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**Jharkhand Industrial and Investment  
Promotion Policy 2021**

**Introduction**

**Background**

Jharkhand is in the Eastern part of India and is bound by the state(s) of Bihar on the north, West Bengal on the east, Orissa on the south, and Chhattisgarh on the west. Jharkhand's proximity to the Seaports viz. Kolkata (400 km from Ranchi), Haldia (420 km from Ranchi), Paradip (560 km from Ranchi), and a Dry-Port at Jamshedpur, make the State an attractive destination for Export Oriented Units (EOUs). Due to its location near the Eastern seaboard of India, the state is well-placed to serve

the 'Act East' policy of the Government of India. It offers considerable freight and time advantage to entrepreneurs interested in doing business with the South East Asian and East Asian markets.

Jharkhand offers excellent rail and road connectivity to the rest of India. Eastern Dedicated Freight Corridor passes through the state and connects it with West Bengal, Bihar, Uttar Pradesh, Delhi, Haryana and Punjab. Jharkhand is also well-served by an excellent network of National Highways connecting it to the hinterland and major metropolitan markets of India. The combined population of Jharkhand with its four adjoining states is about 247.5 million, which is nearly 25% of the country's population, making it very advantageous from a market access perspective.

Jharkhand is endowed with a wide variety of natural resources and is one of the most attractive destinations for setting up mineral-based units because of its vast mineral reserves and an industrious workforce. Around 30% of Jharkhand's geographical area is covered with highly bio-diverse forests, thus affording ample opportunities for the development of Minor Forest Produce-based industries and AYUSH centric units. Also, its agro-climatic conditions are suitable for the development of a wide variety of agro and allied industries.

Being proximate to precursor materials for the Iron industry provides Jharkhand with a distinct advantage in the Iron and Steel Sector. With many auto-grade steel plants being set up, Jharkhand offers unique advantages with respect to savings in freight cost for sourcing cold-rolled sheets. 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 Tata Motors as the anchor company. 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 soon producing enough Steel to turn the state into the steel-hub of India.

The Government of India has launched ambitious programs like Make in India, Skill India, Digital India, Start-up India, Smart-City Swachh Bharat, Aatmanirbhar Bharat to improve the standard of living of the common people and revenue generation for social sector activities. Coupled with the Government of Jharkhand's thrust on employment generation, these programs have the potential to lead to unleash a wave of sustainable development and create livelihood opportunities for the welfare of people.

The State has a rich presence of major Industrial houses, a number of reputed educational institutes and centres of excellence in the field of management, science and technology. Recognising the employment generation potential of MSMEs, the Government of Jharkhand is committed to creating livelihood security for the local population.

### ***The rationale for the Policy***

Jharkhand is becoming the vanguard of industrialisation among the Indian States. The government of Jharkhand is keenly working on skill development and improving exports from the State. Decentralised employment augmentation through the promotion of labour-intensive industries such as Mining and Minerals, Agriculture and Processed Food etc. is one of the key prongs identified by the Government of Jharkhand. The government of Jharkhand is encouraging investments in mineral exploration, Steel, Plastics, Chemicals, Electrical, Cement, Metallurgy and Automobile components, Light Engineering and Textiles amongst others.

Jharkhand handled the COVID-19 pandemic with a coordinated effort, but the economy and developmental progress has been adversely affected due to disruption of supply-chains and crash in

overall demand. The major industries of the state including construction, mining, tourism, automobile and light/ heavy engineering were amongst the worst hit leading to a crash in exports from the state. The manufacturing and service industry needs to be revived and with this aim, the policy has been revised to provide investors with regulatory support.

To rejuvenate the existing rural industries including sericulture, handloom, handicraft, khadi, textile, etc, it is envisaged to assist them in modernisation/technological up gradation and provide necessary common facilities, backward and forward linkages including product design, marketing support, etc. to make them globally competitive.

The Government realises that export units in the state need to be modernised by adopting the latest technologies, undertaking skill up gradation and diversification. Thus, this policy envisages several measures for facilitating export promotion and marketing including Infrastructure support for exports and fiscal incentives which will enable the exporters to achieve higher numbers.

The State Government, with an aim to accelerate Industrial development, has desired to set up Private, Joint Venture and PPP mode Industrial Park consisting of a minimum of 50 acres with a minimum of 15 industrial units. In the case of sector-specific industrial parks, the minimum area shall be 10 acres with a minimum of 5 industrial units through a Special Purpose Vehicle (SPV) registered under the Companies Act.

Jharkhand is progressing fast on adopting investor-friendly best practices in the state to facilitate investments and generate avenues of employment for the welfare of 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. have been adopted by most of the departments and government agencies.

This policy has been drafted after intensive interaction with representatives of industries, industry associations, investors, subject experts etc. and efforts have been made to accommodate their views. This policy proposes to provide an attractive and tailor-made investment package to the industry to promote industrialisation and create a multiplier effect in the State's economy. Due care has been taken to ensure that the packages provided in this policy are amongst the best in the country to attract more industry and investment into the state.

## ***Vision, Mission and Targets***

Industrial development promotes higher capital formation, raises wage in comes and absorbs surplus workforce to bring about equitable development. Accordingly, the Government of Jharkhand has accorded the highest priority to industrial growth as a means to mitigate poverty and unemployment. Jharkhand Industrial and Investment Promotion Policy 2021 aims to establish state-of-the-art infrastructure, promote manufacturing, enhance inclusivity, foster innovation and create employment opportunities across sectors.

## **VISION STATEMENT**

The state intends to be the most preferred destination for investors by providing favourable business climate, excellent infrastructure, progressive and conducive industrial relations. This policy focuses on creating a conducive eco-system that makes industries based in Jharkhand innovative and globally

competitive. This policy also focusses on ensuring that the state is prepared for adapting itself to Industry 4.0 and other new-age technologies. The government of Jharkhand lays utmost emphasis on sustainable industrial development anchored by capacity building at the grassroots level.

## MISSION STATEMENT

The mission of this Policy is to facilitate rapid and sustained growth of Industry and to increase its share across the GSDP over the next decade. This is envisaged to be achieved by

- i. Providing an effective, proactive and supportive institutional mechanism.
- ii. Evolving and implementing promotional strategies.
- iii. Building supportive infrastructural facilities like warehouses, Common Facility Centres, etc.
- iv. Marketing development assistance, R&D on global market research and testing laboratories support, etc.

## Key Objectives of the Policy

To achieve the mission stated above, the following objectives have been set by the Government of Jharkhand:

- i. To generate employment of 5,00,000 by attracting investments of more than Rs. 1,00,000 Crore in the state of Jharkhand.
- ii. To convert Jharkhand into a favoured destination for investors and to promote sustainable industrial growth of the State.
- iii. To create a time-bound, web-based transparent working mechanism for project clearance, Date of Production declaration and financial and non-financial assistance and clearances.
- iv. Strengthening the infrastructure such as warehouses, Inland Container Depots (ICDs), Cold Storages, rail-road connectivity from Industrial Clusters, Tool Rooms, etc.
- v. To focus on industries with export potential and to encourage and motivate such industries for increasing the volume of exports and also to focus on export items manufactured from 100 percent indigenous inputs normally done by the MSME sector.
- vi. To establish linkages between OEMs and MSME/ ancillary industries.
- vii. Provide a simple, proactive, and supportive institutional mechanism for the rapid growth across sectors.
- viii. To promote employment generation in industrial and services sectors by providing facilitation under Industrial and Investment promotion Policy, MSME Act 2006 and other policy interventions.
- ix. To bring about technology and skill up gradation in the traditional sectors like Mineral-based products, Handicrafts, Handlooms, Agriculture and Processed Food products to enhance value addition and quality competitiveness.
- x. To increase the level of processing, reduction of wastage, value addition, enhance the income of farmers as well as increase exports thereby resulting in the overall development of food and feed processing sector.
- xi. To promote innovation, start-ups and technology transfer.

## Industrial Development Strategy

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

- Promotion of private investment and PPP mechanism for the development of infrastructure - road, power, telecom, industrial estate, industrial clusters and industrial parks including rural industrialisation e.g. Sericulture, Khadi, Handicraft, Food Processing, Handlooms, Bamboo, Leather and Lac etc.
- Appropriate arrangements for ensuring timely and adequate flow of credit to industries especially the MSME sector.
- Development of strong networking with Export Promotion Councils, ITPO, Sectoral Associations and MSME associations.
- Development of international trade service providers to boost international trade.
- Strengthening of Single Window System for facilitating exporting industries.
- Better land management and increasing the availability of developed plots readily for new investors.
- Special incentives for women and SC/ST entrepreneurs to promote inclusivity.
- Institutionalisation of Monitoring, Evaluation and Grievance Redressal Mechanism.
- Institutionalisation of consultation mechanism with stakeholders and Industrial associations.
- Thrust to entrepreneurship and skill development programmes.
- Accelerating the development of Infrastructure.
- Promotion of labour-intensive industries.
- Focused approach for industrially under-developed areas.
- Encouraging Universities for start-ups and innovative product development by supporting technology up-gradation, research and development.
- Promotion of trade facilitation and e-governance.
- Conducive labour reforms and increased Ease of Doing Business in the state.
- Focused approach on 'Make in India' program.

### **Potential Product Groups for Export**

Jharkhand, with its abundant mineral resources, has vast potential for increasing the overall exports from the State in various sectors. Some of the key areas for exports include engineering goods, sericulture, handloom and handicraft, lac, refractories, cashew nut, cement, mica, agricultural products, iron and steel, automobile and automobile components, shellac products, processed honey, gems and precious stones, floriculture, electronics and software products, etc. The state has already emerged as a favourite destination for investors in the area of iron and steel, aluminium, cement, granite, ornamental stones etc.

### **Product Promotion Group**

Product Promotion Groups comprising of exporters, manufacturers and various related agencies are proposed to be established for proper interaction between manufacturers and exporters for evolving a strong support system. The promotion groups will be as follows:

- (i) Sericulture, Handloom, Textile and Handicraft Promotion.
- (ii) Engineering, Chemical and Allied Products Promotion.
- (iii) Agriculture, Forest Product, Food Processing and Value Addition activity promotion.
- (iv) Mineral Product and Metallurgical Product Promotion.
- (v) Electronics and Software Products Promotion.
- (vi) Refractory Product, Granite and Precious Stone Product Promotion

(vii) Any other sector Department may like to include in promotion groups

### **Preference for local product**

The government of Jharkhand already has a **Procurement policy** for the 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 products will have higher tax realisation to the State. Given 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.

### **Policy Provisions for Industrial Development**

India is experiencing competitive and cooperative federalism and the basic strategy for industrialisation should be linked to the advantage of the State. The State of Jharkhand possesses some unique advantages over other states. The government of Jharkhand proposes the following strategic measures to enhance the industrialisation of the State.

#### **RAW MATERIALS SECURITY**

Drastic changes have happened at the national level in the natural resources allocation policies in recent times. These changes have constrained the development of mineral-based industries, leading to a slowdown in the sectors in the country, especially, mineral-rich states like Jharkhand. The Government of Jharkhand now proposes to make industry-friendly policy initiatives:

It is proposed to provide raw material linkages or to provide coal through fuel supply agreement (FSA) as provided in the new Coal Distribution Policy of Ministry of Coal, Government of India 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 (JSMD) or through Central PSUs.

