

# **Jharkhand Industrial Policy - 2012**

**JHARKHAND INDUSTRIAL POLICY – 2012**  
**INDEX**

<b>Sl. No.</b>	<b>Contents</b>	<b>Page</b>
1	Introduction	3-6
2	Objective	6-8
3	Strategy	8-10
4	Land	10-12
5	Mines	12-13
6	Water	13-15
7	Infrastructure	15-18
8	Human Resources Development	18-20
9	Skill Development	20-21
10	Entrepreneurship Development	21-22
11	Incubation Centre	22
12	Industrial Area Development Authority	23-27
13	Development of new Private Industrial Area	28
14	Industrial Corridor	29
15	Industrial Parks	29-30
16	Special Economic Zone	30
17	Cluster Development	30-31
18	Micro Small and Medium Enterprises (MSME)	31-34
19	Value Addition	34-35
20	Promotion of Sericulture, Handloom & Handicraft	36-38
21	Textile and Apparel	38-40
22	Promotion of Agro Food Processing based Industries	40-45
23	Automobile and Auto Components	45-47
24	Energy	47-49
25	Promotion of FDI	49-50
26	Information Technology / Bio Technology	51-53
27	Tourism	53
28	Film Industry	54
29	Export Promotion	54-55
30	Industrial Sickness	55-58
31	Industrial Finance	59-60
32	Incentives & Concession	60-70
33	Expansion / Modernisation / Diversification	70
34	General Provisions	70-73
35	Date of Production	73-75
36	Memorandum of Understanding (MoU)	75-76
37	Facilitation	76-81
38	Monitoring & Review	81-82
39	Power of the State Government, Annexure - I & II, Abbreviation	82-96

**GOVERNMENT OF JHARKHAND**  
**DEPARTMENT OF INDUSTRIES**

**Resolution**

**SUBJECT: JHARKHAND INDUSTRIAL POLICY – 2012.**

**1. INTRODUCTION**

- 1.1 Jharkhand Industrial Policy – 2001 was formulated and implemented after the creation of the State of Jharkhand. The basic objective of the policy was to optimally utilize the available resources in planned and systematic manner for the industrialization of State. It was aimed at enhancing value addition of the natural and human resources in efficient manner to generate additional employment and resources for the growth and development of the State.
- 1.2 Considerable progress in industrialization has been achieved during the policy period. As many as 26 mega industries, 106 large and medium industries and 18,109 micro and small industries have been set up in the State during the period with an approximate investment of Rs 28,424.06 crore and about 63,000 people thus far got employment in these industries. It has contributed to the revenue collection of the State besides improving the quality of life in certain pockets like Jamshedpur-Saraikela-Chaibassa, Ramgarh-Patratu-Hazaribagh, Latehar-Chandwa, Ranchi-Lohardaga, Bokaro-Chandankiyari-Dhanbad-Giridih etc.
- 1.3 To ensure regular and mega investment, the State has been able to convince the ambassadors of industries to choose Jharkhand as preferred investment destination. Accordingly, major industrial houses have inked MoUs with the State Government. Several bottlenecks and difficulties notwithstanding, the industries have been able to acquire about 8,000 acres of land through direct negotiation with raiyats. In addition the State Government has also been able to provide approximately 3000 acres of land to these industries including power units. Around 17 mega industries have already come into

production and several other industrial units are likely to be commissioned during the financial year 2011-12.

- 1.4 Steel production in the State has increased from 8 million tonnes (MT) to over 12 million tonnes per annum during the 11<sup>th</sup> Plan period. 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, the State will be producing over 25 MT of steel and thus will turn to be a steel-hub of India. Even various types of auto grade steels, which were earlier being imported, are now being produced within the State. Similarly the production of alumina in the State has increased from about 80,000 metric tonnes to over 200,000 metric tonnes. Significant enhancement could also be achieved in cement and clinker production.
- 1.5 There has been a phenomenal growth in Sericulture Sector. A record growth in production of 716 metric tonne of Tasar Silk has been achieved during 2010-11 compared to the production of less than 100 metric tonne till 2006 and now approximately 1.25 lakh employment has been generated in the sector.
- 1.6 Growth in Mining and Quarrying has also been observed in the State. The output from this sector has increased from Rs 6523.4 crore in 2003-04 to Rs 10170.5 crore in 2009-10.
- 1.7 There has been almost three times growth in Gross State Domestic Product (GSDP) of the State which is an indicator of its fast growth. GSDP of Jharkhand at current prices has increased from Rs 39191.09 crore in 2000-01 to about Rs 120010.20 crore in 2010-11. Similarly the per capita income of Jharkhand has also increased from Rs 14392 in 2001-02 to Rs 38350 in 2010-11.
- 1.8 However, there is a need to boost the economic activities to sustain the current level of growth and achieve even better pace of development. Since the State is endowed with rich mineral resources, its optimal utilization including value addition is essential for maximizing the benefit of local people.

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

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

- 1.11 Jharkhand ranks first in production of Tasar Silk in the country. In order to maintain the leading edge and rejuvenate existing rural industries including sericulture, handloom, handicraft, khadi, textile etc., it is envisaged to assist them in modernization/technological upgradation and provide necessary common facilities, backward and forward linkages including product design, marketing support etc. so as to make them globally competitive and their product remunerative.
- 1.12 The present policy aims at creating industry-friendly environment for maximizing investment especially in mineral and natural resource based industries, MSMEs, infrastructure development and rehabilitation of viable sick units. The objective here is to maximize the value addition to state's natural resources by setting up industries across the state, generating revenue and creating employment.

1.13 In view of the above, this policy has been drafted after intensive interaction with representatives of industries, industry association, investors, subject experts etc and efforts have been made to accommodate their views. It is expected that implementation of the policy will facilitate industrialization of the State, generate employment and add to its overall growth.

## **2. OBJECTIVE :**

2.1 To convert Jharkhand into a favoured destination for investors and to promote sustainable Industrial growth of the State.

2.2 To establish linkages between large industries and MSME/ ancillary industries.

2.3 To give a boost to manufacturing activity and develop downstream processing industries for consumer durables, engineering goods etc in major industrial pockets.

2.4 To facilitate optimal utilization of states mineral and other natural resources.

2.5 To accelerate the growth of sericulture, handicraft, handloom, khadi and village industries etc. in rural areas for achieving the objectives of employment generation, utilization of local resources and exploiting the export potential of finished products. Efforts would be made to take steps to protect and promote rural handicrafts so as to conserve and enrich cultural heritage, traditions and customs of the region.

