade by way of promoting effective and efficient delivery of services by various regulatory agencies involved in Foreign Trade. Exporters/Importers would be enabled to avail services from these agencies in an online environment.

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

- a) Efforts have been made to have MoU/ strategic partnership / task force engagement with IIFT, DGFT and EIFO for the promotion of export from Jharkhand on Value Added Products
- b) 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
- c) Efforts will be made to set up a State-of-Art external Information Centre in collaboration with local Chamber of Commerce and Industries Associations
- d) Air Cargo Complex is under construction at Ranchi Airport. This would give the desired impetus to the export of products like flowers, fruits, vegetables etc.
- e) 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 Railways and Department of Central Excise and Customs
- f) 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
- g) Export oriented units will be declared as essential services / Public Utilities Services
- h) Export Awards will be provided to Export Oriented Units to recognize quality, R&D and performance

GoJ has launched Jharkhand Export Policy 2015 for facilitation and providing incentive support for MSME units which are exporting from Jharkhand. Institutional measures for implementation of this policy shall be strengthened further.

## **6.11) Promotion of Foreign Direct Investment (FDI)**

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

- a) 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
- b) Efforts will be made to institutionalize it for needs assessment and road mapping of FDI's and to provide special care in timely clearances
- c) In order to promote FDI, the State Government has proposed to set up NRI cell both at National Capital and Ranchi which will work as interactive platform and facilitate NRI / PIO investors in setting up industries in the State. It will also help in the redressal of their grievances. It may also extend support to other enterprises of the State by facilitating their import-export with the help of NRIs / PIOs
- d) The State Government proposes to organize investors meet in India and abroad in association with Industrial associations, Overseas Indian Facilitation Centre (OIFC) and other organizations. Department of Industries has already appointed Knowledge Partner for organizing Global Investor Summit. Efforts will also be made to facilitate visits of investors, entrepreneurs and Govt. officials for participation in major trade fairs / investors meet organized within or outside the country under the auspices of Government of India, its organizations and international organizations

## **6.12) Promotion of Clean and Green Technologies**

Infrastructure is one of the largest components of public investment programs in developing countries, but remains a highly sensitive area with respect to environment protection. Globally, a very high degree of importance is attached to the importance of minimising negative externalities associated with industrialization and developmental processes.

The state, fully in agreement with the principle of sustainable growth, is conscious about its responsibility of ensuring a clean and green environment. Various initiatives are taken by the GoJ to both minimize the detrimental impact of the infrastructure and enhance the positive contribution to the environment. In light of this, Jharkhand Industrial and Investment Promotion Policy 2016 intends to provide several incentives to encourage greater compliance with the environmental standards as well as encourage adopting cleaner production techniques and going for green technologies and processes to protect the environment and ecology.

Under the scope of the new policy, following may be provided:

- a. Financial assistance for establishment of common solid waste management facility shall be provided at IADA
- b. The financial assistance shall be provided for the establishment of common effluent treatment plant, hazardous waste management facility and solid waste management facility at RIADA and BIADA
- c. Need based financial assistance for development of Green Industrial Estate

Efforts shall be made to complete these projects either through PPP mode or on the basis of own initiative of IADA within this financial year to provide common infrastructure facility within the common area.

### **6.13) Promotion of Non-Conventional energy**

For the State to have an inclusive development model, its increasing energy requirements need to be decentralized and met through ecologically friendly renewable energy cutting down on its dependence on non-renewable energy sources. The state proposes the concept a sustainable development model where energy requirements would be dealt with in a decentralized manner focussing more on non-conventional energy sources like solar, wind and biomass. The State therefore plans to promote increasing use of renewable and environmental friendly sources of energy.

State has announced its initiative in Solar energy in tune with Government of India Policies and launched Jharkhand State Solar Power Policy 2015 for development of clean Solar Energy in the State.

### **6.14) Industrial Finance**

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.

- a) 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.
- b) 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.
- c) 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.
- d) The State Government shall also invite Private Sector Banks / Financial Institutions to provide financial services to various industrial units.
- e) 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.
- f) 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).
- g) 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.
- h) Department of Industries shall fully utilize banking ombudsmen scheme 2006 in coordination with RBI branch of Ranchi to address grievances of industries and investors.

### **6.15) Industrial Sickness**

Sick enterprises lead to problems like unemployment, revenue loss to State & Central Government and increase in non-productive assets. Sickness is due to various reasons like obsolete product or technology, poor management, financial

and marketing problems etc. This needs support from financial institutions, Government and from owners for converting non-productive assets to productive assets. The state may financially support an enterprise by a new promoter to acquire or purchase a sick entity for making it viable. With this view, comprehensive package will be formulated for revival of viable sick enterprises.

The State Government intends to take measures for prevention of sickness and revival of willing and viable sick industries.

Periodic coordination meetings with the industrialists / entrepreneurs and financial institutions at the IADA level under the Chairmanship of Managing Director of IADA under their command area and at the State level under the Chairmanship of the Director of Industries for the rest of areas shall be reviewed to ensure early detection of sickness / problem, and preventive measures for the same shall be taken.

#### **6.15.1) Industrial Sickness in MSME sector**

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

The sick MSME 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.

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

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.

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.

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.

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

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 / Energy / Institutional Finance shall be necessarily represented.

#### **6.15.2) Revival / Rehabilitation of Sick Large, Mega and Ultra-Mega Industries**

A committee with Principal Secretary/ 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, Mega and Ultra mega industries.

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.