#### **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 into eight major zones based on raw material deposits and industrialisation. Below list is non-exhaustive:

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 and Feed Processing
Dhanbad-Bokaro Industrial Area	Coal and Steel, Refractories, Coal-based Power Plants

Singhbhum Industrial Area (Jamshedpur and Adityapur) and Singhbhum, Kolhan Division	Iron and Steel, Automobile and Auto Component, Cement, Uranium, Copper and Gold Mining, IT-ITES, Forest Produce based, Horticultural Food Processing, Silk and Textile
Ghatsila Industrial Area	Copper, Automobile and auto component and Forest-based Industries
Deoghar-Jasidih and Santhal Pargana	Oil Mills, Glass, Steel, Aromatic-Medicinal Plant, Medicine, Coal-based power plants, silk-textile, food and feed processing industries

Industries will be encouraged to secure better waste management through innovative technology for pollution prevention and abatement. Enhancement of revenue through a carbon credit mechanism is proposed. A nodal agency will be identified for the promotion of carbon credit trading that will provide technical, financial and institutional support to interested companies.

### INCLUSIVE GROWTH

After passing through various phases of growth, the State's economy is set to enter the next phase 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 a sharp increase in rural investment, rural infrastructure and rural employment, besides the development of backward industrial areas. The policy intends to boost employment and ensure balanced regional development by providing equal opportunity for vulnerable groups particularly women, PVTGs, SC and ST in the under-developed areas

### PROMOTING LABOUR INTENSIVE INDUSTRIES

The role envisaged for labour-intensive industries is to fully exploit the economic scenario and leverage the low labour cost. The government intends to provide incentives for the following focus sectors: Pharmaceuticals, Light Engineering, Garment, Apparels, Cosmetic industry, Agro and Food processing and others similar sectors which will be defined from time to time. Separate and 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 MSME sector.

### 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. National and international experience shows that without the development of basic minimum infrastructure, attracting industries to these regions is impossible.

This policy envisages a change in the strategy of development for these areas. The policy proposes upliftment of socio-economic conditions, 24x7 electricity supply, increased road, rail connectivity and high-speed internet connectivity.

The policy emphasises a need to ensure balanced regional development in Jharkhand using 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 others can be strengthened by improving quality and access to skill training, education, and infrastructure and assured power connectivity.

## Focus Sectors

Jharkhand has a natural advantage in some sectors like Mining, Mineral based industries, steel, coal-based thermal power plants, coal to poly-generation industry, food processing, automobile and auto component, textiles and handicrafts, etc. However, the full potential of the state is yet to be exploited, especially for employment generation and improving the living standards of the people. Some of the thrust areas under the new policy are identified below:

### High Priority Sectors

#### TEXTILE AND APPARELS

The textile sector makes a significant contribution to the Indian economy: 2% to the GDP, 12% to export earnings, 7% to industrial production and employs 4.5 crore people directly and higher numbers indirectly.

Jharkhand Government had announced the Textile and Apparel Policy, 2016 to strengthen the entire value-chain of the textile industry through capital infusion, technology transfer, skill up gradation and handholding. The policy was appreciated by all the stakeholders and empirical evidence of its outcome has been overwhelming. Since the inception of policy in 2016, 11 units have started operations, more than 40 units have shown interest and still receiving an encouraging response. The textile industry has led to employment generation largely among women leading to a reduction in distress migration and human trafficking.

Jharkhand is being developed as a textile hub. There has been phenomenal growth in Sericulture Sector and the state has the highest production of Tasar silk in India. Jharkhand primarily exports Tasar silk to the US, the UK, Germany, France, Turkey, Japan, Australia, Sweden and Switzerland. In addition to silk weaving, the State has taken adequate measures for the revival of cotton wool weaving.

The Government of Jharkhand is committed to upgrade the facilities in Industrial Training Institutes for apparel production. An autonomous institute of quality apparel training will be set up on its own or in joint venture/collaboration with multiple agencies/institutes. Financial assistance will be extended to Jharcraft and /or any reputed organization/institute which has run and managed such an institution in the state.

Networking of training institutions will be done by the Directorate of Handloom and Sericulture and a detailed database will be maintained. The Government intends to notify all Textile and Apparel Parks as Public Utility Services.

Government of Jharkhand seeks to promote interaction between the tribal artisans of Jharkhand and the mainstream designers from reputed design organizations considering the richness of Jharkhand Artisans in handicraft. The aim of Government is to expand the product range and designs. The synergy between these two can generate marketable ducts of art and handicraft for the top-end global



market. There are more than 40 types of handicrafts such as Ratha, applique, satin stitch, tie and dye, terracotta, tasar print, papier-mache, dhokra, making agarbatti or incense-sticks, bamboo and leather craft, patkar and jadopatiya painting, tribal Jewellery, pearl jewellery and paper packaging are made in different parts of the state.

**Fiscal Incentives for Textile, Apparel and Footwear Units (as per the Textile, Apparel and Footwear Policy 2016)**

Incentives	Details (Chapter 8 of the Textile, Apparel and Footwear Policy 2016)
Capital Investment Subsidy	20%, up to Rs 50 crore.
Interest Subsidy	7% or 50% of the interest rate (whichever is lower) For 5 years up to Rs 1 crore.
Net SGST Subsidy	100% for first 7 years + 40% for next 3 years.
Stamp duty & Registration Fee	100% reimbursement
Quality Certification	Upto Rs 10 Lakhs.
Patent Registration	Upto Rs 10 Lakhs.
Cluster Development	15% Grant of grant released by Gol.
Power Tariff	50% of power tariff for 7 years.
Export Subsidy	Special Incentives to Export Units.
Construction of Dormitories	50% cost of land up to Rs. 50 lakh
Mandi Fees/ Tax Exemption	On raw materials.
Electricity Duty	100% exemption for 7 years.
Employment generation subsidy	<ul style="list-style-type: none"> <li>• One-time support of maximum Rs. 13,000 for capacity building of persons belonging to Jharkhand</li> <li>• Employment generation subsidy of Rs. 5000 per month per worker for 7 years (Rs. 6,000 for SC/ ST/ Women)</li> <li>• Reimbursement of Rs. 1,000 per person per month towards expenditure on ESI &amp; EPF for 5 years</li> </ul>

Information of the incentives and other policy initiatives for Textiles and other related industries are detailed out in “Textile, Apparel and Footwear Policy 2016”. The Policy increased the level of employment, attracted greater investments and has helped in combating distress migration especially for the woman of the state.

It is proposed that the incentives offered to Textiles, Apparel and Footwear Industries are extended to the Handicrafts Industry. In addition, the units engaged in Handicrafts are eligible to receive a reimbursement of 50% of the contribution to the wage rate per local employee per month (local employee here indicates the employee who is a domicile of Jharkhand) for a period of 5 years. The unit needs to have a minimum of 70% of the local employees engaged in the core process for availing this incentive.

**AUTOMOBILE, AUTO COMPONENTS AND ELECTRIC VEHICLES**

Globally the focus is now on reducing Carbon footprint and technology advances mainly in the battery pack manufacturing sector, have increased the scope for adoption of e-vehicles. India's electric vehicle market could be worth \$206 billion (Rs.14,42,000 crore) in ten years, and the sector will attract a cumulative investment need of \$180 billion (Rs. 12,50,000 crore) in vehicle production and charging infrastructure until 2030 to meet India's EV ambition.

Tata Motors, one of India's leading automobile companies, began manufacturing of commercial vehicles in the early 1950s at Jamshedpur. More than 600 auto ancillary industries have been subsequently set up at Adityapur, Jamshedpur to cater to the needs of automobile companies. It has generated direct employment for more than twenty-five thousand individuals and several times of it as indirect employment. All types of auto-grade steels are being produced in Jamshedpur since the 1980s. The aim is to establish Jharkhand as an automobile hub in India.

Adityapur Auto-Cluster has been made operational at Jamshedpur to extend common facilities, such as testing centre, design lab, tool rooms, calibration plants, IT Training Centre, effluent treatment plant, etc., to auto component makers. Automobile Vendor Park is planned to be established under PPP mode or Private sector by Mega Automobile Manufacturing Units. Ambitious policy announcements are critical in stimulating the e-vehicle rollout in major markets. The Government of Jharkhand intends to steer its policy to enable e-vehicle and spare part and ancillary unit manufacturing in the state and provide a robust institutional landscape to invite e-vehicle manufacturers to the state.

Based on the demand from the industry, the Government is also planning on allocating an EV Cluster in the state on the lines of the already existing auto cluster at Jamshedpur.

**Incentives to Auto Sector (as per Jharkhand Automobile & Auto Component Policy 2016)**

<b>Incentive</b>	<b>Details (Chapter 5 of the Automobile and Auto-Component Policy 2016)</b>
Capital Subsidy for Common Infrastructure	Financial Assistance of 50% fixed capital investments, up to a maximum of Rs. 20 Crore
CST Concession for manufacturing units	100%, for period of 10 years.
<b>Subsidy on VAT</b>	
For new MSME units	80%, upto maximum 150% of capex spent in 5 years
For new large projects	75%, upto maximum 150% of capex spent in 7 years
For new mega & ultra-mega projects	75%, upto maximum 150% of capex spent in 12 years
<b>Patent &amp; Quality Certification for MSME</b>	
Patent Registration	75% of the cost incurred, upto max Rs 25 Lakhs.
Quality Certification	50% of the cost incurred, upto max Rs 5 Lakhs.
Other Incentives	Marketing Expansion/ modernization/ diversification Capital & Interest subsidy to MSME Stamp Duty & Registration fee Exemption

For the details of the incentives, the Jharkhand Automobile & Auto Component Policy 2016 may be referred to.

## AGRO-FOOD PROCESSING AND MEAT PROCESSING INDUSTRIES

Jharkhand has huge untapped potential in Agriculture, Horticulture, Fishery, Animal Husbandry and Meat Processing Industry. The wide product base, a high volume of round the year production, strategic geographical location, abundant sunlight and high domestic demand project horticulture as the thrust area for development in Jharkhand. More than 5,000,000 MT vegetables are produced in Jharkhand, which is about 6% of the total national production of vegetables, and 30%-35% of this production is surplus and available for export/ processing.

Jharkhand has set up two Food Parks and Meat park planned at BAU (Birsa Agriculture University). These food parks offer several advantages to the investors in terms of infrastructure and connectivity. The state is also investing in strengthening the cold storage network with 58 cold storage already on the ground while many cold storages are under various stages of development.

The meat sector in the State is pre-dominantly unorganized. There are very few modern abattoir and processing facilities in the State. In spite of a large livestock population, the meat industry in the State has not yet evolved to its potential. The output of meat has increased in the state from 62.48 thousand tonnes in 2019-20 to 67.25 thousand tonnes in 2020-21 indicating an annual growth of around 8 per cent. The production of meat has shown an upward trend in last nine years and accordingly state government is planning to promote Meat processing industry seeing the local demand and available ecosystem for meat processing. To facilitate further growth in this sector, Government is planning to put thrust on Meat processing and allied sector.

The state is also investing in strengthening the cold storage network with 58 cold storages already on ground while many cold storages are under various stages of development.