2.6 To promote skill-based, environmental pollution free industries like IT, Biotechnology, Tourism etc.

2.7 To utilize the advantage of the state in horticulture, floriculture and food processing industries.

2.8 To ensure participation of scheduled tribes, schedule caste and other underprivileged sections of the society in the industrial development.

2.9 To set up clear and creditable specific measures to improve the investment climate.

- 2.10 To promote innovation and technological upgradation of industrial units for improved production, product and productivity.
- 2.11 To revive viable sick units.
- 2.12 To ensure Balanced Regional Development so as to prevent socio-economic distortions due to backwardness of any region.
- 2.13 To develop industrial parks / clusters / industrial areas in PPP mode.
- 2.14 To simplify the procedures and to ensure administrative and legal reforms so as to provide hassle free sensitive administration and time bound effective disposal of matters in a transparent manner.
- 2.15 To promote private investment in engineering colleges / medical colleges / nursing Institute / management institutes under Human Resource Development programmes and other skill development programmes.

### **3. STRATEGY :**

- 3.1 Creating and enabling environment for development of industrial and related social infrastructure.
- 3.2 Development and operationalisation of Industrial Facilitation Mechanism (Single Window System) for "time-bound clearance".
- 3.3 Rationalisation of fiscal concession and benefits.
- 3.4 Striving to put in place appropriate arrangements for ensuring timely and adequate flow of credit to industries, specially the MSE sector.
- 3.5 Assist Industrial Sector in their marketing efforts by providing adequate support services backed by appropriate enabling provisions in the legislations / rules.
- 3.6 Thrust to entrepreneurship development programme.
- 3.7 Emphasis on small power generating units and developing non-conventional sources of energy using clean technology through private participation.
- 3.8 Development of ancillary units by major industries.

- 3.9 Institutionalisation of Monitoring, Evaluation and Grievance Redressal Mechanism.
- 3.10 Implementing the concept of Public-Private-Partnership (PPP) in industrialization especially in Infrastructure Development / Industrial Area Development / Industrial Park / Human Resource Development / Service Sector etc.
- 3.11 To develop Human Resources with appropriate scientific, technical and managerial skill to suit the requirement of local industries and gain maximum employment. Adoption of existing technical institutes under Government by Mega Investors under their Corporate Social Responsibility (CSR) programme will be encouraged to achieve the objective.
- 3.12 Setting up new Industrial infrastructure dedicated to steel, automobile, food and agro-processing, electronics, information and communication technology etc. including through new organizational forms such as Knowledge Cities, Centres of Excellence, Incubation Centres, SEZ etc.
- 3.13 Marketing assistance to be provided to small, tiny, cottage industries, handloom, sericulture and handicraft.
- 3.14 Identification and revival of sick units, including prevention of sickness by developing a district level monitoring system.
- 3.15 Promoting cluster based development of MSMEs either on their own or with mother industries for bringing about more production efficiencies, branding and bringing about economies of scale.
- 3.16 Thrust on development of MSME Sector through attractive package of Incentives and Concessions including implementation of MSME Act 2006.
- 3.17 Modification of Rehabilitation & Resettlement Policy (R&R Policy), 2008.
- 3.18 To develop quality infrastructure including road, water, land, power etc and provide it at the doorstep of industries for encouraging industrial growth.
- 3.19 Special incentives are proposed for women, SC/ST entrepreneurs.



- 3.20 To make industries technically competitive, special incentives are proposed for adoption of latest technologies, getting quality certification like BIS, ISO 9000 / 14000 or other national or international certification.
- 3.21 Awareness programmes on export marketing and other related issues will be organized in association with MSME Development Institutes / EAN India and local chamber of commerce and association to sensitize and encourage exporters for export promotion.
- 3.22 Government proposes to facilitate setting up of effluent treatment plants and hazardous waste management plants in various industrial estates and clusters with private sector participation. Efforts will also be made for value addition to some industrial wastes including minerals lying as wastes at pit-head / mines site.

#### **4. LAND**

- 4.1 (a) Efforts will be made to create land bank in each district by acquiring a minimum of 200-500 acres of land and demarcating them as industrial estates with provision of basic industrial infrastructure.
- (b) A comprehensive exercise will be undertaken to identify and utilize land that is owned by the Government or common land, mostly waste and fallow land in different parts of the State.
- 4.2 Some Industrial Units (Central Public Sector Undertakings, State Government Undertakings and Private Enterprises) are trying to retain excess land, earlier allotted to them, for decades. In a scheduled V State like Jharkhand, the actual requirement of these industries needs be reassessed and, wherever required, land in excess of their requirement and which is not being used for the purpose for which it was allotted, will be taken back by the Govt. and inventory of such surplus land will be worked out to create land bank. This will enable the State to offer land readily to investors as and when required.
- 4.3 Project proposals of Investors for setting up industries will be thoroughly scrutinized to arrive at the actual requirement of land for the project.

- 4.4(a) Land acquisition for industrial enterprises i.e. voluntary or involuntary shall be done as provided/applicable under Indian Land Acquisition Act and Jharkhand Voluntary Land Acquisition Rule 2010.
- (b) Direct Purchase of Land for Industrial Enterprises shall be done as provided under CNT/SPT Act.
- (c) Provision of Schedule Area Act (PESA) shall be applied in (a) & (b), wherever applicable.
- (d) Department of Revenue and Land Reform shall be duty bound to expedite the above mentioned Land Acquisitions in a time bound manner.
- (e) Department of Revenue and Land Reform shall work-out a detailed time frame for the disposal of proposal as provided in 4.4 (a) & (b). The details of status of different proposals shall be placed on the website of the department.
- 4.6 GM land or Government land may be transferred to the investing industrial enterprises only when most of the raiyat and other types of land availability is ensured.
- 4.7 GM land may be leased out to the investing industrial enterprises for 30 years with a provision of renewal of lease twice on specified terms and conditions notified by the Department of Revenue and Land Reform. However, the land shall be used for the purpose it has been allotted within 5 years from the date of transfer.
- 4.8 In case of conversion of agricultural land for industrial purpose the prevailing revenue rules pertaining to rent and transfer will be applicable.
- 4.9 (a) All efforts shall be made to avoid use of double cropped or rich agricultural land and to minimize displacement.
- (b)Waste land / degraded forest land may be made available by the State Government on long term lease basis after taking prior approval from the Government of India. under Section '2' of Forest (Conservation) Act 1980, wherever required, for plantation development / tourism purposes which will encourage forest based / tourism industries.

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

## 5. MINES

5.1 It is proposed to allot mines / captive mines on preferential basis to industrial enterprises who have put up their plant in the State for value addition to the raw material.