For any financial incentive to large, Mega and Ultra mega units, beyond the provisions of the present industrial policy, there will be a High Powered Committee under the Chairmanship of Chief Secretary for taking financial decision on the recommendation of the Committee. This Committee will also consist of representatives from Department of Finance cum Planning and Department of Industries. For Mega and Ultra-Mega projects, High Powered Committee (HPC) shall make recommendations to Governing body for appropriate decision.

Sick 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 Single Window Clearance Committee (SWCC) for consideration. The SWCC shall approve rehabilitation packages for MSME units. For Large projects, SWCC shall make recommendations to HPC, who shall then approve appropriate packages for these industries. HPC shall recommend the appropriate recommendations of Mega and Ultra Mega projects to Governing Body for approval.

Rehabilitation measures for sick / closed but potentially viable industrial units may inter-alia include financial support / relief and concessions or sacrifice from various Government Departments / organizations and / or additional facilities including allocation of power from SEB / DVC and any other agency / statutory body / local authority.

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.

Sick units can avail exit policy of Industrial Area Development Authorities of the State after approval of competent authority.

#### **6.16) Preference for local product**

GoJ already has a Procurement policy for preference of goods and services from MSME located within the state. In addition to this, large and mega projects are producing many products which are having consumption in the local market. Local consumption of locally produced product will have higher tax realization to the State. In view of the above, local products which are meeting the specifications and quality standards shall be encouraged to meet the local demands and necessary support shall be extended to them.

## 7. Incentives, Exemptions and Concessions

GoJ proposed to provide the best incentives, exemption and concessions for industrial units to be established in the state. The procedure for the release for these shall be streamlined and made online to have easy and transparent access. The incentives proposed are as follows:

### 7.1 Comprehensive Project Investment Subsidy (CPIS) - Exclusively for industries other than Mega.

7.1.1 MSME units shall be entitled to get CPIS for investments made in plant and machinery. Subsidy under CPIS for MSME shall be admissible at the rate of 20% of investments made in plant and machinery.

7.1.2 Non MSME Units shall be entitled to get Comprehensive Project Investment Subsidy (CPIS) for investment made in:

- ▶ Plant and Machinery
- ▶ Pollution Control Equipment
- ▶ Environment friendly alternative power generation equipment
- ▶ Employee Welfare (EPF, ESI, Health Insurance Scheme)

7.1.3 The qualifying amount of investment for subsidy for non MSME units under CPIS will be calculated giving weightage of 50% to investment made in Plant and Machinery, 20% each to investment in pollution control equipment and environment friendly alternative power generation equipment and 10% to investment in employee welfare (EPF, ESI, Health Insurance).

7.1.4 Subsidy under CPIS will be admissible at the rate of 20% of the calculated qualifying amount of investment.

7.1.5 Maximum admissible subsidy under CPIS for MSMEs will be 20% of Fixed Capital Investment with upper cap of Rs. 2 crore and non MSME units shall have an upper cap of Rs. 20 crores.

7.1.6 Subsidies to industries under stamp duty and registration, VAT Incentives and CPIS, all added together, will not be more than total Fixed Capital Investment made by the company in the project. However, incentives for patent / quality certification and special incentives for SC / ST / women/ PH will not form part of this.

7.1.7 **SC/ST/Women/Handicapped Entrepreneurs will avail 5% additional benefit under CPIS.** 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 that are issued caste / residential certificate to this effect by competent

authority, not below the rank of SDO, in the State of Jharkhand. Similarly, those persons will be deemed to be of handicapped category that are certified by a competent Medical Board to have handicap of more than 40%.

7.1.8 Only one time subsidy under CPIS category will be provided to the industries.

7.1.9 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.

## 7.2 Stamp duty and Registration fee

Industrial units will enjoy 100% exemption / reimbursement of 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.

7.2.1 Two routes offered to industries to get back stamp duty and registration fee

- ▶ Stamp Duty and Registration Fee exempted against Bank Guarantee of same amount (to be renewed at the end of 3 years). The BG will be returned upon achieving Date of Production.
- ▶ Refund of Stamp Duty and Registration can be taken on Date of Production

## 7.3 Quality Certification

(a) 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. 5.00 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
- ▶ Green Energy Certificate
- ▶ Bureau of Energy Efficiency (BEE) Certificate

- ▶ LEED Certification in New and renewable Energy
- ▶ Internationally accredited eco-labels OKE-TEX 100 etc.
- ▶ Any other internationally accredited certification that will enable better market positioning

(b) An Enterprise can avail the facility for more than one certification during the policy period subject to maximum limit

(c) Incentives for quality certification (ISO-9000, ISO-14000 etc.) are also being given by Government of India. State Government will promote and facilitate the Unit getting such benefits on priority basis

#### 7.4 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. 5 lakh, per patent.** Out of these a maximum of Rs 2 lakh may be given on expenditure incurred in filing of patent, attorney fees, patent tracking etc. and up to maximum of Rs. 5 lakhs on final acceptance of the patent.

#### 7.5 Subsidy / Incentive on VAT

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

(a) Incentive on VAT:

- 1) New MSME units will be exempted of 80% NET VAT payable p.a for five years from the date of Production with a ceiling of maximum 100% of total fixed capital investment made.
- 2) For new large projects, there shall be exemption of 75% of NET VAT p.a for seven years from the date of Production with a ceiling of maximum 100% of total fixed capital investment made.
- 3) For new mega projects, there shall be exemption of 75% of NET VAT p.a for nine years from the date of Production with a ceiling of maximum 100% of total fixed capital investment made.
- 4) For new ultra-mega projects, there shall be exemption of 75% of NET VAT p.a for twelve years from the date of Production with a ceiling of maximum 100% of total fixed capital investment made.