### **Incentives for Agro and Food Processing Industries (as per Jharkhand Food Processing Industry Policy 2015)**

Establishment	Grant in aid	Fiscal Capping
Agro based Food Processing and / or Meat Processing Units (New Unit, Modernisation, Upgradation, Expansion & Diversification)	35%-45%	INR 5 Crores
Cold Chain, Value Addition and Preservation Infrastructure	35%-50%	INR 7 Crores
Interest subvention @ 6% for 5 years and every year subsidy will be paid to the Bank /FI directly, Subject to a maximum of Rs. 2 crores	6%-7%	INR 2 Crores
Primary Processing Centres / Collection Centres in Rural Areas	50%-75%	INR 2.5 Crores
Mega Projects in Food & Meat Processing (more than Rs. 30 crores (excluding Working Capital))	35%-45%	INR 12 Crores
Interest subvention for a period of 7 years and every year subsidy will be paid to Bank/FI directly for the Mega Projects	6%-7%	INR 3 Crores
Establishment and Modernisation of Meat and Fish Shops	50%-75%	INR 5 Lakhs

Features of the policy and support to the sector are mentioned in Food Processing Industry Policy 2015.

## PHARMACEUTICALS

India has a prominent and rapidly growing presence in global pharmaceuticals. India is the largest provider of generic medicines, occupying a 20% share in global supply by volume and supplies 62% of global demand for vaccines. Pharmaceuticals export from India stood at US\$ 16.3 billion in FY20. The total market size of the Indian Pharma Industry is expected to reach US\$130 billion by 2030.

The state of Jharkhand has identified the Pharmaceutical sector as a Thrust Sector in its Industrial Policy. The market value of the Pharma Industry in the state has grown from Rs 896 Cr in FY15 to Rs 1248 Cr in FY17. The market has grown on an average of 18% during the last 3 years. The state is contributing 5% of the market in East India and 1% of the overall Indian Pharmaceutical Market.

Jharkhand has the key resources: infrastructure, natural resources, cost-competitiveness, a sound policy and regulatory environment, required to create a conducive eco-system for the manufacturing industry and to attract investments in this sector.

A **dedicated Pharma park** having an area of 35 acres has been proposed to be established in Bijupara, Ranchi. The project is approved by the Ministry of MSME to tap the grant under Micro Small Enterprises – Cluster Development Programme- (MSE-CDP) scheme. Out of the 35 acres about 23 acres of land has been demarcated into 54 plots.

For the development of the Pharmaceutical Sector, the following incentives are proposed to the Pharma Units under this policy.

Incentive	Provisions Proposed under this Policy
Capital Incentives Subsidy	25% of the FCI subject to the following limits. <ul style="list-style-type: none"> <li>• Micro – Rs. 1 crore</li> <li>• Small – Rs. 5 crore</li> <li>• Medium – Rs. 10 crore</li> <li>• Non MSMEs – Rs. 25 crore.</li> </ul> Additional 5% for SC/ST/Women/Differently abled Entrepreneurs
Interest Subsidy	Interest subsidy for timely payment @ 5% per annum on total loan availed for period of five years from date of commercial production subject to total maximum limit of <ul style="list-style-type: none"> <li>• Rs. 15 Lakhs for Micro Enterprises</li> <li>• Rs. 50 Lakhs for Small Enterprises</li> <li>• Rs. 1 crore for Medium Enterprises</li> <li>• Rs. 3 Crores for non-MSME Sector units</li> </ul>
Stamp Duty & Registration Fee	<ul style="list-style-type: none"> <li>• 100% reimbursement</li> </ul>
SGST	<ul style="list-style-type: none"> <li>• New MSME units: 100% of the NET SGST amount paid for a period of 5 years subject to the maximum of 100% of total Fixed Capital investment made by the units</li> <li>• New Large units: 100% of the NET SGST amount paid for a period of 7 years subject to the maximum of 100% of total Fixed Capital investment made by the units</li> <li>• New Mega units: 100% of the NET SGST amount paid for a period of 9 years subject to the maximum of 100% of total Fixed Capital investment made by the units</li> <li>• Ultra-mega units: 75% of the NET SGST amount paid for a period of 12 years subject to the maximum of 100% of total Fixed Capital investment made by the units</li> </ul>
Patent Registration	<ul style="list-style-type: none"> <li>• 50%, upto Rs 10 lakh per patent</li> </ul>
Quality Certification	<ul style="list-style-type: none"> <li>• 50%, upto Rs 10 lakh</li> </ul>

## ELECTRONICS SYSTEM DESIGN AND MANUFACTURING (ESDM)

The government of Jharkhand introduced the “Jharkhand ESDM Policy 2016” to establish a self-reliant Electronics System Design and Manufacturing (ESDM) Industry that caters to domestic needs besides gaining a foothold in the international market. The policy features include the development of human resources, creation of local demand for electronic products, promotion of ESDM companies in the State, creation of ecosystem for innovation and promotion of R&D.

The sanctioned Electronic Manufacturing Cluster at Adityapur, near Jamshedpur, has recently been operationalized. The Cluster boasts of state-of-the-art facilities and developed plots for setting up of new units in ESDM sector.

A state-of-the-art Electronic Manufacturing Cluster (EMC) under the scheme of the Government of India related electronic park constructed in Adityapur. It is spread over on 82.49 acres of land. Out of total area 82.49 acres of land, 49 acres of land will be used by 51 units to produce electronic related products.

Apart from this, infrastructure work has been done on 33.61 acres of land for the convenience of all the units

So far, about 22 acres of land has been allotted to 30 units in the allocated land. In addition to the plot, JIADA has developed the future ready buildings on 5 acres of land, which is named “Flatted Factory”. In which a total of 92 units can start their production at micro scale immediately. The process of allocation is still going on. There is a possibility of investment of about Rs.400 crores and about direct employment generation of 10000 people.

### Incentives to ESDM Sector (as per Chapter 4 of Jharkhand ESDM Policy 2016)

For all ESDM Units

- (i) Income Tax Reimbursement - for a period of 5 years (not covered under the 25% cap)
- (ii) Capital / Investment Reimbursements – 10% of FCI (Subject to maximum of Rs. 10 crores)
- (iii) Interest subsidy - 50% of interest paid or Rs. 1 crore
- (iv) Registration and stamp duty concession – 100%
- (v) CST incentive – 25%
- (vi) Reimbursement of 100% of Electricity Duty for 10 years
- (vii) Quality certification – 100%
- (viii) Technology acquisition fund – 50% of the cost up to a maximum of Rs. 1 crore for 5 years
- (ix) Recruitment Assistance - @ Rs. 20,000 per employee with minimum annual recruitment of 10 members
- (x) Patent assistance – upto 30 lakhs
- (xi) Market development assistance
- (xii) Employment generation grant on EPF for a period of 5 years

Total Fiscal incentives paid shall not exceed 25% of capital Cost

Details of the policy and support to this sector are mentioned in the Jharkhand ESDM policy 2016.

## Priority Sectors

### STARTUPS & INCUBATION CENTERS

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 includes seminars, workshops, training, contract research, consultancy, incubation, patenting, spin-offs and the ilk. 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 Startup action plan of DPIIT, Government of India.

- a) Knowledge-hub incubators to set up in association with IIM-Ranchi, XLRI-Jamshedpur, BIT-Mesra, NIT-Jamshedpur, BIT Sindri and other similar reputed institutions to support the start-ups and growth of high Technology Ventures
- b) Agri-Business incubator is proposed to be established with the support of institutions like 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
- c) 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.
- d) Government of Jharkhand proposes 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.

#### Incentives to Start ups Incubation Centres (as per Jharkhand Start-up Policy 2016)

GST	100% reimbursement
Patent (national/international) filing cost	100% reimbursement
Registration fee & stamp duty on land purchase	100% reimbursement
Electricity bills	30% reimbursement
Municipal Duties	3 years moratorium on payment of municipal duties
Reimbursement of Lease rentals	50% of lease rentals for a period of 3 years for plug and play built up office space – maximum of Rs. 5 Lakhs per annum
Internet Bandwidth Reimbursement	30% of the amount paid – maximum of Rs. 60,000 per annum
Electricity Bill Reimbursement	30% of the amount paid to discoms with a maximum limit of Rs. 60,000 per annum

For the details about the incentive for Start-ups, Jharkhand Start-up Policy 2016 may be referred.

## EDUCATION AND TECHNICAL INSTITUTES

Currently, Jharkhand has 32 Universities of which 5 are Institutes of National Importance. The state has 14 Private Universities and 11 Public Universities. Post 2018-19, 7 new universities have been opened in Jharkhand. The Government is committed to providing better and quality education, especially in the remote rural areas. Currently the State Government is focussing on Promoting online courses, linking higher education to society, integrating skill development in higher education and constantly developing engagement with industry to link education to employability developing the best teachers.

Universities	32
Colleges	313
Degree level Technical Institutes	17
Polytechnics	42
Medical Colleges	8

Source: Economic Survey of Jharkhand 2020-21 (page no 275-275)

In order to develop better educational facilities in the state, the following incentives for the Education Sector have been proposed in this policy.

Incentives will be applicable for Institutes meeting the UGC guidelines- World Class Institution deemed to be university Regulations, 2016 and under amendment in clause 11.7 of Regulation 2021, if any Institute of Eminence Deemed to be University desired to establish off-campus, then the incentive can be applicable for such institutes only.

<b>Engineering Colleges and Technical Institutes</b>	
Minimum 100 seats and atleast 5 streams of engineering with adequate infrastructure	Upto 25% of the Capital Investment (apart from Land) made subject to a maximum limit of Rs. 20 crore
	Interest Subsidy Upto 5% for a period of 5 years
	100% reimbursement of stamp duty and registration fee

For Private Universities, Incentive will be applicable based on grading by National Assessment and Accreditation Council (NAAC) as per below detail

<b>NAAC Grading</b>	<b>Incentive (In Rs Crore)</b>
B	5
B+	6
B++	7
A	10
A+	11
A++	12

(Note: If a University graduates from one grade to another, then it is eligible to the difference amount between the two grades as per the above table. For ex: If a University moves from Grade B to Grade B+, then it is eligible to get 1 Cr6-5) as incentive, whereas if it directly gets a grade of B+, then it is eligible for Rs. 6 Crores incentives and so on.)

Above incentive related to Private Universities will be disbursed after approval from the Department of Higher, Technical Education & Skill Development.

Traditionally, Sports were largely considered as an extracurricular activity due to limited career options. However, with time the scenario has changed with Sports emerging as an industry with the potential of creating multiple job opportunities. Scientific approach integrated with innovation and

technology needs to be adopted to train the raw potential talent to continuously improve their performance standards. Science, Nutrition, Medicine, Psychology, Rehabilitation, Strength and conditioning are the important elements for preparation of a sports person. There is a growing demand for people keen to study subjects related to sports and physical education.

Government of Jharkhand is focussed on setting up State of the Art Sports University in the State. The Sports University would offer various professional pathways for those keen on to build a career in sports and physical education.

- The admission to this university shall be open to all with a certain percentage for Sports quota.
- The University would produce professionals in all the verticals under the Sports domain.
- The R&D Department at Sports University would enable students studying sports sciences and other streams to be actively engaged in research work that aids the natives.

With the world propelled by new technologies every other day, research forms the mainspring of the growth in this sector. Therefore, Sports University should aspire to transform the lives of young budding talents through their innovative ideas to contribute for research purposes. It would also focus to promote the Institute-Industry relations.

The Jharkhand Government will be encouraging education funds for the Sports from various corporates, NGOs, NRIs and Private bodies in order to promote Sports in the state. There would be 25% quota for sportspersons in the Sports University to register and take up the courses.