5.2 Cases for grant of mining lease to potentially viable sick units which have previously generated adequate employment and revenue resources for the State Government will be preferred over industries situated outside the State.

5.3 Cases of Industries which have been allotted mines but not set up their plants or where reserve of the leased mines is in excess of the requirement of the plant are proposed to be reviewed and, if required, the steps will be initiated for cancellation of the allotted mines or curtailment in the leased quantity of raw material.

5.4 Department of Mines and Geology will work-out an appropriate methodology for adequate availability of raw materials required by mineral based Industries of the State.

5.5(a) Department of Mines and Geology will work-out a transparent web based methodology for time bound disposal of mines license / lease application.

(b) Finalisation and grant of mining lease will be done keeping in view the provisions of tenancy laws.

5.6 Efforts will also be made to allot more iron ore and coal mines etc to Jharkhand State Mineral Development Corporation (JSMD) to enable the Industrial units including group of MSME's with adequate financial viability to enter into joint venture with other companies for taking up the development of these mines for supplying raw materials to the needy industries of the State.

5.7 Comprehensive plan for development of railway network and other infrastructure for major mines of the State will be worked-out in consultation with all concerned agencies.

6. **WATER**

6.1 The State has normal rainfall pattern of 1200-1400 mm spread across all the regions and possesses a large number of water bodies, reservoir and river basins spread across the State, which is also available for industrial use. It is proposed to carry out a fresh survey to ascertain the actual availability of water.

6.2 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.

6.3 Efforts will be made to prepare water supply scheme. Feasibility of desalination plants and supply of recycled and treated waste water to industries will be explored. Govt. will try to implement and facilitate mega water supply schemes for industries at specified locations through IADA/Special Purpose Vehicle (SPV) etc.

6.4 Concept of differential water tariff is being introduced :

(a) Lower tariff for industries minimizing the consumption of industrial water and using less than the norm fixed by any regulatory body / authority / National Standards to the extent possible and also to industries devising means / methods to use flood water for its consumption.

(b) Higher tariff for industries consuming water more than the specified average norm from national standards or standards fixed by any regulatory body / authority.

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

- 6.5 Department of Water Resources in consultation with Department of Industries, Department of Energy and other Departments will make periodical review of allocation of water to Industries/Power plants etc and reduce/deallocate/reallocate the water on actual requirement keeping in view the immediate future need.
- 6.6 (a) Rain Water Harvesting, Recycling and Re-Use of Waste Water shall remain essential for industries. Department of Water Resource will monitor its compliance outside the command area of IADA for industries other than MSME.
- (b) In case of MSME outside IADA, self certification with respect to the above by units, shall be allowed.
- 6.7 Department of Water Resources will issue guidelines in detail regarding use of underground water by the Industries in different areas / zones of the State.
- 6.8 Storage intervention by industrial units will be encouraged to meet the industrial water demand during non-monsoon period.
- 6.9 Industrial units will be required to adhere to the discharge norm fixed by Jharkhand State Pollution Control Board (JSPCB).
- 6.10 Water Policy will be worked out and published by Water Resources Department shortly.

## **7. INFRASTRUCTURE**

- 7.1 Efforts will be made by the State Govt. to provide quality infrastructure to investors like all-weather road, uninterrupted power supply, adequate water, connectivity through railways etc.
- 7.2 Top priority will be accorded by the State Govt. in development of physical and social infrastructure through Public-Private-Partnership (PPP). Private investment in power, telecom, roads, airports, ICD, logistics etc will be facilitated.

- 7.3 10% or maximum 25 acre of the land in industrial areas / estates / large industrial area / conglomerate will be earmarked for townships facilitating walk-to-work concept and other infrastructural facilities in such areas.
- 7.4 In the process of infrastructure development, due care will be taken to save water bodies, ecology and greenery adopting integrated environment management plan for the region as a whole.
- 7.5 Special efforts will be made to make dedicated corridor for transport of natural resources of the State. Help of Ministry of Railways and Transport, GOI will be sought for the purpose.
- 7.6 The State Govt. would take specific measures for development of sectoral clusters taking into account the need of the targeted industries. The State has already started implementing the concept of BOT, BOOT etc and would evolve comprehensive guidelines for funding and operating infrastructure projects with private investments or PPP.
- 7.7 The State has extensive and well developed railway system providing links to mining industry. Extensive goods handling facilities are available at Ranchi, Bokaro, Dhanbad and Jamshepur. In addition, ore loading facilities are available at Kiriburu, Lohardaga and all the coal mines of Central Coalfields Ltd.
- 7.8 Work on providing Rail Connectivity between Koderma-Hazaribag-Ranchi, Koderma-Giridih, Deoghar-Dumka, Barhi-Hazaribag and Tori-Lohardaga has already been taken up.
- 7.9 (a) 4 laning of NH-33 between Barhi-Hazaribag-Ranchi-Mahulia-Bahragora is in progress.
- (b) Road Construction Department, GoJ and IL & FS Ltd have jointly set up Jharkhand Accelerated Road Development Company Ltd. (JARDCL) for improvement of 1500 km road of the State on BOT (annuity) basis. Ranchi-Patratu-Ramgarh Road, six laning of part of Ranchi Ring Road, development of Chaibasa-Kandra-Chowka Road and Adityapur- Kandra Road are covered under the scheme and are under implementation.

- (c) Several other schemes including Govindpur-Dumka-Sahebganj Road connecting NH-2 to north eastern part of the State and Adityapur Toll Bridge at Jamshedpur are in progress to improve connectivity.
- (d) The State Government is also strengthening its road network in its territory for connectivity to Haldia, Paradeep and upcoming Dhamra Port.
- 7.10 Ranchi, the State Capital is connected with Delhi, Kolkata, Mumbai, Patna by regular air services. The upgradation of Ranchi airport is in progress.
- 7.11 The State Government has taken steps to set up Air Cargo Complex at Ranchi. This would provide boost to export oriented industries, specially, those operating in the area of high value and perishable commodities. Floriculture and horticulture based industries can take advantage of this facility.
- 7.12 Jharkhand is a land locked State. Navigational infrastructure at Sahebganj and Rajmahal is also contemplated on river Ganges to facilitate sea port access. By the pursuance of the State Government, the construction of bridge at Sahebganj is to be taken up by NHAI, GOI. This will open a corridor to north eastern part of the Country. The State Government would strive to possess a dedicated berth at either Haldia Port or Paradeep Port to facilitate imports and exports.
- 7.13 (a) Jharkhand State Information & Communication Network (Jharnet) is the State-of-the-art communication network connecting State headquarter with headquarters of 22 districts, 35 sub division and 212 blocks. Jharnet is a broad band IP based E-Governance network which provides a secure platform to transfer data across the State. Treasury, Commercial Tax, Land Registration Deptt., Provident Fund, Birth and Death Certificate, Residential Certificate etc. are fully computerized and many more are under progress. Computerisation of Commercial Taxes Department will facilitate trade and industry sector in return filing, e-payment, registration etc.
- (b) E-procurement has been started in 10 Government Departments. This will enable willing tenderers from abroad to participate in the tendering process within specified time.