(b) Industrial units which have qualified to be new unit by expansion / modernization / diversification will be entitled to get similar benefits in respect of VAT. However, they have to maintain separate record of production, investment details and VAT paid/ payable after 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 installed capacity.

(c) 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.

(d) 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.

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

(f) VAT exemptions will be made on annual basis and claim for such exemptions has to be made after the plant has been operated for at least one full financial year.

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

(h) VAT exemption 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.

(i) After availing VAT exemption 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 exemption for five years for location. The Unit will have to do the tax compliance for another five years after the expiry of exemption.

*Note : Notwithstanding anything contained in this Industrial and Investment Promotion Policy, the State reserves its right, to take appropriate direction including amendment, deletion or substitution of any incentives as granted in this Policy after the implementation of the Goods and Services Tax System into the State.*

## **7.6 Incentive for Cluster Development**

**Minimum grant of 10% of total approved project cost** by the Government or SPVs own contribution, whichever is less, will be offered by the State Government to cluster schemes approved by Govt. of India for the State.

## 7.7 Incentive for textiles and apparels

(a) 100% reimbursement 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 IADA lands/ 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.

## 7.8 Incentive for captive power plant

New or existing industrial units setting up captive power plant shall be exempted from the payment of 100% 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.

## 7.9 Incentive for IT / ITES

(a) **Mega IT units will be exempted from electricity duty for five years.**

(b) **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).

(c) **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.**

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

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

(f) Facilities at (d) and (e) will not be available for IADA land.

(g) **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.

(h) **Government will encourage Captive Power Generation in IT-ITES locations. 40% of the capital expenditure incurred in soundless captive power generating sets will be reimbursed. This will be one time incentive under CPIS (by clubbing the pollution control equipment incentive & environment friendly programme).**

The above set of policies for IT Sector are general guidelines. Further details over and above these policies will be covered by IT and ESDM Policy of Department of IT, Govt. of Jharkhand

## **7.10 Incentives for Food Park**

Ministry of Food Processing industries has been establishing food parks in the state. These food parks will have multiplier effect on the economy of agriculture, animal husbandry and allied sector, in short, rural economy. The food parks established under the assistance of MOFPI and Jharkhand Industrial Park Policy 2015 shall be eligible for the following incentives:

- 1) Reimbursement of Stamp Duty paid for land acquisition to set up food park
- 2) The power tariff to the food park and the units established there shall be similar to the agriculture tariff from 10 years from Date of Production
- 3) In addition to the grant provided by the MOFPI, matching additional grant of 15% of the grants released by Government of India shall be given by State Government on Date of Production
- 4) Units established in these Food parks and new food & feed industries established in the state shall be exempted from state taxes for a period of 5 years from the Date of Production
- 5) No Mandi tax on agricultural produce in the State

## **7.11 Interest Subsidy**

New MSME units and non MSME sector units shall be entitled to interest subsidy for timely payment @5% per annum on term loan availed from public Financial institutions / Banks for period of five years from the date of commencement of production subject to total maximum limit of

- Rs. 10 Lakhs for Micro Enterprises
- Rs. 20 Lakhs for Small Enterprises
- Rs. 40 Lakhs for Medium Enterprises
- Rs. 1 Crore for non-MSME Sector units

Units which are classified as Non-performing Asset (NPA) at the time of making the application will not be eligible to avail such incentive.

In addition to the interest subsidy, the guarantee fee charged under the Credit Guarantee Trust for Micro & Small Enterprises (CGTMSE) scheme to Micro & Small

Enterprises (MSEs) will be reimbursed to the enterprises in order to improve the CGTMSE coverage for collateral free loans in the state.

## 7.12 Non Fiscal incentives

Mega and Ultra-mega projects are eligible for non-fiscal incentives in addition to fiscal incentives mentioned above. These projects may have unique issues/ constraints which may be specific to the concerned project and it may vary from project to project.

The Non-fiscal incentives are like:

1. Specific infrastructure support
2. Raw material linkage / security
3. State government's assistance in land acquisition / land purchase
4. Extension of public utilities like police station, security arrangements etc.
5. Any other support

Incase of Mega and Ultra-mega projects, Governing body shall approve these non-fiscal incentives specific to the particular project requirements and may be included in the first stage or second stage MoU as deemed fit.

b) Mega and Ultra-mega projects have a multiplier effect integral for employment generation and for inclusive growth. The development of Mega and Ultra-Mega industries will attract ancillary and auxiliary industries in the SME sector leading to a positive domino effect in the economy. One fact we cannot overlook is intense competition to attract a project in nearby States. Any policy regime will have to take this into account.

## 8. Skill and Capacity Building

With the state intending to be a frontrunner for attracting global investment, the employment opportunities generated would also be on lines of industry demand. The policy has laid emphasis on creation of opportunities that would directly augment employment in the State. The training module should be developed with close involvement of industry and other stakeholders in the planning and implementations stages for development of sector-specific skills. The policy strives to empower these centres by bestowing sufficient autonomy in its academic, administrative, and management areas. The policy recognises the need to develop 'Centres of Excellence' for sector-specific development of industries in the state and capacity building of various departments and organizations of the government.