## HEALTHCARE

Jharkhand has 8 Medical Colleges, 23 District Hospitals, 13 Sub-Divisional Hospitals, 188 Community Health Centres, 330 PHCs and the combined bed strength of these hospitals is 11184 beds. The State is also taking steps to increase the bed strength of Government Hospitals. However, it has been noted that there exists a significant gap in health infrastructure as per IPHS Standards.

Especially in the light of COVID-19 Pandemic, health infrastructure including private investment needs a big boost. Despite having significant rural and tribal population with half of the areas falling in hilly terrain, the State aims to take healthcare to the last mile. A comprehensive effort is being made by the State Government to fill infrastructural gaps and Human resources gap on many fronts.

The efforts may be augmented by support through various kinds of subsidies to the private and other sectors. For setting up of the following Medical Institutions/Facilities, incentives have been proposed in this policy:

- (i) Multi-Specialty Hospital (Grade I) having:
  - a. Capital Investment of at least INR 10 Cr
  - b. Two or more specialties with ICU, OT (major, minor), Labour room, Diagnostics, Pharmacy etc.
  - c. At least 50 beds for specialty care
  - d. Entry level NABH accreditation.
- (ii) Multi-Specialty Hospital (Grade II) having:
  - a. Capital Investment of at least INR 25 Cr
  - b. Two or more specialties with ICU, OT (major, minor), Labour room, Diagnostics Pharmacy etc.
  - c. At least 100 beds for specialty care
  - d. Entry level NABH accreditation.
- (iii) Super-Specialty Hospital having:
  - a. Minimum Capital Investment of INR 50 Cr
  - b. Facility for diagnosis and treatment of patients, offering one or more Super Specialty Services. Super Specialty Services shall include the following:

Medical Super Specialty: Cardiology, Clinical Hematology including Stem Cell Therapy, Clinical Pharmacology, Endocrinology, Immunology, Medical Gastroenterology,



Medical Genetics, Medical Oncology, Neonatology, Nephrology, Neurology, Neuro-radiology etc.

Surgical Super Specialty: Cardiovascular Thoracic Surgery, Urology, Neuro-Surgery, Pediatric Surgery, Plastic & Reconstructive Surgery, Surgical Gastroenterology, Surgical Oncology, Endocrine Surgery, Gynecological Oncology, Vascular Surgery, Spine Surgery, Organ Transplant etc.

- c. At least 150 beds for specialty beds including 25% beds reserved for super specialty care
- d. Final level NABH accreditation.

(iv) Nursing Colleges commencing Post Graduate Degree Programmes or Specialty Nursing Courses recognized by Jharkhand Nursing Council

Following incentives have been proposed for setting up of the above Medical Institutions/ Facilities:

A. Subsidy on Capital Investment:

Category	Subsidy
Multi-Specialty Hospital (Grade I)	Upto 25% of the Capital Investment (apart from Land) made subject to a maximum of INR 5 Cr
Multi-Specialty Hospital (Grade II)	Upto 25% of the Capital Investment (apart from Land) made subject to a maximum of INR 12.5 Cr
Super-Specialty Hospital	Upto 25% of the Capital Investment (apart from Land) made subject to a maximum of INR 25 Cr
Nursing Colleges	Upto 25% of the Capital Investment (apart from Land) made subject to a maximum of INR 1 Cr

B. Interest Subsidy upto 5% for a period of 5 years

C. 100% reimbursement of stamp duty and registration fee for the first transaction of a particular plot of land (lessee of JIADA/industrial parks will not be eligible for this benefit)

## TOURISM

Tourism witnessed a steep decline in 2020 due to COVID-19 outbreak. The sector had slowed down in 2018-19 and contributed five percent share to India's total GDP and almost 13 percent to total employment in India. However, as per the Economic Survey of India 2021, this sector will revive with the ongoing vaccination drive.

The Department of Tourism, Art & Culture, Sports and Youth Affairs is formulating Jharkhand Tourism Policy 2021. The primary objective is "to reinvent and position Jharkhand as a must-visit destination" in India. It also aims to create 75,000 jobs focussing on the backward and vulnerable community and give capital investment incentives.

Jharkhand state is endowed with rich cultural heritage and bestowed liberally with bounties of nature. A fascinating State with luxuriant forest, captivating wildlife, enthralling waterfalls, exquisite handicrafts, sprawling water bodies, enchanting classical and folk dances and music and above all hospitable and peace-loving people. 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.

### **Incentives to Tourism Sector will be given as per Tourism Policy 2021 to be finalized by Department of Tourism, Art & Culture, Sports and Youth Affairs**

#### **IT AND ITES**

Government of Jharkhand has already introduced IT policy “**IT/ITeS Policy 2016**” 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. The Key incentives provided for the industry under IT/ITeS Policy 2016 are as below.

- 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 Capital / Investment reimbursement of 10% of total investment made.
- c) **100% reimbursement of stamp duty**, transfer duty and registration fee paid by IT-ITES industries on sale / lease deeds on the first transaction.
- d) **50% reimbursement of stamp duty**, transfer duty and registration fee paid by IT – ITES industries on sale / lease deeds on the second transaction.
- e) Facilities at (c) and (d) will not be available for JIADA land.
- f) **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.
- g) **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 and environment friendly programme).

The above set of policies for IT Sector are general guidelines. Further details over and above these policies are covered by IT/ ITeS Policy 2016 of Department of Information Technology & e-Governance, Government. of Jharkhand

#### **BREWERIES AND DISTILLERIES**

Considering the impact of COVID-19, there has been steep rise in demand of hand sanitizers and other alcohol products however, existing manufacturing facilities in Jharkhand have not been able to fulfil the demand. In order to meet the growing demand of distilleries products, Government of Jharkhand is planning to launch Distillery Promotion Policy for the Industries involved in production of distilleries products.

For the purpose of development of this sector, a reimbursement of maximum 25% of the VAT paid by the Brewery and Distillery shall be reimbursed for 5 years, subject to a maximum ceiling of 200% of the Capital Investment. The units which commence production in first two years of the policy period can avail the full benefit of 25% if the DOP is within the first two years of this policy period. The units whose DOP is beyond two years but within the expiry of this policy, the reimbursement would be 15% for operational period of the policy as per their DOP.

## 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 and increase solar power generation to 2650 MW 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 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 Government / 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.

### **Incentives to Renewable Energy Sector (as per Jharkhand State Solar Power Policy 2015 & Jharkhand Energy Policy 2012)**

- A power plant generating power from renewable sources, will not be liable to pay 50% electricity duty for a period of 10 years.  
If the power is being sold to the State Utility or consumers within the State, shall also be provided concessional access to the T&D network to encourage renewable power development.
- Mega Projects (with investment in fixed assets in excess of Rs. 100 Crore) will be allowed to have captive power plants. Technologies like power from waste heat recovery, and to wheel power to sister concerns will also enjoy 50% exemption from electricity duty for a period of 5 years.
- The Equipment purchased for installation of solar plants are exempted from payment of SGST
- Grant of 4% of Wheeling Charges for power generated from Solar Power Projects
- Cross Subsidy Surcharge shall be exempted for Third Party Sale.

## LIGHT AND MEDIUM ENGINEERING

The Light Engineering sector is one of the most Export oriented sectors in India and attracts considerable amounts of FDI. Jharkhand with its rich industrial base and capital good industries is one of the foremost Engineering goods manufacturing destinations in India.

Favourable conditions such as low manufacturing cost, rich technology base, and skilled human resource base coupled with favourable regulatory policies can further propel the growth of Light Engineering in the State. Considering Government of India's push on Aatmanirbhar Bharat and infrastructure development, the Light Engineering sector is expected to grow at around 8-10% over

the next decade due to the guaranteed demand and various investment incentives offered at the State and Union level.

The sector has the potential of becoming a game changer in Jharkhand's economy since most of the Light Engineering units are employment-intensive and small scale. Such units favour a decentralised and dispersed growth rather than being concentrated in a few pockets. Industries such as Bicycle manufacturing, electrical manufacturing, overhaul etc. have the potential to absorb the surplus labour force that was forced to return to Jharkhand from different parts of India due to COVID-19 pandemic.

For the development of Light & Medium Engineering Sector in the state, the following incentives are proposed under this policy.

Incentive	Proposed Policy Provisions under this Policy
Capital Incentives Subsidy	25% of the FCI subject to the following limits. <ul style="list-style-type: none"> <li>• Micro – Rs. 1 crore</li> <li>• Small – Rs. 5 crore</li> <li>• Medium – Rs. 10 crore</li> <li>• Non MSMEs – Rs. 25 crore.</li> </ul> Additional 5% for SC/ST/Women/Differently abled Entrepreneurs
Interest Subsidy	Interest subsidy for timely payment @ 5% per annum on total loan availed for period of five years from date of commercial production subject to total maximum limit of <ul style="list-style-type: none"> <li>• Rs. 15 Lakhs for Micro Enterprises</li> <li>• Rs. 50 Lakhs for Small Enterprises</li> <li>• Rs. 1 crore for Medium Enterprises</li> <li>• Rs. 3 Crores for non-MSME Sector units</li> </ul>
Stamp Duty & Registration Fee	<ul style="list-style-type: none"> <li>• 100% reimbursement</li> </ul>
SGST	<ul style="list-style-type: none"> <li>• New MSME units: 100% of the NET SGST amount paid for a period of 5 years subject to the maximum of 100% of total Fixed Capital investment made by the units</li> <li>• New Large units: 100% of the NET SGST amount paid for a period of 7 years subject to the maximum of 100% of total Fixed Capital investment made by the units</li> <li>• New Mega units: 100% of the NET SGST amount paid for a period of 9 years subject to the maximum of 100% of total Fixed Capital investment made by the units</li> <li>• Ultra-mega units: 75% of the NET SGST amount paid for a period of 12 years subject to the maximum of 100% of total Fixed Capital investment made by the units</li> </ul>
Patent Registration	<ul style="list-style-type: none"> <li>• 50%, upto Rs 10 lakh per patent</li> </ul>
Quality Certification	<ul style="list-style-type: none"> <li>• 50%, upto Rs 10 lakh</li> </ul>

## Development of Industrial Ecosystem

Jharkhand has been in the forefront when it comes to the development of the Industrial Ecosystem in the recent past. The Ecosystem Development focusses on promoting inward investments into the state, getting ready for New Age and Sustained Technologies, by ensuring efficient Infrastructure (both logistics and industrial infrastructure) as well as a focussed approach to developing new industrial areas.

The quality infrastructure facilities available in the State assist in growth of business and industry along with promoting fair competition. In addition to social development and generation of new employment opportunities, it also helps in attracting indigenous and foreign investment. Development

of Industrial infrastructure in the under-developed regions of the state has been identified as one of the strategies to attract industries and investments into these regions.

### **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 institutionalise these collaborations for need assessment, road mapping of FDI's and to provide special care in timely clearances
- c) In order to promote FDI, the State Government proposes 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 Government proposes to organise investors meet in India and abroad in association with Industrial associations, Overseas Indian Facilitation Centre (OIFC) and other organizations. Efforts will also be made to facilitate visits of investors, entrepreneurs and officials for participation in major trade fairs / investors meet organised within or outside the country with special emphasis on attracting Foreign Investments into the State.