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

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

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

## 8. HUMAN RESOURCE DEVELOPMENT

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

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

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

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



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

- 8.4 To facilitate the setting up of technical / educational institutions under private sector the Govt. proposes to provide land for such institution to willing investors. In case of non-availability of Govt. land the agency **setting up the institution will be reimbursed 50% of the cost of land** at the rate fixed by the Govt. for that particular area. Efforts will also be made to provide necessary infrastructure support to such institutions.
- 8.5 Willing organisations / investors setting up Medical Colleges, Private Universities (with atleast 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 reserve 25% seats for admission to the students of the State who are residents of the State as per norms stipulated by Personnel Deptt. of Government of Jharkhand for educational Institutes. These organisations will, however, not be entitled to any financial incentives under this policy but will be able to avail facilities provided by the concerned Deptt. of the State Government.
- 8.6 The concerned Department such as Science and Technology, Human Resources Development, Health may bring out detailed and separate guidelines for the implementation of their proposals.

## 9. **SKILL DEVELOPMENT**

- 9.1 Development of skilled manpower for the use of industry and trade is a thrust area. Skill upgradation in the emerging skill sets will be focused on.
- 9.2 Endeavour of the State Government will be to promote private sector investment for skill development through market driven approach.
- 9.3 Thrust will be given for skill development amongst women to enhance their employability.

- 9.4 Specialised Industrial Training Institutes (ITIs) shall be set up at locations having heavy concentration of specialized workmen.
- 9.5 A special drive shall be undertaken for introduction of multi-skilling in areas such as material handling, machine operation and maintenance, furnace operation and maintenance, automobile engineering, plumbing, gemstone cutting and polishing, power engineering etc. Industries will be closely associated with the design of the course including practical training.
- 9.6 Industry – institution interaction is proposed to be encouraged to identify skill sets required for the industry and to develop such skill sets in the institutions imparting training.
- 9.7 Skill Development of unemployed / under employed youth is proposed to be undertaken utilizing the services of existing partners of National Skill Development Corporation (NSDC) like EMPOWER, Gram Tarang etc. Advantage with these vocational training providers funded by NSDC are that, through proper monitoring, it will be possible to evaluate the impact of skill development programme through increase in the income of beneficiary unemployed / under employed / self employed youths.

## 10. ENTREPRENEURSHIP DEVELOPMENT

- 10.1 Efforts will be made to inculcate entrepreneurial qualities through structured programmes and schemes which will include the following :
- (a) Sourcing of services of a reputed consultant to identify the area for utilizing the entrepreneurship opportunities in the State.
- (b) Establishment of an Entrepreneurship Development Institute and strengthening it through various measures, including Govt. support, strategic alliances with national level entrepreneurship institutes and linkages with industries, technical and professional institutions, R & D, NABARD, Banks, PPP initiatives etc.
- 10.2 **Special incentive of 50% reimbursement of fee (subject to a maximum of Rs 50,000 for six months entrepreneurship course and Rs 100,000 for 1 year course)** will be given to SC/ST and women for pursuing

entrepreneurship course from a reputed institute. List of such institutes will be notified by the State Govt. from time to time.

- 10.3 IADA will extend necessary help to entrepreneurs. Interaction programme will be organized by IADA for entrepreneurs undergoing training to sort out problems which are likely to be faced by them.
- 10.4 Entrepreneurship Development Programme at XLRI, Jamshedpur has already been started and the second batch of trainees are being trained. The programme is proposed to be continued further.

## 11. **INCUBATION CENTRES**

(a) National Level R & D centers and premier institutes of Science and Technology in the State would be encouraged to set up Incubation Centres to encourage innovation by the youth and for development of knowledge based and high technology end products.

(b) Efforts will be made to set up knowledge-hub incubator in association with IIM, Ranchi and XLRI, Jamshedpur to support the start-ups and growth of high Technology Ventures for unifying a range of business development and professional services and providing access to a global knowledge network.

(c) Agri-Business incubator is proposed to be established with the support of National Science and Technology Entrepreneurship Development Board (NSTEDB), Department of Science and Technology, Government of India and Government of Jharkhand for providing opportunities for entrepreneurs to incubate agriculture technologies so that they become effective for (i) agri-business ventures, (ii) business consultancy (iii) facilitator of funding (iv) infrastructure and facilities access in the incubator.

## 12. **INDUSTRIAL AREA DEVELOPMENT AUTHORITY**

- 12.1 Industrial Area Development Authorities (IADA) under its command area will be responsible for acquisition of land and development of

infrastructural facilities, such as roads, drainage, parks, water supply and public utilities for the industrial area under their control.

Land / Sheds in Industrial Area, etc would be allotted to entrepreneurs for setting their industrial units on lease of 30 years on annual rent with the facility of renewal. The rent payable for land so allotted would be subject to revision after every 10 years. The land / sheds allotted for the purpose of setting up of Industrial unit shall not be allowed to be used for any other purpose other than the purpose for which the land has been leased. It would also be ensured that land is allotted as per the actual requirement. However, the terms and conditions of the lease deed shall be determined.

- 12.2 Efforts will be made by each Industrial Area Development Authority (IADA) of the State to acquire at least 1000 acre land and to develop adequate infrastructure and other facilities as mentioned in 12.1 for Industrial enterprises.
- 12.3 IADA shall undertake a comprehensive Land Zoning Plan in respect of new Industrial Estates, Parks etc, and would also undertake zoning in existing industrial estates to the extent possible. Particular type of similar industries with identical output / product will be grouped together in a particular zone.
- 12.4 Industrial Area Development Authority will act as knowledge centre and facilitator for enterprises of their command area.
- 12.5 **5% of the revenue generated by Industrial Area Development Authority will be earmarked for expenditure on skill development / entrepreneurship development / skill development for disaster and hazards management of land losers etc in their command area so that land losers or their wards are equipped with proper skills to get gainful employment in the industrial area or elsewhere.**
- 12.6 Atleast 40% of the land in IADA will be reserved for Micro and Small Enterprises in the existing IADA or upcoming IADA, Industrial Estates / Area / Park / Private Industrial Area etc.