### Skill Development

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. The state aims to provide gainful direct employment to at least 5.0 lakh persons during next 5 year at a rate of one lakh persons per year. Hon'ble Prime Minister has launched Skill India mission for development of skill in labour force as per the needs of the country. In line with the Government of India initiatives, GoJ launched Skill development mission through Department of Labour, Employment, Training and Skill development. In addition to the above initiatives, Department of Industries proposes to develop skill in specific sectors as per the needs of the industry. The participation of CPSU's/ Private investor will be promoted with involvement of Jharkhand MSME Tool room, Jharcraft, Auto cluster, JIDC, JKVIB, etc.

- a. Tool Room at Ranchi and Dumka is operational. It offers four year diploma course in tool & die technology besides short term courses to the entrepreneurs and technocrats. To strengthen these tool rooms with residential accommodation for staff and equipment for latest/ upgraded technology financial assistance shall be extended by state govt.
- b. Tool rooms have expanded its training activities besides getting job work from industries. Besides regular AICTE approved course, new courses two year advanced machinist course and 6 month welding CMC/ lathe, fitter and inspection of quality control besides one year electrician courses have been started.
- c. Shortage of skilled man power is a hindrance in giving employment to local people. State Government has signed several MOUs for setting up of industries. To meet the requirement of forth coming plants, there is a plan to setup at least one Tool Room. This Tool Room will impart four year diploma course in different stream of Technology requirement. Beside this course, short term courses shall also be under taken by the institute. All together 150 students in diploma course and 1000 in short term certificate courses shall be inducted every year. Option of establishing new tool room

under Public Private Partnership format in association with industries or group of industries shall be explored. Department of Industries has already acquired land in Hazaribagh district for this purpose.

- d. Government of India has been requested to sanction one Tool Room in the industrial pocket of Bokaro on pattern of MSME Tool Room, Jamshedpur.

Endeavour of the State Government will be to promote private sector investment for skill development through market driven approach. Thrust will be given for skill development amongst women to enhance their employability. Specialised Industrial Training Institutes (ITIs) shall be set up at locations having heavy concentration of specialized workmen.

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.

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.

Skill Development of unemployed / under employed youth is proposed to be undertaken utilizing the services of existing partners of National Skill Development Corporation (NSDC). 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.

Government of Jharkhand will also encourage sector-specific institutions that can impart vocational skills in emerging sectors of handicraft, handlooms, sericulture, biotechnology, mining, agri-business, food industry, aerospace and defence production, fisheries, imported wooden furniture manufacturing, solar and other non-conventional energy, petroleum and petro chemicals.

Need-based support will be provided for setting up national/ international level training Centres/ courses and related R&D activities. Awareness program/ seminar assistance will be provided once per year for all training courses.

## **8.2) Human Resource Development**

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.

There are over half a dozen well established engineering colleges in the State imparting technical education in almost all the important branches of engineering and an equal number of 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. A Technical University is being set up and Private University Act is in the offing.

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.

To facilitate the setting up of technical / educational institutions under private sector the Govt. proposes to provide land from land banks for such institution to willing investors.

Department of Health, Medical Education & Family Welfare has brought sector specific policy for facilitation to setup medical education institutions and also fiscal incentives for the same.

The concerned Department such as Department of Higher Education, Science and Technology, Department of Labour, Employment Training & Skill Development and Department of Health, Medical Education & Family Welfare may bring out detailed and separate guidelines for the implementation of their proposals.

### **8.3) Entrepreneurship Development**

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.

**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.**

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.

Entrepreneurship Development Programme at XLRI, Jamshedpur has already been started. The programme is proposed to be continued further. Efforts shall be made to establish centre for entrepreneurship development in Shri Krishna Institute of Public Administration, Ranchi In collaboration with Entrepreneurship Development Institute, Ahmedabad.

#### **8.4) Capacity Building**

In any society, Government, through its department and organizations implements its policies for industrialization. Building up of capacities of these institutions shall play a vital role in the policy initiatives. GoJ is a pioneering state in India to offer lateral entry in the special secretary level for persons outside the State Government. In addition to this, subject specialist / experts are being hired on outsourcing mode from National/ international consultancy firms. This trend shall be strengthened further to improve Ease of Doing Business and experience of all stakeholders.

##### **8.4.1) Jharkhand Industrial Infrastructure Development Corporation (JIIDCO)**

Jharkhand Industrial Infrastructure Development Corporation has been established to create, develop and maintain infrastructure facilities for systematic growth of industrial units in the State of Jharkhand. JIIDCO may also appoint consultants, etc. for the purpose of carrying on business of the company and render assistance to enterprise in obtaining managerial, technical and administrative services. This organization has been working as nodal counselling agency to the department of industry and its associate companies/board/organizations on fixed fee. It may develop expertise to get new project sanctioned from GOI or abroad. It may participate in tenders in other Govt. / private work as consultants. It may forge alliance with other consultancy and implementing agencies of Government (GOI India or other state governments). It is proposed to augment manpower at JIIDCO as it shall also provide secretarial support to single window clearance system and also provide housekeeping support to DICs. Additional manpower shall be recruited for JIIDCO. To meet the requirement of this sector, it will offer manpower and housekeeping services to DICs.

**It is proposed that a Joint Venture Company with GAIL Gas Ltd. and JIIDCO as partners for Development of city Gas distribution at Ranchi and Jamshedpur**

#### **8.4.2) District Industries Centre**

DIC has been established to promote industrialization specially Micro & Small industries of the state and to implement different programmers of the State and Central Government related with the growth of MSME, Large or Mega Industries. The office of the District Industries Centre acts as a nodal office of the Department of Industry for the Industrial Development and implementation of the Industrial Policy of the State Government at district level. These offices play important role in creating employment generation and to fulfil the expectations of entrepreneurs and educated unemployed youth. For better approach implementation of Government Policies and Prime Minister Employment Generation Programme online application system/Portal launched.