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

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

The state, fully in agreement with the principle of sustainable growth, is conscious of its responsibility of ensuring a clean and green environment. Various initiatives are taken by the Government to both minimize the detrimental impact of the infrastructure and enhance the positive contribution to the environment. This Policy 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 this policy, following are being prepared:

- a) Financial assistance for establishment of common solid waste management facility shall be provided to JIADA.
- b) The financial assistance shall be provided for the establishment of common effluent treatment plant, hazardous waste management facility and solid waste management facility to JIADA.
- 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 JIADA within this financial year to provide common infrastructure facility within the common area.

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

For the State to have an inclusive development model, its increasing energy requirements need to be decentralised and met through ecologically friendly renewable energy cutting down on its dependence on non-renewable energy sources. The state proposes the concept of 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.

### ***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 specialised 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) To facilitate easy flow and recovery of micro credit, financial institutions such as NABARD, SIDBI, Co-operative Banks, and Commercial Banks etc. would be encouraged to extend credit to Self Help Groups (SHG).
- f) 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.

### ***Land for Industrial Development***

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 unutilised 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 acquisition for industrial purpose would be done on priority basis

There are four regional authorities under Jharkhand Industrial Area Development Authorities (JIADA), namely, JIADA –Ranchi, JIADA –Bokaro, JIADA - Santhal Pargana and JIADA –Adityapur. These authorities are responsible for acquisition of land and development of infrastructural development 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.

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 of industrial areas on the basis of criteria like type of industries and pollution level.

### **Industrial Parks Development – Support to Developers**

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. This policy proposes 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 development of infrastructure of private industrial park will be based on project cost.
- The developer of industrial park availing incentives under this policy will not be provided 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 and Investment Promotion Policy and any schemes of the Central and state Government being in force at that time.

To encourage industrial activities of specialised 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 Processing and Meat Processing Park.
- 7) Automobile vendor - ancillary industries Park.
- 8) Any other such activities eg: Ceramic Park, Plastic Park, Knowledge Park, Film City, etc.

## **Logistics Infrastructure**

### **ROAD NETWORK**

Superior road network is essential for 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.

### **RAILWAY NETWORK**

The existing railway-system is being modernised, expanded and up-graded with the support of the Indian railways.

Projects like Doeghar-Dumka, Ranchi-Lohardaga are completed which improve connectivity.

Inland Container Depot is being set up at Tatanagar to facilitate export and high-speed. Freight and passenger train services are also going to be introduced. Eastern Dedicated Freight Corridor passes through Jharkhand covering all the northern states and has connectivity to ports.

### **AIRWAY LINKAGE**

The industrial and tourism development needs airway linkages to 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. 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. 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.

Aerospace industries, manufacturing of drones, maintenance of aircrafts etc are the sunrise industries in the country. Existing infrastructure available in the air strips of the state shall be utilised to encourage setting up of these industries and services in the state.

### **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 & gas companies operating in similar fields 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.



## POWER

The availability of coal in abundance makes Jharkhand an ideal state for setting up thermal power plants. The Government of Jharkhand has signed MoU with the Government of India as a token of its commitment to the reforms in the power sector and Jharkhand is the first state to come under UDAY Scheme.

The work on renovation and modernisation 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 is inviting investment from the industry.

Government of Jharkhand had signed an MOU with NTPC to develop a 4000MW power plant at Patratu thermal power station. Phase-I of Patratu Super Thermal Power Station is expected to commission in fourth quarter of 2022-2023.

State Government Power Distribution Company is providing power connections to industrial units through Single Window system. In addition to this, investors would have an option of getting power connection from DVC and JUSCO in some industrial areas in the state as an alternative to power source apart from JBVNL.

## WATER SUPPLY AND DRAINAGE

Of all the critical factors for industrialisation, water is an essential one. 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, rainwater harvesting, recycling of used water by industries, laying of separate pipeline for industrial water use will be promoted as per State water policy.

- 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
- 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/deal locate/reallocate the water on actual requirement keeping in view the immediate future need
- Storage intervention by industrial units will be encouraged to meet the industrial water demand during non-monsoon period

## TELECOMMUNICATION NETWORK

It is extremely important to further strengthen telecommunication system in the state since it is the backbone of IT/ ITeS sector and e-governance. 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.

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

Jharkhand State Information and 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 which are in place. All gram panchayat headquarters will be connected via optical fibre network.

## INFRASTRUCTURE SUPPORT FOR EXPORTS

### EXPORT INFRASTRUCTURE

Sound physical Infrastructure with availability of key utilities will attract investors. Further, export infrastructure is key to support exporters for movement of goods and logistics of shipment. Special emphasis will also be given for quality power and high-speed internet facility. Additional and critical export related infrastructure will be developed with fund from state budget.

The concerned Departments/ Organizations of the Government would be mandated to reserve certain percentage of their annual budget for supporting critical projects coming under their purview.

### INCREASING RAILWAY NETWORK

The State would prevail upon the Central Government for taking up new railway projects specially to provide port connectivity from major business centres of the State. These rail network corridors will provide an impetus for industrial growth across various export pockets. Railway sidings to industrial corridors would also be provided for easy movement of goods.

### ENCOURAGING ICDS & CFCs

Inland Container Depots (ICD) are important parts of the rail network for movement of containers. The state presently has only one ICD at Jamshedpur. More ICDs will be established at other clusters. Dedicated Eastern Freight Corridor between Amritsar and Kolkata is passing through the State.

Container Freight Station (CFSs) facilities are vital for movement of export goods and these facilities are not available currently in the State. Development of CFSs would be encouraged at potential locations to help exporters especially in MSME segments which generally ship small quantities as they cannot utilize a full container load.

### TRADE AND INFORMATION CENTRE

State-of-the-art Trade and Information Centre like World Trade Centre equipped with all trade related facilities for display of goods, conduct of buyer-seller meets etc. will be made available to exporters. An Exhibition and Convention Centre is proposed at Ranchi. In addition to this, kiosks will be established at the Four Jharkhand Industrial Area Development Authorities.

### PRODUCT SPECIFIC PARKS

With a view to provide common services for certain thrust products for exports, State would establish product specific parks (PSP) in areas close to the manufacturing centres of such identified products.

Such parks may be set up in Food Processing, Engineering and Auto component and value-added products of minerals which have potential for exports.

## **Industrial Infrastructure**

### **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.

### **INDUSTRIAL CORRIDOR**

Transportation and communication add cost to the finished goods as well takes time. The Department of Industries has earlier requested JINFRA to prepare 'Diagnostic Study' for Industrial Corridor along Ranchi-Patratu-Ramgarh State Highway. Preliminary Diagnostic Assessment report has already been prepared.

State Government shall also initiate necessary steps to identify/ promote / develop new industrial corridors. Efforts will be made to develop the corridor with 25 KM each side of 4 laning across industrial corridors. 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.

### **PROMOTION OF CLUSTER DEVELOPMENT IN THE STATE**

The State Government will promote cluster development of industries under existing schemes of Government of India. All necessary support shall be extended 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

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 departments / 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

Clusters are being implemented to increase productivity, upgrade technical skills, competitiveness and capacity building of enterprises. Adityapur Auto Cluster has state-of-art testing facilities and CETP, and Hazardous Waste Management facility is under construction. Electronic Manufacturing Cluster has been developed at Adityapur.

## **Schemes for Revival of Sick Units**

Sick enterprises lead to problems like unemployment, revenue loss to State and 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 first will form Asset Reconstruction Corporation to help revive the Sick Industrial Units.

### **General Industry**

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 by Jharkhand Industrial Area Development Authority under the Chairmanship of Regional Directors of JIADA 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.

### **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.

### **Functional Aspects**

Sick 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.

The Guidelines of the Reserve Bank of India / SIDBI would be relied upon to identify the sickness in Micro, Small and Medium Units.

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 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.

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

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

## **Incentives**

The Sick Units shall be entitled to get

1. Deferment of Recovery of Arrears of Electricity Duty, Power Bills, Property Tax, Water and other Charges for a period of 5 years.
2. Reimbursement of 50 % of diagnostic cost, maximum up to Rs. 2 Lakhs in addition to the existing provisions.

## **Fiscal Incentives**

Government of Jharkhand proposes to provide the best incentives, exemptions and concessions for industrial units to be established in the state. The procedure for the above shall be streamlined and made online to have easy and transparent access.

## **Comprehensive Project Investment Subsidy (CPIS)**

- a) MSME units shall be entitled to get CPIS for investments made in fixed capital investment. Subsidy under CPIS for MSME shall be admissible at the rate of 25% of investments made in fixed capital investment.
- b) Non MSME Units shall also 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)
- c) 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)

Type of Unit	Maximum Limit	Maximum Admissible Subsidy
Micro	25% of FCI	Rs. 1 Cr
Small	25% of FCI	Rs. 5 Cr
Medium	25% of FCI	Rs. 10Cr
Non-MSMEs	25% of FCI	Rs. 25Cr

- d) Applicable CPIS will be disbursed to MSME and Large sector units in two instalments with 50% in first year and balance 50% in third year while for Mega/ Ultra Mega units, CPIS will be disbursed in three instalments with 50% in first year, 25% in third year and balance 25% in fifth year.
- e) SC/ST/Women/Differently abled 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 as notified by Government of Jharkhand. Similarly, those persons will be deemed to be of differently abled category that are certified by a competent Medical Board to have Differently abled of more than 40%
- f) 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.

## General Incentives

### STAMP DUTY AND REGISTRATION FEE

All Industrial units will enjoy 100% reimbursement of stamp duty and registration fee for land directly purchased from the raiyats / acquired through consent award (lessee of JIADA / 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

### 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 recognised institutions @ **100% of the expenditure incurred up to maximum of Rs. 10.00 lakh**
- b) Units obtaining certification / accreditation under any of the following internationally recognised / 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 nationally/ internationally accredited certification that will enable better market positioning
- c) An Enterprise can avail the facility for more than one certification during the policy period subject to maximum limit

- d) 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

## PATENT REGISTRATION

Industrial units will be encouraged for filing their successfully generated, registered and accepted patents based on their original work / research. The State Government will provide **financial assistance of 50% of the expenditure incurred, up to a maximum of Rs. 10 lakh, per patent**. Out of these a maximum of Rs 4 lakh may be given on expenditure incurred in filing of patent, attorney fees, patent tracking etc. and up to maximum of Rs. 10 lakhs on final acceptance of the patent.

## SUBSIDY / INCENTIVE ON SGST

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

- a) New MSME units will be given incentive of 100% NET SGST per annum for five years from the date of Production with a ceiling of maximum 100% of total fixed capital investment made.
- b) New large projects will be given incentive of 100% of NET SGST per annum for seven years from the date of Production with a ceiling of maximum 100% of total fixed capital investment made.
- c) New mega projects will be given incentive of 100% of NET SGST per annum for nine years from the date of Production with a ceiling of maximum 100% of total fixed capital investment made.
- d) New ultra-mega projects will be given incentive of 75% of NET SGST per annum for twelve years from the date of Production with a ceiling of maximum 100% of total fixed capital investment made.
- e) Industrial units which have qualified to be new unit by expansion / modernisation / diversification will be entitled to get similar benefits in respect of SGST. However, they have to maintain separate record of production, investment details and SGST paid/ payable after such expansion / diversification / modernisation. 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.
- f) Any unit claiming these benefits will have to get registered with Commercial Taxes Department, Government of Jharkhand and shall have to file all their statutory returns.
- g) Industrial units shall be eligible for reimbursement of NET SGST paid as per their criteria provided. Operational guideline for reimbursement of NET SGST will be issued separately.