- 12.7 **10% available allotable land in any new industrial area (land acquired during the duration of this industrial policy) will be earmarked for land losers** who have lost land area of one acre or above. The land will be offered to such land losers at prevalent rate for setting up industries provided land is available and they fulfill other eligibility criteria.
- 12.8 IADA will organize annual inspection of all allotted plots to find out its utilization. Detailed information compiled by the inspection team will be placed on website. The cases of enterprises not utilizing the plot or inadequately utilizing the plot for the purpose for which the allotment was made, may be considered for cancellation or penalty equal to land cost. After land allotment in industrial area if a fully functional Industry is not setup by the allottee within stipulated time (2 years for Micro and Small Enterprises and 5 years for other enterprises), the allotment of land will be cancelled.
- 12.9 In case of violation of lease conditions by the lease holder the Authority may cancel the lease right of the lease holder without any refund of land value.
- 12.10 Ownership of land including mortgaged land will always rest with the Authority. Land value including development charges will remain non-negotiable and will always be settled by the Authority.
- 12.11.1 (i) The lessor may consider the request of the lessee for the transfer of leasehold rights of the schedule property in favour of a new entrepreneur as identified by the lessee during the currency of lease imposing following conditions.
- (a) The lessee has met all the stipulated requirements of the lease and not violated any of the conditions contained in the lease.
- (b) The lessee has utilised the leasehold area as per approved project report by IADA.
- (c) The lessee is not holding any statutory, legal or financial liability of government or financial institutions.

(d) The new entrepreneur to whom the lessee wants to transfer the leasehold right must have a viable / feasible / implementable project to be executed on the available plot of land.

(e) The plot of land should be free from all encumbrances.

12.11.2 A minimum of 15% of present value of land for MSME and 25% for others will be charged as transfer fee and all attendant expenses in connection with such transfer including payment of all statutory and Government dues shall be borne by the new entrepreneur to whom the lessee wants to transfer the leasehold right.

12.12.1 The lessor may accept the voluntary surrender of schedule property by the lessee on the following conditions.

(a) The lessee has met all the stipulated requirements of the lease and not violated any of the conditions contained in the lease.

(b) The lessee has utilised the leasehold area as per approved project report by IADA.

(c) The lessee is not holding any statutory, legal or financial liability of government or financial institutions against the plot.

(d) The plot of land should be free from all encumbrances.

12.12.2 In case of voluntary surrender of a plot by a micro enterprise within one year of allotment, no fee will be charged even if the unit has made no progress in installation of plant and equipment. However, a penalty of 2% from MSME and 5% from others of the present value of the plot will be realised during surrendering of the plot after 1 year and upto 5 years of allotment by the Authority.

12.13 In the event of lessee's death the person to whom the title shall be transferred as heir or otherwise shall cause notice thereof to be given to the lessor within three months from such death. The survivors and his / her or heirs of the allottee concerned would acquire the same lease-hold rights over the property, as the original allottee had in schedule property, but only after determination of the claims and counter claims by the lessor. If the claims and counter claims are of complicated nature, it is open to the lessor

to call upon the claimants and counter claimants to approach a competent Civil court for the purpose of getting the matter adjudicated.

- 12.14 The lessee, in employing non-technical and technical workforce in the industrial units to be established in the scheduled property, shall give minimum 50% employment to normal residents of Jharkhand including those who have completed a minimum study period of four years from class IX onwards, in non-technical category and minimum 25% employment in technical category.
- 12.15 In all cases of transfer, ownership change, surrender of leasehold plot, a processing fee of Rs 10,000 for land area upto 1 acre and an additional Rs 2000 per acre for land area in excess of one acre, will be applicable.
- 12.16 IADA may work out a detailed transparent and objective policy of transfer, ownership change, allotment of plots including suitable lease deed and lease rent, development charges, maintenance charges etc to be realised from time to time.
- 12.17 Prevailing Rehabilitation and Resettlement (R&R) Policy of the State will be applicable.
- 12.18 **Mega Growth Centre** at Barhi with 350 acre land has been taken up for development with modern infrastructural facilities for rapid industrialization. The development of the growth centre is proposed on competitive bidding.

Similarly DPR for 547 acres **Devipur Industrial Estate** under the district of Deoghar has also been prepared. It will be taken up for implementation shortly.

- 12.19 Industrial Area Development Authority will ensure the implementation of Rain water Harvesting, Storm Water Harvesting and Recycling and Re-Use of Waste Water in Industrial units under their command area.
- 12.20 Industrial Area Development Authority will work out a plan in detail for supply of both drinking water and water for Industrial purpose for units under its command area.

### 13. **DEVELOPMENT OF NEW PRIVATE INDUSTRIAL AREAS/ ESTATES**

13.1 (a) The State Govt. will encourage establishment / development of **Private Industrial Estate** of minimum 75 acres with financial support. Land for such private industrial estate has to be acquired by the developers. The government in turn will support infrastructural facilities for the estate. Such infrastructure will mainly include road network, drainage, drinking water, power supply etc.

(b) A minimum of 40% area of such private industrial estate will be earmarked for the setting up of MSMEs by investors other than the developer of the private industrial area.

(c) Ownership, maintenance etc of such private industrial estate will rest with the developer.

(d) IADA will exercise supervision and control over private industrial estates under their respective command area.

(e) Private industrial estates outside the command area of IADA will be supervised and controlled by respective DICs.

13.2 Efforts will also be made to explore the possibility of development of such industrial estates under joint venture with IADA.

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

### 14. **INDUSTRIAL CORRIDOR**

(a) State Govt. will initiate necessary steps to promote / develop two industrial corridors, namely Koderma – Bahragora and Ranchi-Patratu-Ramgarh Road.



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

(c) 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.

## 15. **INDUSTRIAL PARKS**

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

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

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

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

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

15.4 All the facilities and benefits proposed to be extended to Private Industrial Estate will also be available to above mentioned parks developed under private or PPP mode.

15.5 Monitoring and mechanism of project approval and sanction of benefits will also be the same as detailed in 13.1 & 13.3.

## 16. **SPECIAL ECONOMIC ZONE (SEZ)**

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

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

## 17. **CLUSTER DEVELOPMENT**

17.1 (a) The State Government will promote cluster development of industries under existing schemes of Government of India.

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

(c) Quality of infrastructure in industrial clusters of the State would be upgraded through a cluster development action plan in collaboration with industries and all other concerned department / agencies availing the Government of India schemes. State Government will support and supplement the cluster plans depending upon the nature of cluster, sustainability of activities and other considerations.