For strengthening DICs, one Vyapari Mitra for each district shall be provided on outsourcing mode through JIIDCO, one computer operator on outsourcing mode through JAPIT and house-keeping activities through JIIDCO

#### **8.4.3) Jharkhand Silk Textile and Handicrafts Development Corporation (Jharcraft)**

Jharcraft has not only become a household name in the Jharkhand state, but it has also become a brand ambassador for Jharkhand within and outside India. In order to meet the globalized market conditions, the capacity of Jharcraft shall be strengthened and efforts shall be made to make it one of the renowned PSUs in the country.

#### **8.4.4) Centre for Industrial Development and policy initiatives, Jharkhand**

This centre for Industrial Development and policy initiatives, most popularly called as Single Window Society has performed a lead role in development of Single Window System. This centre shall be given new initiatives like organizing Global investment summits in Jharkhand, participating in many national and international events for promotion of Jharkhand state and also to become a think tank on policy initiatives for industrialization.

#### **8.4.5) Jharkhand State Khadi and Village Industries Board**

Since the formation of this board, it has played a lead role in the development of Khadi, Village industries and for the development of traditional artisans in the State. It has organization base throughout the state. Efforts shall be made to build the capacity of this board to serve the noble cause and for the development of village industries and traditional artisans.

## 9. Monitoring and Grievance Redressal

Industry facilitation and investment promotion are the some of the basic features of this policy framework. With the objective of making the Single Window System stronger and powerful, Jharkhand Single Window Clearance Act 2015 has been notified. This act is one of the best in the country in terms of compliance with Ease of Doing Business and offering statutory protection for the State level business reform initiatives.

### 9.1) Monitoring

Investors may log onto the State's Single Window Portal and apply for various approvals through the CAF. The Single Window Cell shall monitor all projects and help in their facilitation in a time bound manner.

The Single Window Cell shall act as a repository of information regarding state infrastructure, information about investment application processes and issues being raised across industry. It shall also act as a source of information dissemination and shall provide additional information related to orders, rules and regulations.

Coordination with the relevant departments and required updates shall be provided to the investors through this system.

Single Window Clearance Committee constituted under the Chairmanship of Principal Secretary/ Secretary- Industries shall periodically review the status of pending applications with the Single Window System and with the concerned departments.

The nodal officers of departments shall also be deputed / seconded to Single Window for ensuring time bound service delivery.

In the process, if an investor faces any difficulty, he/ she may call on the Single Window helpline number wherein the technical experts shall provide all necessary assistance.

For proper monitoring of projects under various policies and schemes, the project details and issues shall be entered in the Project Monitoring Group portal - <https://esuvidha.gov.in/> and through this portal, all issues shall be followed up. A team of facilitation managers shall be hired from reputed National/ International Consultants to address their issues in various departments and organizations of the Government. They shall act as a representative of the project/ industrial unit placed in the Single Window to address their issues.

## 9.2) Grievances Redressal Mechanism

The State recognizes that timely resolution of these issues is imperative. To resolve the issues pertaining to different departments, a State Grievance Redressal Committee has been notified by State government and the composition of the committee is as follows:

Principal Secretary/ Secretary, Department of Industries	Member
Principal Secretary/ Secretary, Planning cum finance department	Member
Principal Secretary/ Secretary, Department of Water Resources	Member
Principal Secretary/ Secretary, Department of Forest, Environment and Climate Change	Member
Principal Secretary/ Secretary, Department of Urban Development and Housing	Member
Principal Secretary/ Secretary, Department of Energy	Member
Principal Secretary/ Secretary, Department of Law	Member
Principal Secretary/ Secretary, Department of Labour, Employment Training & Skill Development	Member
Principal Secretary/ Secretary, Department of Commercial Taxes	Member
Principal Secretary/ Secretary, Department of Revenue, Registration and Land Reforms	Member
DG, Jharkhand Fire Services	Member
Chairman, Jharkhand State Pollution Control Board	Member
MD, Jharkhand Bijli Vitran Nigam Ltd	Member
Director, Department of Industries	Convener

The committee shall be chaired by the Principal Secretary/ Secretary- industries. In addition to the above, Principal Secretary / Secretary from other departments to which the complaints pertain to, will be invited in the meetings.

If deemed necessary, on the decision of the Chair, the complaining Industrialist may be invited to put forth his views in front of the committee.

The committee shall discuss the numbers as well as the reasons of the Deemed Approvals proposed by the concerned department and also suggest the department to provide the approvals on time in the future.

Aggrieved parties may register their grievance online through the Single Window Portal, which then, shall be automatically sent to the nodal officer of the concerned department. An E-mail and SMS shall also be sent to the parties upon receipt of the grievance.

The concerned department shall respond to the complaints online within five working days of their receipt, which shall then be automatically sent to the complainant through SMS/Email.

The committee shall meet on last Wednesday of every month. In case this day falls on a holiday or due to any other constraint, the meeting will be held on the next working day.

## 10. Miscellaneous Provisions

### 10.1 General Provisions

#### Public Utility Services

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.

- ▶ Information Technology & IT Enabled Services.
- ▶ Bio Technology
- ▶ Agro-based processing
- ▶ Electronics & telecommunications
- ▶ Export Oriented Units and units in parks.
- ▶ Infrastructure projects including industrial parks and SEZs
- ▶ Mega and Ultra Mega Industries
- ▶ Automobile & Auto components industries

#### Exemption from some of the provisions of Factories Act

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).