## GRANT FOR CLUSTER DEVELOPMENT

A grant of 15% of the grant released by the Government of India shall be offered by State Government to Cluster schemes approved by Government of India for the State to SPV/ promoter.

**INCENTIVE FOR CAPTIVE POWER PLANT**

100% Electricity duty of New or existing industrial units setting up captive power plant shall be reimbursed after payment 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.

**INTEREST SUBSIDY**

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

- Rs. 15 Lakhs for Micro Enterprises
- Rs. 50 Lakhs for Small Enterprises
- Rs. 1 crore for Medium Enterprises
- Rs. 3 Crores 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 and Small Enterprises (CGTMSE) scheme to Micro and Small Enterprises (MSEs) will be reimbursed to the enterprises in order to improve the CGTMSE coverage for collateral free loans in the state.

***Special Incentives*****ANCHOR UNIT SUBSIDY**

In addition to the incentives above, the Eligible Anchor Units shall receive an additional 5% of the Capital Subsidy. This is applicable to the First 2 Anchor Units in a District. The details of the Anchor Units and the procedure shall be detailed out in the guidelines.

**EARLY BIRD SUBSIDY**

For the Units that come up within a period of two years from the Date of Notification of this policy, Additional 5% of the Capital Subsidy shall be provided in addition to the other incentives mentioned in this Policy. The details of the Early Bird Subsidy and the procedure shall be detailed out in the guidelines.

**INCENTIVES FOR BREWERIES AND DISTILLERIES**

For the Purpose of development of this sector, a reimbursement of maximum 25% of the VAT paid by the Brewery and Distillery shall be reimbursed for 5 years, subject to a maximum ceiling of 200% of the Capital Investment. The units which commence production in first two years of the policy period can avail the full benefit of 25% if the DOP is within the first two years of this policy period. The units whose DOP is beyond two years but within the expiry of this policy, the reimbursement would be 15% for operational period of the policy as per their DOP.



Note: This incentive shall not be applicable if penalties are imposed on the units and if there is a difference of amount between the as assessed and accepted under the prevailing rules. Industries Department in conjunction with the Excise Department shall come up with the detailed guidelines for operationalizing this incentive.

### INCENTIVES FOR SETTING UP OF EDUCATIONAL AND TECHNICAL INSTITUTES

Willing organisations / investors setting up Medical Colleges, Private Universities (with at least 30% of total intake for professional Job oriented courses), Engineering Colleges in the State, and adhering to the established norms of their respective National bodies eg. MCI / AICTE etc will have the status of Industries. These institutions must adhere for reservations in admission to the students of the State who are residents of the State as per norms stipulated by Personnel Department and Higher & Technical Education Department of Government of Jharkhand.

Incentives will be applicable for Institutes meeting the UGC guidelines- World Class Institution deemed to be university Regulations, 2016 and under amendment in clause 11.7 of Regulation 2021, if any Institute of Eminence Deemed to be University desired to establish off-campus, then the incentive can be applicable for such institutes only.

<b>Engineering Colleges and Technical Institutes</b>	
Minimum 100 seats and atleast 5 streams of engineering with adequate infrastructure	Upto 25% of the Capital Investment (apart from Land) made subject to a maximum limit of Rs. 20 crore
	Interest Subsidy Upto 5% for a period of 5 years
	100% reimbursement of stamp duty and registration fee

For Private Universities, Incentive will be applicable based on grading by National Assessment and Accreditation Council (NAAC) as per below detail

<b>NAAC Grading</b>	<b>Incentive (In Rs Crore)</b>
B	5
B+	6
B++	7
A	10
A+	11
A++	12

(Note: If a University graduates from one grade to another, then it is eligible to the difference amount between the two grades as per the above table. For ex: If a University moves from Grade B to Grade B+, then it is eligible to get 1 Cr(6-5) as incentive, whereas if it directly gets a grade of B+, then it is eligible for Rs. 6 Crores incentives and so on.)

Above incentive related to Private Universities will be disbursed after due approval and consultation with Department of Higher, Technical Education & Skill Development.

### INCENTIVES FOR SETTING UP OF HEALTHCARE FACILITIES

The efforts may be augmented by support through various kinds of subsidies to the private and other sectors. For setting up of the following Medical Institutions/Facilities, incentives have been proposed in this policy:

- (v) Multi-Specialty Hospital (Grade I) having:
  - e. Capital Investment of at least INR 10 Cr

- f. Two or more specialties with ICU, OT (major, minor), Labour room, Diagnostics, Pharmacy etc.
  - g. At least 50 beds for specialty care
  - h. Entry level NABH accreditation.
- (vi) Multi-Specialty Hospital (Grade II) having:
- e. Capital Investment of at least INR 25 Cr
  - f. Two or more specialties with ICU, OT (major, minor), Labour room, Diagnostics Pharmacy etc.
  - g. At least 100 beds for specialty care
  - h. Entry level NABH accreditation.
- (vii) Super-Specialty Hospital having:
- e. Minimum Capital Investment of INR 50 Cr
  - f. Facility for diagnosis and treatment of patients, offering one or more Super Specialty Services. Super Specialty Services shall include the following:
    - Medical Super Specialty: Cardiology, Clinical Hematology including Stem Cell Therapy, Clinical Pharmacology, Endocrinology, Immunology, Medical Gastroenterology, Medical Genetics, Medical Oncology, Neonatology, Nephrology, Neurology, Neuroradiology etc.
    - Surgical Super Specialty: Cardiovascular Thoracic Surgery, Urology, Neurosurgery, Pediatric Surgery, Plastic & Reconstructive Surgery, Surgical Gastroenterology, Surgical Oncology, Endocrine Surgery, Gynecological Oncology, Vascular Surgery, Spine Surgery, Organ Transplant etc.
  - g. At least 150 beds for specialty beds including 25% beds reserved for super specialty care
  - h. Final level NABH accreditation.
- (viii) Nursing Colleges commencing Post Graduate Degree Programmes or Specialty Nursing Courses recognized by Jharkhand Nursing Council

Following incentives have been proposed for setting up of the above Medical Institutions/ Facilities:

D. Subsidy on Capital Investment:

<b>Category</b>	<b>Subsidy</b>
Multi-Specialty Hospital (Grade I)	Upto 25% of the Capital Investment (apart from Land) made subject to a maximum of INR 5 Cr
Multi-Specialty Hospital (Grade II)	Upto 25% of the Capital Investment (apart from Land) made subject to a maximum of INR 12.5 Cr
Super-Specialty Hospital	Upto 25% of the Capital Investment (apart from Land) made subject to a maximum of INR 25 Cr
Nursing Colleges	Upto 25% of the Capital Investment (apart from Land) made subject to a maximum of INR 1 Cr

E. Interest Subsidy upto 5% for a period of 5 years

F. 100% reimbursement of stamp duty and registration fee for the first transaction of a particular plot of land (lessee of JIADA/industrial parks will not be eligible for this benefit)

## INCENTIVES FOR HANDICRAFTS

It is proposed that the incentives offered to Textiles & Apparel Industry are extended to the Handicrafts Industry. In addition, the units engaged in Handicrafts are eligible to receive a reimbursement of 50% of the contribution to the wage rate per local employee per month (local employee here indicates the employee who is a domicile of Jharkhand) for a period of 5 years. The unit needs to have a minimum of 70% of the local employees engaged in the core process for availing this incentive.

## SPECIAL FOCUS ON SPORTS GOODS MANUFACTURING

Government of Jharkhand also supports the manufacturing of sporting goods in Jharkhand. The Government is committed to establishing an enabling environment to attract more investments to support a robust sport manufacturing environment. The support to the sports' goods manufacturing industry in the State is provided by way of incentivising in allotment of land, exemption in electricity duty, stamp duty, capital subsidy etc. as per the provisions of this policy.

## ***Non-Fiscal incentives***

### MEGA & ULTRA MEGA PROJECTS

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:

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

In case 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.

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 MSE sector leading to a positive domino effect in the economy.

### PROMOTION OF WOMEN, SC/ST AND PHYSICALLY CHALLENGED ENTREPRENEURSHIP

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

### 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.

### 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.

### ***Special Thrust to MSMEs for Enhancing Competitiveness***

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. They also provide the largest share of employment after agriculture and hence, can contribute enormously to the socio-economic development of the state.

Development of MSME sector underscores entrepreneurship and innovation. Moreover, they are complementary to large industries as ancillary units. Therefore, Government of Jharkhand places strong impetus on the development of this sector.

### 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.

### TECHNOLOGY SUPPORT

The industrial sector, these days, suffers from lack of sophistication in technology. Up gradation 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
- Government of Jharkhand will facilitate the setting up of R&D institutions by defraying part of the project cost
- Government of Jharkhand will facilitate the setting up new/up gradation of existing laboratories by providing assistance on machinery and equipment
- For organizations intending to undertake contract research, Government of Jharkhand 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

### 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 to create a worldview of prevailing market trends.

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

- Promotion of machinery purchase during the Exhibitions in Jharkhand
- Promoting organizers to organize 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

Government of Jharkhand would also take necessary steps to market the potential of the Industry. 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 is proposed to be 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.

#### QUALITY CERTIFICATION

Quality improvement is strongly envisaged in the new industrial and investment promotion policy. The assistance will be granted for 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 equipment, calibration charges, consulting fees and training charges

#### RAISING CAPITAL THROUGH SME EXCHANGE

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

#### FINANCIAL SUPPORT FOR THE DIAGNOSTIC STUDY

Diagnostic studies, aided financially by the Government of Jharkhand, 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.

#### ENERGY AND WATER CONSERVATION AUDIT

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

- Financial support for Energy/Water audit conducted in an enterprise by a recognised institution/consultant
- Group of enterprise/cluster will be given priority
- 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 institutions

## ***Incentives for Start-ups***

### **INCUBATORS**

#### **CAPITAL SUBSIDY**

Start-up Incubators shall get reimbursement of the amount of Capital Spent on developing the Incubator up to a maximum amount of Rs. 1 crore.

#### **STARTUP COMPETITION ASSISTANCE**

The Incubators shall also get a reimbursement of 50% or Rs. 10 lakh (whichever is lower) for the competition events organised by the Incubators in their respective Incubation Centre.

### **START-UP UNITS**

The eligible start-ups shall receive the incentives similar to the MSME units. In addition, The start-up units shall get up to Rs. 3 lakh per start-up as Seed Funding.

## ***Fiscal Incentives for Export Units***

### **CAPITAL INTEREST SUBSIDY FOR GOODS MANUFACTURERS**

New Industrial export units will get be reimbursement of the amount of interest at the rate of 5% payable on loan taken by them for procurement of plant & machinery from Banks/Financial Institutions for a maximum period of 5 years. The maximum limit of the same will be Rs.50 lakhs per unit.

### **EXEMPTION FROM ELECTRICITY DUTY**

100% Electricity duty of Export Oriented Units (EOUs), IT and Bio-technology unit industries in Special Economic Zone (SEZs) and Electronics Hardware Technology Parks will be reimbursed after payment of Electricity Duty for a period of 10 years.

### **ALLOTMENT OF LAND FOR EXPORTING UNITS**

One of the key reasons for low investment in exporting sector has been the availability of land or high cost of the same which deter a small manufacturer to start manufacturing. With a view to meet the high export target, Government of Jharkhand will give priority in allotment of plot/ land to export oriented units (those committing to exports over 50% of their production) in the industrial Area. The present requirement of paying the total cost of land/ shed in Jharkhand Industrial Area Authorities (JIADA) in one instalment will be changed to six half yearly equal instalments.