(d) State Government has identified 56 clusters including Refractory Cluster, Dhanbad; Mini Cement Cluster, Ramgarh; Bell Metal Cluster at Bishnugarh, Hazaribagh and Khunti, Steel Processing Cluster at Giridih, Hard Coke Cluster at Dhanbad and Forging and Hand Tool Manufacturing Cluster at Bhendra, Bokaro.

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

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

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

## 18. **MICRO, SMALL AND MEDIUM ENTREPRISES (MSME)**

18.1 MSMEs have contributed significantly in manufacturing and exports of the Country besides providing adequate job opportunities. It will be promoted with the following incentives.

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

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

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

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

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

**(d) 10% price preference i.e. where the bid of Micro and Small Enterprises are within 10% of L1 (least priced bid), the local Micro and Small Enterprises may be given an offer of reasonable part (max. 20%) of the Order at L1 through a predetermined transparent process.**

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

- (iv) Encouraging the MSEs to participate in national and overseas business fairs and exhibitions, and international delegations.
  - (v) Setting up a permanent exhibition-cum-convention centre for exclusive display of MSME products.
- 18.2 Creating Jharkhand Micro and Small Enterprises Facilitation Council – a quasi judicial body to redress the problems being faced by local MSEs in marketing their quality products.
- 18.3.1 Efforts will be made to make full payment for the items bought from MSEs under 18.1 (ii) within 30 days of complete supply.
- 18.3.2 Industrial units of the State without price preference facilities will be allowed to supply their products to Government Departments and other organizations (as mentioned in 18.1) at the lowest rate (L1), depending on their capacity, at maximum of 50% of the work order, if they qualify otherwise.
- 18.3.3 The raw material generating units shall be persuaded to give purchase preference to the local industries, **whose production is dependent upon the supply of such raw material**. Similarly, the PSU's / Private Sector large industries, located within the State would be persuaded to give purchase preference to the local industries while making purchases of raw materials and other items required by it. Preference would also be given to the local industries in supply of forest produce available in the State.
- 18.4 A symbiotic relationship between the MSME and the Technical Institutions will be developed by linking each cluster with a technical institution to solve the technical and design related problem of the MSMEs.
- 18.5 Efforts will be made to provide linkages for MSMEs with micro-finance institutions, raw materials, focused market access etc.
- 18.6 Special emphasis will be given on providing Common Facility Centres (CFC) mainly through Public-Private-Partnership (PPP) initiatives to MSME projects of a cluster.
- 18.7 Schemes like ASIDE, Credit Guarantee Fund Trust Scheme, Cluster Development Programme for MSMEs, Credit Linked Capital Subsidy

Scheme, Technology Upgradation Scheme being operated by Govt. of India and various other Promotional Schemes of different Ministries of Govt. of India are proposed to be suitably dovetailed for the benefit of MSM Enterprises of the State. Efforts will also be made to suitably complement these schemes enabling the entrepreneurs to avail maximum advantage of these schemes.

## 19. VALUE ADDITION

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

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

Palamau – Garhwa	:	Deposits of Iron Ore, Dolomite, Coal, Graphite, China Clay and granite.
Lohardaga Industrial Area / Latehar	:	Aluminium Industries based on bauxite reserves, Power Plants.
Koderma– Hazaribagh Industrial Area	:	Mica based Industries, Power, Cement, Glass, Alloy Steels, Telecom and Refractory, Power Plants.
Ranchi Industrial Area	:	Medium and Large Scale Industries, IT-ITES, Food Processing.
Dhanbad-Bokaro Industrial Area	:	Coal and Steel, Refractories, Coal based Power Plants.
Singhbhum Industrial Area (Jamshedpur & Adityapur) and Singhbhum, Kolhan Division	:	Iron and Steel, Auto Component, Cement, Uranium, Copper and Gold Mining, IT-ITES, Forest Produce based, Horticultural Food Processing, Silk and Textile.
Ghatsila Industrial Area	:	Copper and Forest based Industries.
Deoghar-Jasidih & Santhal Pargana	:	Oil Mills, Glass, Steel, Aromatic-Medicinal Plant, Medicine, Coal based power plants, silk-textile industries.

Efforts will be made to add value to the above mentioned resources of the State located in various industrial areas and fully exploit the potential

of respective areas so that the spread of industries and economic activities take place uniformly throughout the State without any regional imbalance.

- 19.2 Large amount of iron ore fines / dust from captive and other operating mine has been accumulated over the years. This may increase further in course of time with the economic activities picking up in the area. State Government will promote pelletisation of these fines for further value addition within the State. Department of Mines will facilitate linkage of these fines with pelletisation units.
- 19.3 (a) In order to promote better environment, management practices and clean technology. State Government will promote setting up of cement plant near integrated steel plant and power plant or using slag and fly ash.
- (b) Mega steel and power units may take initiative to promote use of these materials by providing long term assured contract for supply to cement and brick unit.
- (c) MSME may use fly ash for making fly ash bricks.
- 19.4 Industries will be encouraged to secure better waste management through innovative technology for pollution prevention and abatement.
- 19.5 Enhancement of revenue through carbon credit mechanism is proposed to be encouraged. A nodal agency will be identified for promotion of carbon credit trading that will provide technical, financial and institutional support to interested companies.

## 20. **PROMOTION OF SERICULTURE, HANDLOOM & HANDICRAFT**

- 20.1 Jharkhand ranks first in the country in production of Tasar Silk. In order to maintain the leading edge and give special thrust to the sector, Jharkhand Silk, Textile and handicraft Development Corporation (**JHARCRAFT**) was established in 2006 to provide support in design, training, entrepreneurship development, marketing, raw material support in clustered and organized manner by grouping local artisans, SHG's and NGOs involved in similar activities. JHARCRAFT has emerged as a brand not only in the country but also abroad. JHARCRAFT is supporting more than 2.0 lakh rearers, reelers,

spinners, weavers, artisans etc. It also maintains cocoon banks using existing infrastructure besides creating new infrastructure with the financial support of the State Government and has 18 marketing outlets in cities including Ranchi, Delhi, Kolkata, Bangalore, Ahmedabad and Mumbai. Marketing is also being extended under franchisee mode.