- ▶ Information Technology & IT Enabled Services.
- ▶ Bio Technology
- ▶ Electronics & telecommunications
- ▶ Export Oriented Units.
- ▶ Industries set up in Special Economic Zones.
- ▶ Mega and Ultra Mega Industries
- ▶ Automobile & Auto components industries

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 or by amendment of the relevant Act, if required. Urban Development Department shall frame the guidelines and prescribe the fee for providing such services.

Biotechnology related units including laboratories may be allowed in urban areas in conformity with Master Plan inforce and following other relevant clearances.

## **10.2 Labour Reforms**

Jharkhand has a long uninterrupted history of industrial peace and harmonic relationship between labour union and management. This uniqueness of Jharkhand will be carried forward and pioneering labour reforms shall be carried out for employment generation and labour welfare. A time bound action plan shall be formulated for furthering labour reforms, in addition to the reforms mentioned below and make labour law compliance online without physical touch point.

- a) Jharkhand is the pioneer state for 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 has been notified and being implemented in the State
- c) No surprise inspection on industrial units based on specific complaints except with the approval of head of department and notification I this regard has already been issued
- d) The implementation of these provisions from(a) to (c) 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
- e) The State Government has authorized chartered engineers possessing requisite qualifications to perform the duty of Inspector of Boilers with regard to registration, inspection and renewal

## **10.3 Environmental Clearance**

- (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 consent to operate under the Water and Air Act given by Jharkhand State Pollution Control Board to industries of the State will remain valid for a maximum period of five 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.

#### 10.4 State Award to Enterprises

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, turnaround of sick industries, corporate social responsibility, entrepreneurship and quality. Scheme of enterprises adopting such best practices will continue to be recognized with State awards every year.

#### 10.5 Memorandum of Understanding (MoU)

- a. MoU may be agreed / signed between Government of Jharkhand and Investors for new investment.
- b. MoU may be agreed only for Mega and Ultra-Mega Industries.
- c. Initially, MoU indicating the intention of the investor in brief about the proposed industry and the possible facilitation to be extended by the State Government which will remain valid only for a maximum period of 12 months.
- d. Subsequently, second stage of MoU will be signed which will include complete details of the project including DPR/TEFR with the site selected, resources required for the unit, possible sources of funds, raw materials, consumables, utilities, manpower requirement, infrastructural details, time-frame for implementation etc. Second stage of MoU shall have a validity of 2 years
- e. MoU signed initially will automatically expire after one year if the second stage of MoU is not signed with the State Government.

## 10.6 Date of Production (DoP)

All industrial units must obtain the Certification of Date of Production (DoP) from competent authority for availing benefits under this policy. The EM part II or IEM or Udyog aadhar will not be sufficient to substitute DOP certificate.

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.

The industrial unit becoming eligible can submit DoP application within one month of the commencement of production as envisaged in DPR.

(a) The application form for DOP can also be submitted on-line.

(b) The applications for DOP, submitted on-line, will be acknowledged by Director Industries (DI) / IADA / GM, DIC , as may be the case.

MSME units will get a maximum of six month's relaxation of time for submission of DOP application. However, the application has to be submitted with expressed reason duly supported by documentary proof. Director of Industries shall have the power to condone delay up to 6 months and Principal Secretary/ Secretary of industries shall have power to condone delay up to 1 year. Any delay beyond one year shall be referred to Departmental Ministers from delay condonation.

Application forms complete in all respect only will be considered for issue of DoP certificate. Mere submission of EM Part II or IEM or Udyog Aadhar will not be sufficient for the purpose of disbursement of subsidy under this policy.

It may be mentioned that incomplete application without required details or application with errors will be treated as application not submitted and stand automatically rejected. The concerned authority may intimate the same to the applicant.

Once the application of DoP is rejected the concerned industrial unit will be compelled to submit the completed application form afresh.

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

- a) As regards the date of production of a Micro and Small Units, the certificate issued by the respective General Manager, District Industries Centre and the respective Managing Director, Industrial Area Development Authority would be valid.
- b) In case of any dispute regarding the date of production of Micro and Small Unit, issued by IADA's / GM, DIC the decision of the Director of Industries shall be final.
- c) In case of medium, large, mega and ultra-mega industries (other than SSI) the certificate issued by the Director of Industries would be valid.

- d) In case of any dispute regarding the date of production of large, medium, mega, ultra-mega industries, issued by Director of Industries, the decision of the Principal Secretary /Secretary Industries shall be final.

Normally the application for issuing DoP certificate 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.

All such industries covered under existing MoUs, where substantial progress has been achieved during the previous policy periods but DoP has not been fixed, will be entitled to avail benefits / concession under this new policy under relevant category.

Industrial units will be entitled for reimbursement / payment of subsidy / incentives under different categories only from the next financial year of DoP.

Industrial units which have started commercial production before the commencement of this policy, but could not achieve the conditions provided under Clause 35.2 of the Jharkhand Industrial Policy 2012, the DoP for such units shall be the date of commencement of this policy. Even though

### **10.7 Procedure for operationalization of the provision of the policy.**

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.

### **10.8 Policy Period**

The State Government may at any time amend any provision of this policy. Normally the policy will remain operational for 5 years (01.04.2016 to 31.03.2021)

### **10.9 Doubts Resolution**

- (a) Doubts relating to interpretation of any term and / or dispute relating to the operation of any provision under this Industrial and Investment Promotion 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.
- (b) In case of any doubt the "English Version" of the policy will be considered an authentic version.