### **TRANSPORT SUBSIDY FOR SHIPMENT TO PORTS**

Being a land locked state, Jharkhand does not have any port. It has to send export shipments via rail/ road to any port of India, which increases the cost of transportation. To encourage exports from the state, Transport Subsidy would be provided on the basis of costs incurred by exporters for shipment to export transporting the goods to the ports. The amount of subsidy will not exceed Rs Twenty Lakh during the financial year for an exporter.

### EXPORT DEVELOPMENT ASSISTANCE (EDA)

Presently Market Development Assistance (MDA) is provided by Government of India to exporters for market surveys, product development and participation in international trade fairs.

- It shall focus on the small and medium manufacturing units who wish to enter export field and small merchant exporters of the state.
- This include among others, financial support for visit of Trade Delegation to other countries, participation in International Trade Fairs/exhibition, market survey reports, publicity in foreign media etc., initially an outlay of Rs.1.00 Crore per year will be provided

MDA is not available to MSME exporters. Government of Jharkhand will extend the Export Development Assistance to MSMEs for participation in approved International Trade Fairs at National, International, State Level, Buyer-Seller meet and for exploring new markets for exporters organized by ITPO/EPCs/Commodity Boards etc. both in National and International level. The scheme will be administered by the Directorate of Industries.

Scheme	Eligibility	Details
Foreign Exhibition/ Trade Fairs*	(a) MSME Exporters registered with concerned DIC/ JAIDA	75% of Stall charges paid up to maximum of Rs. 4,00,000/- for one fair/ exhibition. Air fare 75% by economy class, max. up to Rs. 50,000/- per Two person per unit per annum.
	(b) Women Export Entrepreneurs registered with concerned DIC/ JAIDA	90% of Stall charges paid up to maximum of Rs. 4,50,000/- for one fair/ exhibition. Air fare 90% by economy class, max. up to Rs. 60,000/- per Two person per unit per annum.

\* Exporting organizations availing travel support from Government of India under similar scheme shall not be eligible for the above-mentioned State Incentives.

An outlay of Rs 2 Crores per year will be provided under this head on First-Come-First-Serve basis to MSME sector. The application for Export Development Assistance should be submitted at least 45 days before the fair/exhibition.

### ASSISTANCE FOR REVERSE BUYER-SELLER MEET

International Buyers and Sellers meet at Ranchi will be organised every alternate year to boost the exports of the state.

### REFUND OF CERTIFICATION CHARGES

The State will refund expenses incurred for compulsory marking like Conformity European (CE), etc. to the extent of 50 percent of expenses subject to a maximum of Rs. 2.00 Lakh per unit per annum for export oriented units.



## BRAND EQUITY FUND

- A brand equity fund with an allocation of Rs.1.50 crore per year will be setup.
- This will be aimed at building strong globally competitive brands for products manufactured /produce originating from Jharkhand.

## MARKET RESEARCH FUND

A market research fund with an allocation of Rs.1.50 crore per year will be setup to activate a mechanism for providing live and timely market information on products and markets which will help the SME exporters to enter the export market directly.

## GREEN PRODUCTION & MANAGEMENT

A reimbursement up to 75% of the cost, subject to a limit of Rs. 3 lakhs, of Energy and Water Audit conducted by the units shall be made to the eligible units.

## Focus on Export Promotion

### *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 several 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 exports, the State Government proposes to initiate the following measures:

- a) Efforts would be made to have MoU/ strategic partnership / task force engagement with IIFT, DGFT and FIEO for the promotion of export from Jharkhand on Value Added Products
- b) Programmes would 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 would be made to set up a State-of-Art external Information Centre in collaboration with different Chamber of Commerce and Industries Associations

- d) Air Cargo Complex at Ranchi Airport would give the desired impetus to the export of products like flowers, fruits, vegetables etc.
- e) Inland Container Deport (ICD) with the assistance of Government 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 Government 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

A Board consisting of Secretaries of Finance, Industry, Transport and other related departments, Director General & CEO/ Regional Chairman of FIEO (ER) and other Export Promotion Councils as members would be set up. The Board will meet once in six months to discuss and address various policy level issues and provide suggestions to enhance exports from the state.

### **State Export Promotion Committee**

State Export Promotion Committee (SEPC) already constituted under the chairmanship of Development Commissioner.

### **Export Promotion Committee**

District Export Promotion Committees (DEPC) are formed under the Chairmanship of Deputy Commissioner. The Chairman of the DEPC shall submit the activities report to Directorate of Industries for review by the Empowered Committee at the State Level. The details of the members in the DEPC shall be notified by the Government.

A time bound action plan will be chalked out by DEPC for the following:

- i. Preparation of a comprehensive database on existing exporters in the district.
- ii. Identification of industries/traders who are routing their export through other merchant exporters.
- iii. Identification of industries/traders with potential products for exports.
- iv. Resolving local problems of the exporting organisations and agencies.

In addition to the above, DEPC will also work out the following strategies for augmenting and accelerating export:

- i. Identification of constraints being faced by exporters and evolve measures for their solution.
- ii. Exporters channelizing their export through merchant exporters will be trained to export directly and will be provided with market related information on regular basis.
- iii. DEPC will initiate proposals for developing export infrastructure in their districts to be considered under various infrastructure development schemes.

## ***Export Promotion and Marketing***

The State Export Promotion Committee will look after the activities of export promotion and marketing. A nodal agency in the Department of Industries will be identified to coordinate with all government departments and export promotion councils to provide a favourable environment for the exporter. The nodal agency shall interact with the exporter on one hand and the EPCs, exporter association, state and central bodies on the other so that the implementation of State Export Policy can be ensured, and the problems of the exporters may be resolved timely.

The nodal agency would also organize buyers sellers meet at regular intervals and arrange participation of exporters in trade fairs and exhibitions both in the country and abroad. It would also conduct project studies keeping in view the international market condition.

In addition to the above the nodal agency shall also perform the following functions:

- i. Act as the Nodal Agency for undertaking all export promotion activities in the State.
- ii. Coordinate the export promotion activities of all the Departments/Agencies of the State Government.
- iii. Liaison between the exporters and the various departments of Government of Jharkhand and Government of India and other Government agencies for redressing the problems being faced by the exporters of the State.
- iv. Liaison between Government of Jharkhand and Government of India to coordinate the implementation of the various export promotional schemes/projects of Government of India in the State and to explore the availability of funds from Government of India for the development of export related infrastructural facilities.
- v. Act as the Convener of the State Level Empowered Committee and other such export promotion related committees.
- vi. Implement the export policy and export strategy for the State and other functions which will be cleared by Department of Industries through operational guidelines and / or circulars.

## ***Other Incentives to the Industry in General***

### **SUPPLY OF RAW MATERIAL AND FUEL**

The Jharkhand State Mineral Development Corporation (JSMD) would be requested to supply raw material and fuel (such as coal) to the exporting units on priority basis. Coal being most important input to MSME exporters who are getting it through JSMD shall be facilitated to ensure for meeting their quality and quantity demands. Any hurdle in raw material supply to MSME exporter will be taken with due care. Any other source of fuel like coal bed methane or other fuel shall be coordinated to boost exports.

## DEVELOPMENT OF COMMON INFRASTRUCTURE FACILITIES

### DEVELOPMENT OF TESTING AND RESEARCH LABORATORY

With a view to meet the increasing technical standards of products for exports State Government would endeavour to increase awareness of standards and would also establish Testing & Research facility along with Mini Tool Rooms for certain thrust products.

### SKILL DEVELOPMENT & CAPACITY BUILDING

Skill development would be nurtured as shortage of skilled workers is likely to impact the growth in exports. The State would tackle the challenge of making available adequate, best suited and ready-to-employ skilled manpower to industry through proper synergy between industry and academia.

Jharkhand Skill Development Mission Society (JSDMS) is preparing a five year Road Map for skill development in the state based on information given in the Jharkhand Skill Gap Study report prepared by National Skill Development Cooperation. It may be pursued that courses on exports related subjects are also taught.

State will encourage capacity building initiatives by industry associations and other organisations for prospective exporters. Capacity of existing exporters would also need to be built, to handle various crucial procedural aspects involved in export trade. Here also industry associations and agencies would be encouraged by way of part funding of such capacity building programmes.

## FACILITATING BUSINESS

Following measures will be taken to facilitate businesses to export goods & services from the state.

### EXPORTER'S CARD

Exporter's card shall be issued to the exporters of Jharkhand having good track records for early passage of export consignment at check gates of the Government on priority basis subject to the condition that the provisions of rules, regulations, instructions, etc., issued by Government, then prevailing, are not violated.

The Exporter's Card shall be issued based on the criteria to be defined by the State Export Promotion Committee

The Exporter's Card would entitle the holder to minimum inspection and speedy clearance of all proposals by all Departments of the State Government. The details of which will be notified by the Department of Industries.

### EXPORT AWARDS

The Export Award will be distributed annually among the exporters of Jharkhand for their outstanding export performance in the State in different product groups. The application for Export Award and the criteria of the scheme shall be detailed out in the guidelines.

## Industrial Facilitation

Government of Jharkhand has accorded highest priority to improving business eco-system in the state. With a view to steer rapid economic reforms and promote investment in the State, it is imperative to create an environment which is congenial for 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 industrialisation.

### ***Jharkhand Investment Promotion Board***

Jharkhand Investment Promotion Board (JIPB) will be setup 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.

Coordination for the JIPB will be provided by the Department of Industries

The scope of work of the JIPB will be:

- To deliberate on strategies to promote investments in Jharkhand.
- To advice 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 and all such works to be notified by Department of Industries.

### ***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 incentives within the time limit. This mechanism shall have Single Window Clearances Committee under the Chairmanship of Principal Secretary, Department of Industries with all the important Secretaries as members in this Committee. This Committee shall approve all projects including financial incentives upto MSME level. For projects other than MSME, this Committee shall recommend to the High Powered Committee for approval of fiscal incentives.

The High Powered Committee exist under the Chairmanship of Chief Secretary, for granting approvals of fiscal incentives for large Industries and this Committee shall recommend approval of incentives for the mega and Ultra-Mega Projects to Governing body.

### **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 rationalising 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.

## SINGLE WINDOW CELL

The Single Window system has four cells for facilitation and for addressing 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.

## ***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. Further, considering the push for an 'Aatmanirbhar Bharat', the Government of Jharkhand is making rapid strides to stir entrepreneurship in the State by creating a robust regulatory ecosystem. 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 five Indian states in the 2019 year ranking on "Ease of Doing Business" (EODB) by DPIIT. Timely clearances and responsive post investment facilitation services have been identified as the cornerstone for improving business environment and boosting investor confidence.

### **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

- Requirement of renewal of certificates/ approvals/ licenses obtained by businesses for the 7 services would be simplified. Businesses can now get the renewals by paying the required fees without the need for filling the forms and uploading the documents again. The 7 services are:
  - Registration under Shops & Establishment Act
  - License for contractors under the provision of The Contractor Labour (Regulation and Abolition) Act, 1970
  - License under the Factories Act, 1948
  - Registration of establishments under the Inter State Migrant Workers (RE&CS) Act, 1979
  - Registration under Legal Metrology Act
  - Drug Manufacturing/Selling/Storage License
  - Trade License issued by Municipal Corporation

## Skill Development Initiatives

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 up gradation in the emerging skill sets will be focused on. In line with the Government of India initiatives, Government of Jharkhand 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.