- 20.2 **Skill development** efforts in the area of Sericulture, Handloom and Handicraft have been intensified with the setting up of Jharkhand Silk Training Centre, Kharsawan, in collaboration with NIFT, Kolkata; Saheed Nirmal Mahto Institute at Bhagaiya in collaboration with NID, Ahmedabad; and Apparel Training Centre, Namkum, Ranchi in collaboration with Export Promotion Council, GOI.
- 20.3 Further expansion of this sector for setting up of reeling / spinning / weaving etc. is envisaged in PPP mode with viability gap funding.
- 20.4 (a) State Govt. will make efforts to set up in each district of the State at least one unit for sericulture, handloom, handicraft (one of these or mixed) activities for generation of direct employment of atleast 250, if one of the above mentioned activities is taken up for implementation and 1000, if all the activities are taken up for implementation.
- (b) Activities under (a) may be taken up under joint venture, PPP mode or as Private Enterprises under broad supervision and assistance of Director, Handloom, Handicraft and Sericulture / Jharcraft.
- (c) All necessary help / assistance in marketing of products will be extended by Jharcraft.
- 20.5 (a) Financial assistance will also be extended for establishment of Skill Development Centre (SDC).
- (b) The assistance will be restricted to Rs 5,000 maximum per trainee to be trained in such SDC.
- (c) The SDC will have a minimum training capacity of 2000 trainees per year.
- (d) Financial Assistance of 90% of training cost will be provided to SC/ ST/ Physically Handicapped / women and 75% to others.

- (c) SDC will be duly graded by competent Authority.
- 20.6 Quality power supply will be made available to powerlooms.
- 20.7 (a) **Interest rate subversion of 2%** will be given against working capital to weavers, reelers, spinners, handicraft artisans etc of Self Help Groups (SHG) of 10 or more members for producing articles / products worth more than Rs 1 lakh per member.
- (b) This financial benefit will be available to such SHGs who are registered with JHARCRAFT / KVIB / NABARD / Government / PSU / Scheduled Financial Institutions / Banks and are supplying products worth Rs 10 lakh or more per annum for sale through Jharcraft / KVIB / any authorised State Government approved agency.
- (c) A detailed administrative procedure will be worked out in consultation with NABARD, Financial Institutions etc.

## 21 TEXTILE AND APPARELS

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



- 21.5 Since there is substantial scope of employment generation in textile sector, efforts will be made to set up reeling / spinning / weaving / readymade garments / apparel parks etc under PPP / Joint venture / private mode.
- 21.6 **Jharcraft will be given assistance of 75% of the total project cost incurred, upto Rs 5 crore maximum**, for setting up an autonomous institute of quality apparel training. The financial assistance can be used by Jharcraft towards fixed cost, plant machinery, equipment etc. and Jharcraft can set up the institute on its own or in joint venture or in collaboration with multiple agencies / institutes. The recurring expenditure for the training institute, however, has to be borne by the promoter institutions.
- 21.7 Similar facilities of financial assistance, as mentioned in sl. 20.5 can be extended to any reputed organization or institute which has run and managed such institution at least during last five years. This may also be set up in joint venture or PPP mode with Jharcraft, ITIs, Industrial houses or other institutions.
- 21.8 A networking of training institutions will be done by Directorate of Handloom and Sericulture and detailed data base will be maintained.
- 21.9 (a) The Training Institutions mentioned in sl. 20.5 charge tuition fees from trainees to meet their recurring expenditure.
- (b) Since the training fee of ITIs for apparel training is very high compared to that of other courses, **50% of total fees upto maximum of Rs 5000 per trainee per course** charged by the institution will be reimbursed by the State Govt to selected candidates and institutions.
- (c) However, this support will not be available to those trainees availing any other similar benefit provided by State Govt. / Central Govt. / sponsorship under CSR activities of the Industries etc.
- 21.10 **Financial assistance, as reimbursement of training cost with maximum limit of Rs 5000 per trainer per week**, will also be provided to apparel training institutions / centres approved by State Govt. for imparting training to the trainers

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

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

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

## 22. **PROMOTION OF AGRO-FOOD PROCESSING BASED INDUSTRIES**

22.1 Jharkhand has diverse agro climatic conditions suitable for the cultivation of a wide range of agricultural and horticultural crops. It has a progressive farming community who are involved in organic farming, horticulture and floriculture. With cheap labour and other inputs and its proximity to industrial and urban centres of West Bengal and Orissa, Jharkhand is an ideal place for value addition in these activities. The thrust needed is to focus on food processing and preservation to create more off farm jobs, bring greater value addition and increase the income of rural workforce and farmers.

22.2 (a) Several Departments of Government of India (including Department of Food Processing Industries, Rural Development, Commerce & Industry, MSME, Agriculture etc.) directly or through agencies such as APEDA provide support to various elements of the value chain through existing programmes & Schemes.

(b) The State Government may help private investors in developing end to end integrated project in agro industry / food processing value chain by providing a convergence of all existing schemes.

(c) The State Government may provide viability gap funding or other necessary help if required.

(d) The help of international funding agencies like World Bank, ADB and IFAD may also be taken.

(e) Dovetailing these may be ideal for maximising support and knowledge.

- 22.3 Besides agriculture, horticulture and floriculture, there is a scope for promotion of pisciculture by promoting reservoir, fisheries and concept of matsya mitra and fish cooperative with the help of NFVD and State Government. Cultivation of prawn and ornamental fish and organised fish marketing may be a good venture for MSME.
- 22.4 The State has excellent potential to develop poultry, piggery, goatery and dairy in organised sector by ensuring the participation of rural population in the form of cooperatives, Self Help Groups etc. Adequate animal health facility, artificial insemination, marketing network and refrigeration & storage facility for dairy product along with other products has to be provided.
- 22.5.1 (a) A **Food Park** is an agri / horticultural processing estate developed for individual processing units with support infrastructure, including some common processing facilities and other services where needed, and linked with a well established supply chain both inside and outside the estate.
- (b) Food parks would enable particularly small and medium enterprises to attain viability by sharing the cost of major common facilities such as R&D, cold storages, warehousing, pack houses, laboratory for food testing and analysis, effluent treatment plant, common processing facilities, power, water supply etc. Very limited number of food parks is being sanctioned by Government of India. In view of this special request can be made to Government of India to increase the number of food parks in the State.
- (c) One Mega Food Park is being set up at Getalsud, Ranchi on an area of 56 acre where 32 food processing units are likely to be established with basic facilities such as roads, drainage, water connection, power and cold storage chains. Central processing unit at Getalsud will be linked to production centres at places like Lohardaga, Gumla, Hazaribagh, Patratu etc where primary processing will be done.
- 22.5.2 Food Parks may also be established on land acquired privately. Such parks will also be entitled for the same benefits as envisaged for other types of parks provided by the State under the Policy. Other terms and conditions of establishing the private food parks can be negotiated by the investor.