## 10.10 Power of the State Government

Notwithstanding anything contained in the foregoing paragraphs of this industrial and Investment Promotion 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.

**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.

### Definitions

1. **Effective date:** "Effective date" means the date on which the provisions of this Policy come into force i.e. 01.04.2016. This Policy will remain in force for 5 years up to 31.03.2021.
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
3. **Existing Industrial Unit**

"Existing Industrial Unit" means an industrial unit which is in commercial production on or before 31.03.2016.
4. **New Industrial Unit**

"New Industrial Unit" means an industrial unit in which commercial production has commenced within five years from 01.04.2016.
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.

## **6. Expansion**

Expansion means an existing unit which makes additional capital investment and fulfils the following conditions:

1. For MSME Units, it shall make fixed capital investments of 33% or above of the capital investment limit as specified by Government of India from time to time. For large units, it shall be 33% or above on depreciated book value of fixed capital investments or Rs. 15 crore, whichever is higher. For Mega and Ultra-Mega project, it shall be 33% or above on depreciated book value of fixed capital investments of the minimum capital investment limit fixed in this policy
2. An increase of at least 33% of the installed capacity

## **7. Modernization**

Modernization means an existing unit which makes additional capital investment and fulfils the following conditions:

1. For MSME Units, it shall make fixed capital investments of 33% or above of the capital investment limit as specified by Government of India from time to time. For large units, it shall be 33% or above on depreciated book value of fixed capital investments or Rs. 15 crore, whichever is higher. For Mega and Ultra-Mega project, it shall be 33% or above on depreciated book value of fixed capital investments of the minimum capital investment limit fixed in this policy
2. At least 20% improvement in the installed capacity
3. An improvement of either energy saving of at least 30% or reduction of pollution level of at least 30% or latest technology in that sector as certified by the reputed institutions recognized by the Government and

## **8. Diversification**

Diversification means an existing unit which makes additional capital investment and fulfils the following conditions:

1. For MSME Units, it shall make fixed capital investments of 33% or above of the capital investment limit as specified by Government of India from time to time. For large units, it shall be 33% or above on depreciated book value of fixed capital investments or Rs. 15 crore, whichever is higher. For Mega and Ultra-Mega project, it shall be 33% or above on depreciated book value of fixed capital investments of the minimum capital investment limit fixed in this policy
2. Production of at least one new product after diversification

Note Point: For expansion/ modernization/ diversification of MSME units, the gap period between DoPs of earlier projects and the one under implementation should be 2 years to avail benefit under this policy. Similarly, for large, mega and ultra-mega projects, the gap between DoPs of earlier projects and the one under implementation should be 3 years to avail benefit under this policy

## **9. Fixed Capital Investment**

The 'Fixed capital investment' means an investment made in 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.

#### 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. Classification of Industrial Units

##### i. 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.

##### ii. Large Scale Industry

An industrial unit which has investment above medium scale industry as specified by Government of India but investment lower than mega project as defined in this policy shall be considered as large scale industry.

##### iii. Mega Projects

Sector-wise Mega Project classification will be as below:

Sectors	Minimum Investment (Rs in Crore)	Direct employment Generation
Manufacturing	250	300
(a) Automobiles	300	500
(b) Auto Components	50	100
Steel, Aluminium, coal to poly generation industries and other mineral based industries except cement	1000	300
Ancillary & down-stream industries	50	50
Agro-processing / food processing, bio-technology / pharmaceuticals	30	100
Textile/ reeling/ spinning/ weaving/ garmenting projects / apparel	25	500
Information Technology (IT-ITeS industries)	50	1000
Cement	300	100

Note:

Except above mentioned sector wise classifications, the projects in other sectors with investment limit above Rs 250 crore shall come under mega project classification.

**iv. Ultra-Mega Projects**

An industrial unit which has both, minimum investment and direct employment generation three times of the limit fixed above for mega project shall be considered as ultra-mega project.

12. Renewable energy - as defined and explained by Ministry of Renewable Energy, Government of India, from time to time.
13. **NETVAT** - means tax payable and paid, under sub-section (l) of Section 17 of Jharkhand Value Added Tax Act, 2005.

## Annexure - II

### *List of Industries Ineligible for Fiscal Incentives*

The following industries are ineligible for fiscal incentives under this policy. However, they are eligible for other facilitations as provided under this policy.

1. Drilling Rigs, Bore Well, Tube Well Establishing Units, Concrete Mixing Plants, Road Metal Mixer, Readymade Concrete Mixture and similar facilities mobile in nature
2. Units Connected with Cutting of Raw Tobacco and Gul Related Products and Guraku
3. *Iron Scrap "Iron and Steel Processors" including cutting of sheets, bars, angles, coils, M.S.Sheets, recoiling, straightening, corrugating, drop hammer units etc.*
4. Stenciling Units / Processing of Stencil Papers
5. Tailoring (Except Readymade Garment Manufacturing Units)
6. Laundry/Dry Cleaning
7. Photography, Studio Labs, Video Parlours, Videography, Cinematography, Theatres, Photo studios, colour film laboratories, Video, Audio Cassette Recording and Watch Repairing
8. Clinical/Pathological Laboratories/Nursing Homes/Clinics including Indian system of medicines except Super speciality Hospitals with investment more than Rs 50 Crore
9. Beauty Parlours
10. Goods and passenger carriers
11. Guest Houses / Restaurants
12. Petrol Pumps
13. Narcotic Drugs, Tobacco barons / tobacco re-drying / processing, Beedi / Cigarette Manufacturing and other tobacco based products
14. Distilleries, Breweries, Beer and other Alcoholic Drinks
15. Crushing / washing of Iron ore, Coal, Stone etc. including segregation / blending except coal washries.
16. Tyre retreading.
17. Mines & Mining Activity including development of Mines etc.
18. *Hard Coke / Smokeless fuel plant and any unit using coal as raw material which constitutes more than 50% of cost or volume of total raw material.*
19. *Vehicle or any consumer product show rooms, service / repairing centre or sales centre.*
20. *Brick making units except refractory bricks making, bricks making with use of fly ash / red mud or similar other industrial waste*
21. *Any petroleum product storages*
22. *Packaged drinking water / mineral / aqua, aerated and soft drink units (excepting the units manufacturing fruit pulp or fruit pulp and juice out of it).*
23. *Banned items by State Government or Government of India from time to time will also come under this list.*