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 specialised 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.

### ***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 more polytechnics.

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

Under this, it is proposed to transfer existing buildings, laboratories, workshops, equipment's etc. to entrepreneurs so that the up gradation 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 Government proposes to provide land from land banks for such institution to willing investors.

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

### ***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 Government 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 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 Government from time to time.

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

## Monitoring & Evaluation 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 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.

### 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 acts 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 is be provided to the investors through this system.

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

The nodal officers of department's are 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.

### Grievances Redressal Mechanism

The State recognises 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:

The committee shall be chaired by the Principal Secretary/ Secretary-Department of 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 aggrieved investor before moving to any court shall apply before this Grievance Redressal Committee for the redressal of grievances and disbursal of incentives.

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.

### **Monitoring of Private Industrial Parks**

The Directorate of Industries may engage a Project Monitoring Consultants (PMCs) if necessary, for technical and financial evaluation of DPR submitted by SPV. PMCs from time to time will assist the Directorate of Industries in project monitoring, evaluation, allotment of fund and its utilization.

Directorate of Industries will exercise supervision and control over Joint Venture and PPP mode Industrial Park in the State under the direction of High-Powered Committee

Directorate of Industries through State Government Industrial Area Development Authority will exercise supervision and control over private industrial park under their respective command area. Private Industrial parks outside the command area of State Government Industrial Area Development Authority will be supervised and controlled by respective DICs

The industrial units established under these industrial parks will be eligible for financial incentives and concessions provided under Jharkhand Industrial Policy and any other schemes of Central and State Governments time being in force

High Powered Committee will be empowered to prescribe / modify / add new forms, checklist and procedure and will be empowered to issue additional guidelines in this regard

## **Miscellaneous Provisions**

### **General Provisions**

#### **PUBLIC UTILITY SERVICES**

The following categories of industries/ establishments are declared as "Public Utility Services" for the purpose of application of provisions under Chapter-V of the Industrial Disputes Act 1947.

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

#### EXEMPTION FROM SOME OF THE PROVISIONS OF FACTORIES ACT

Industrial units and establishments in the following categories are exempted from the provisions of Chapter VI of Factories Act 1948 (working hours of Adults, subject to safety consideration of workers).

- Information Technology and IT Enabled Services.
- Bio Technology
- Electronics and telecommunications
- Export Oriented Units.
- Industries set up in Special Economic Zones.
- Mega and Ultra Mega Industries
- Automobile and 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 in force and following other relevant clearances.

#### **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 and 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 in 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

### ***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 validity of the Consent to Operate is notified as 5 years, 10 years and 15 years for industries falling under Red, Orange and Green Categories respectively.
- c) State Government 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.

**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.

### ***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 recognised with State awards every year.

### ***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 3 years and on reasonable ground, the second stage of MoU may be extended for another two years
- e) MoU signed initially will automatically expire after one year if the second stage of MoU is not signed with the State Government.

***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 Udyog Aadhar or Udyam 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.

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.

***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.

***Policy Period***

The State Government may at any time amend any provision of this policy. Normally the policy will remain operational for 5 years (01.04.2021 to 31.03.2026)

***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 Department 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.

***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.

By the Order of the Governor of Jharkhand

**Pooja Singhal,**  
Industry Secretary,  
Department of Industry,  
Government of Jharkhand.

**Annexure – I: Definitions**

1. **Effective date:** “Effective date” means the date on which the provisions of this Policy come into force i.e. 01.04.2021. This Policy will remain in force for 5 years up to 31.03.2026.

2. **Classification of Units**

3. **MSME Units:** The classification of the MSMEs have been done by the Union Government of India. As per the revised classification that came into effect on 1 July 2020, the criteria for the manufacturing and services oriented enterprises are as follows:

- a) **Micro Enterprise:** The investment in Plant and Machinery or Equipment is **capped at one crore rupees** and the annual turnover is maximum five crore rupees.
- b) **Small Enterprise:** The investment in Plant and Machinery or Equipment is **capped at ten crore rupees** and the annual turnover is maximum fifty crore rupees.
- c) **Medium Enterprise:** The investment in Plant and Machinery or Equipment is **capped at fifty crore rupees** and the annual turnover is maximum two hundred and fifty crore rupees.

**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 largescale industry.

**Mega Projects:** Sector-wise Mega Project classification will be as below:

Sectors	Minimum Investment (Rs in Crore)	Direct employment Generation
Manufacturing	250	300
Steel, Aluminium, coal to poly generation industries and other mineral based industries except cement	1000	300
Cement	300	100
Ancillary and downstream industries	100	200
Agro/ Food processing, Pharmaceuticals	100	600
Textile/ reeling/ spinning/ weaving/ garmenting projects/ Apparel	100	1000

**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.

- d) **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.

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- 4. 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
- 5. Existing Industrial Unit:** "Existing Industrial Unit" means an industrial unit which is in commercial production on or before 31.03.2021.
- 6. New Industrial Unit:** "New Industrial Unit" means an industrial unit in which commercial production has commenced within five years from 01.04.2021. Expansion/ modernization/ diversification unit as defined in 8, 9 and 10 of this annexure shall be considered as new industrial unit for the purpose of this policy and shall be eligible for all incentives like any other new industrial unit.
- 7. Sick Unit:** "Sick unit" means an industrial unit declared sick by the erstwhile Board for Industrial and Financial Reconstruction under the Sick Industries Companies (Special Provision) Act, 1985 (now NCLT) 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.
- 8. Expansion:** Expansion means an existing unit which makes additional capital investment and fulfils the following conditions:
- a) For MSME Units, it shall be 33% or above additional investment in Plant and Machinery of the already made investment in Plant and Machinery. For large units, it shall be 33% or above on depreciated book value or fixed capital investments of Rs. 16.5 crore, whichever is higher. For Mega and Ultra-Mega project, it shall be 33% or above on depreciated book value or 33% or above of fixed capital investments of the minimum capital investment limit fixed in this policy, whichever is higher
  - b) An increase of at least 33% of the installed capacity
- 9. Modernisation:** Modernisation means an existing unit which makes additional capital investment and fulfils the following conditions:

- a) For MSME Units, it shall be 33% or above additional investment in Plant and Machinery of the already made investment in Plant and Machinery. For large units, it shall be 33% or above on depreciated book value or fixed capital investments of Rs. 16.5 crore, whichever is higher. For Mega and Ultra-Mega project, it shall be 33% or above on depreciated book value or 33% or above of fixed capital investments of the minimum capital investment limit fixed in this policy, whichever is higher
- b) At least 20% improvement in the installed capacity
- c) 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

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

- a) For MSME Units, it shall be 33% or above additional investment in Plant and Machinery of the already made investment in Plant and Machinery. For large units, it shall be 33% or above on depreciated book value or fixed capital investments of Rs. 16.5 crore, whichever is higher. For Mega and Ultra-Mega project, it shall be 33% or above on depreciated book value or 33% or above of fixed capital investments of the minimum capital investment limit fixed in this policy, whichever is higher
- b) Production of at least one new product after diversification

**Note Point:**

1. The installed capacity as mentioned in the DoP certificate of existing project(s) undertaking expansion/modernisation/diversification or installed capacity just before taking up this expansion/modernisation/diversification whichever is higher shall be treated as the installed capacity for calculating expansion/modernisation/diversification.
2. Depreciated book value at the time of taking up this expansion/ modernisation/ diversification shall be used for calculating depreciated book value.

**11. Fixed Capital Investment:** The 'Fixed Capital Investment' means an investment made in building (not applicable for Non-MSME), 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.

**12. 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.

**13. Renewable energy** - as defined and explained by Ministry of Renewable Energy, Government of India, from time to time.

**14. NETGST-** means tax payable and paid, under sub Section 50 of CGST Act, 2017.

**15. "JIADA"** means Jharkhand Industrial Area Development Authority established under Jharkhand Industrial Areas Development Authority Act 2001.



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- 16. “Industrial Park”** means an industrial estate which is developed for establishment of industrial units to manufacture any goods or service and having basic industrial infrastructures like developed plot, internal roads, water distribution facilities, sewage collection and treatment, power distribution, communication faculties and such other facilities as may be required.
- 17. “Master Plan Committee”** means Master Plan Committee headed by Managing Director of JIADA, and Chief Engineer of JIIDCO as members.
- 18. “Private Institution”** means any Industry Association, Chamber of Commerce or Federation registered under Societies Act, Trust Act, partnership Act or Companies Act will be treated as a private institution.
- 19. “Public Institution”** means Industrial Area Development Authority established under Jharkhand Industrial Areas Development Authority Act 2001, Public Sector undertakings of Jharkhand Government, Urban Local Bodies, or Zila Parishad.
- 20. “Sector Specific Industrial Park”** means industrial parks envisaged for specific sectors like
- a) Apparel Fiber and Textile Park
  - b) IT Park / Software Technology Park
  - c) Gems and Jewellery Park
  - d) Bio-tech and Herbs Park
  - e) Chemical and Pharmaceutical Park
  - f) Food Park
  - g) Automobile Vendor-Ancillary Industries Park
  - h) Any other specific sectors e.g. Ceramic Park, Plastic Park, Knowledge Park, Film City, etc.

**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. Saw mills and wood sawing
2. Drilling Rigs, Bore Well, Tube Well Establishing Units, Concrete Mixing Plants, Road Metal Mixer, Readymade Concrete Mixture and similar facilities mobile in nature
3. Units Connected with Cutting of Raw Tobacco and Gul Related Products and Guraku
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. Beauty Parlours
9. Goods and passenger carriers
10. Guest Houses / Restaurants
11. Petrol Pumps
12. Narcotic Drugs, Tobacco barons / tobacco re-drying / processing, Beedi / Cigarette Manufacturing and other tobacco based products
13. Tyre re-treading
14. Mines and Mining Activity including development of Mines etc.
15. Hard/ Soft Coke *units*
16. Vehicle or any consumer product show rooms, service / repairing centre or sales centre
17. Brick making units except refractory bricks making, bricks making with use of fly ash / red mud or similar other industrial waste
18. Any petroleum product storages
19. 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

**Annexure – III: Abbreviations**

ADB	Asian Development Bank
AHD	Animal Husbandry Department
AMG	Annual Maintenance Guarantee
APEDA	Agricultural Product Export Development Authority
APMC	Agricultural Produce Marketing Committee
ASIDE	Assistance to States for Development of Export Infrastructure and Allied Activities
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	GairMazarua Land
GM, DIC	General Manager, District Industries Centre.
GOI	Government of India
GSDP	Gross State Domestic Product
GST	Goods and Service Tax
HPC	High Powered Committee
JIADA	Jharkhand Industrial Area Development Authority
ICD	Inland Container Depot

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IEM	Industrial Entrepreneur Memorandum
IFAD	International Fund for Agricultural Development
IHRI	Indian Horticulture Research Institute
IIUS	Integrated Infrastructure Upgradation Scheme
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
PPP	Public Private Partnership
PSU	Public Sector Undertaking
R and D	Research and Development
R and R	Rehabilitation and Resettlement
RBI	Reserve Bank of India
SAU	State Agriculture University

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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
SLIIC	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

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