**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.

### Abbreviations

ADB	Asian Development Bank
AHD	Animal Husbandry Department
AIADA	Adityapur Industrial Area Development Authority
AMG	Annual Maintenance Guarantee
APEDA	Agricultural Product Export Development Authority
APMC	Agricultural Produce Marketing Committee
	Assistance to States for Development of Export Infrastructure and Allied
ASIDE	Activities
BIADA	Bokaro Industrial Area Development Authority
BIFR	Board for Industrial and Financial Reconstruction
BOOT	Buy, Own, Operate and Transfer
BOT	Build, Operate and Transfer
BPO	Business Process Outsourcing
CFC	Common Facility Centre
CFTRI	Central Food Technology Research Institute
CGTMSE	Credit Guarantee Fund Trust For Micro And Small Enterprises
CIMAP	Central Institute of Medicinal and Aromatic Plant
CNT	Chhotanagpur Tenancy
CPIS	Comprehensive Project Investment Subsidy
CSR	Corporate Social Responsibility
CST	Central Sales Tax
DIC	District Industries Centre
DOP	Date of Production
DPR	Detailed Project Report
DVC	Damodar Valley Corporation
EM	Entrepreneur Memorandum
EMD	Earnest Money Deposit
EPF	Employees Provident Fund
ESI	Employees Provident Fund
FAR	Floor Area Regulation
FDI	Foreign Direct Investment
GM Land	Gair Mazarua Land
GM, DIC	General Manager, District Industries Centre.
GOI	Government of India
GOJ	Government of Jharkhand
GSDP	Gross State Domestic Product
GST	Goods and Service Tax

HPC	High Powered Committee
IADA	Industrial Area Development Authority
ICD	Inland Container Depot
IEM	Industrial Entrepreneur Memorandum
IFAD	International Fund for Agricultural Development
IHRI	Indian Horticulture Research Institute
IIUS	Integrated Infrastructure Upgradation Scheme
IL & FS	Infrastructure, Leasing and Finance Services
IT	Information Technology
ITES	Information Technology Enabled Services.
ITI	Industrial Training Institutes.
Jharcraft	Jharkhand Silk, Textile and Handicraft Development Corporation
JHARNET	Jharkhand State Information and Communication Network.
JIIDCO	Jharkhand Industrial Infrastructure Development Corporation
JINFRA	Jharkhand Infrastructural Development Corporation
JSERC	Jharkhand State Electricity Regulator Commission
JSMDC	Jharkhand State Mineral Development Corporation
JSPCB	Jharkhand State Pollution Control Board
JV	Joint Venture
KVIB	Khadi and Village Industries Board
KWH	Kilo Watt Hour
MD	Managing Director
MNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MOU	Memorandum of Understanding
MSE	Micro and Small Enterprises
MSME	Micro, Small and Medium Enterprises
MW	Mega Watt
NABARD	National Agricultural Bank for Rural Development
NFBD	National Fishery Development Board
NH	National Highway
NHM	National Horticulture Mission
NID	National Institute of Design
NIFT	National Institute of Fashion Technology
NIRD	National Institute of Rural Development
NOC	No Objection Certificate
NSDC	National Skill Development Corporation
NSTEDB	National Science and technology entrepreneurship Development Board.
OIFC	Overseas Indian Facilitation Centre
PESA	Panchayats Extension to Scheduled Area
PH	Physically Handicapped
PPP	Public Private Partnership
PSU	Public Sector Undertaking
R & D	Research and Development
R & R	Rehabilitation and Resettlement

RBI	Reserve Bank of India
RIADA	Ranchi Industrial Area Development Authority
SAU	State Agriculture University
SC / ST	Scheduled Caste / Scheduled Tribe
SD	Security Deposit
SEAC	State Level Expert Appraisal Committee
SEB	State Electricity Board
SEIAA	State Level Environment Impact Assessment Authority
SEZ	Special Economic Zone
SFAC	Small Farmers Agri consortium
SHG	Self Help Group
SIDBI	Small Industrial Development Bank of India
SITP	Scheme for Integrated Textile Park
SLBC	State Level Banker's Committee
SLEC	State Level Empowered Committee
SLIC	State Level Inter Institutional Committee
SPT	Santhal Pargana Tenancy
SPV	Special Purpose Vehicle
SSI	Small Scale Industry
STPI	Software Technology Park of India
STPs	Science and Technology Park
SWCC	Single Window Clearance Committee
TUFS	Technology Upgradation Fund Scheme
UAS	University of Agricultural Sciences
VAT	Value Added Tax
VGf	Viability Funding Gap
XLRI	Xavier Labour Relations Institute