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

22.5.4 (a) MSME cluster will be promoted under specific crop e.g. cashew, mango, jack fruits etc.

(b) The MSME cluster will have a common facility centre providing necessary infrastructure for storage of produce, grading, processing and packaging, cold storage extension and information counter. This would act as aggregation point for large processing units.

(c) It will be developed in SPV mode as envisaged in MSME cluster schemes.

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

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

(b) **Private investment for this on private land will be given an assistance of 25% of capital cost of facilities upto a maximum of Rs 50 lakh, as incentive**, if similar incentive has not been availed under any other schemes of Government of India, State Government or other organization.

No other facility envisaged in this policy shall be admissible.

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

22.5.8 Department of Agriculture, Animal Husbandry & Fisheries and Cooperative along with SAU, CFTRI, IHRI, UAS, CIMAP, APEDA will

promote necessary R & D support, skill development and entrepreneurship development among the farmers, investors and entrepreneurs. Detailed guidelines will be worked out by the Department.

22.6.1 (a) The State with its diversified agro-climatic conditions is well suited for the development of **horticulture-based economy**. It has total production of 37.7 lakh MT horticulture produce out of which 20.77 lakh MT is surplus.

(b) The National Horticulture Mission (NHM) and National Mission on Micro irrigation besides several other initiatives have helped in improving production and productivity continuously.

(c) Efforts are being made to increase the productivity of fruits (from 9.8 tonnes per hectare to national average of 11.9 tonnes per hectare) by necessary technological inputs and practices.

22.6.2 Entrepreneurship development programme with focus on this sector will be specially designed and implemented in consultation with the Deptt. of Agriculture-Horticulture & AHD and agriculture , biotechnology / management institutes and experts. Technical and Management experts in related area including bio-technology will also be involved.

22.6.3 (a) Enterprises using local agro raw material and allied agricultural activity produce will get preference in land allotment by IADAs.

(b) **Food processing** industries will be declared as seasonal industry wherever necessary and thus will be eligible to get **relief from minimum electricity charges during the closure** (non-seasonal) period.

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

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

22.9 (a) **Fish cultivation** has emerged as one of the major income generation activity in the State. The fish production has increased from 14,000 MT to 72,000 Mt in last 10 years. It could be achieved with help of the State Government and involvement of Matsya Mitra- a voluntary body, in quality seed production which has increased from 9.0 crore to 67 crore in

last 10 years. This concept of Matsya Mitra has been accepted by NIRD as the most innovative concept and one of the best practices. There are 3600 Matsya Mitra in the State and about 24000 families are dependent on fishing activity for their livelihood.

(b) Dedicated site may be developed by Jharkhand State Marketing Board, Urban & Rural local bodies etc. for the fish farmers with adequate infrastructure e.g. water, light, waste disposal etc.

(c) Promotion of prawn cultivation and ornamental fish may also prove to be an excellent economic activity.

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

## 23. **AUTOMOBILE AND AUTO COMPONENTS**

23.1 (a) India's leading automobile industry began manufacturing commercial vehicle in early 1950s at Jamshedpur. The industry today is among the leaders in producing commercial vehicles and is among the top three companies in production of passenger vehicles in the country.

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

23.2 (a) All types of auto grade steels are being produced at Jamshedpur since 1980s.

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

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

- (d) Auto-Cluster is being made operational at Jamshedpur to extend common facilities such as testing centre, design lab, effluent treatment plant etc. to auto component makers.
- 23.4 The leading automobile industry at Jamshedpur has expanded its capacity in different types of vehicles besides putting a new assembly line for the production of World Truck – a heavy duty goods vehicle which has resulted in the growth of ancillary units and additional employment.
- 23.5 Automobile Vendor Park will be established under PPP or Private Mode by Mega Automobile Manufacturing Units. This park will be entitled to get same benefits as envisaged for other parks in sl. 15.
- 23.6 (a) Mega automobile manufacturing units will set up a skill development centre for the skill upgradation and training in activities like driving, vehicle maintenance etc. pertaining to automobile sector. The capacity of the centre will not be less than 1000 trainees per annum.
- (b) State Government will bear 50% cost of training subject to a maximum of Rs 5000 per trainee for each successful completion of training as mentioned in sl. 20.5.
- (c) Trainees against whom reimbursement of the training cost will be claimed by the skill development centre shall be residents of the State as per norms stipulated by Personnel Department of Government of Jharkhand for educational institutes.
- (d) 50% of the total number of successful trainees annually must fall in the category as mentioned in sl. 23.6 (c).
- 23.7 Mega Automobile Manufacturing Units will set up new ITI with annual capacity of 300 trainees or adopt and upgrade existing ITIs for the training of fitter and some other relevant trades of Automobile sector keeping in view the employability of the successful trainee.
- 23.8 Mega Automobile Manufacturing Units fulfilling conditions mentioned in sl. 23.6 and sl. 23.7 will be eligible to get VAT concessions for one year extra for the activity mentioned in sl. 23.6 (a) & 23.7.

## 24 ENERGY

- 24.1 (a) The State proposes to promote increasing use of renewable and environmental friendly sources of energy. Thrust will be given to develop these on BOT basis through private sector participation.
- (b) The State has substantial biomass availability due to its large agricultural base. These energy units could be based on paddy-waste, rice straw / husk, Jhari leaves, twigs, geo-thermal, solar etc.
- (c) The State has almost 300 days per year long sunshine hours. The State has a potential to harness considerable amount of solar power.
- (d) It is roughly estimated that the potential of Jharkhand to generate energy from the above mentioned non-conventional sources is about 400-500 MW.
- (e) In view of the guidelines of State Electricity Regulatory Commission, it is proposed to purchase at least 10% of State's total power purchases from these sources.
- (f) A beginning has been made and approximately 6000 houses in 44 villages have been energized with non-conventional energy.
- 24.2. (a) The State has installed capacity of 1320 MW.
- (b) The per capita energy consumption of the State is low (552 kwh) as compared to the national average consumption (720 kwh).
- (c) The State Government has targeted to achieve cent percent rural electrification.
- 24.3 (a) Under tariff based competitive bidding and Government Dispensation route, Jharkhand has been allotted 6 coal blocks which requires to be used for electricity.
- (b) Large number of MoUs have been signed with private investors for installation of Thermal Power Plants with capacity installation of over 43000 MW in the medium term. Jharkhand is, therefore, poised to leverage the availability of low cost power to investors.



- 24.4 The State Government shall encourage private sector participation in generation, transmission and distribution of power.
- 24.5 Mega Projects (with investment in fixed assets in excess of Rs 100 crore) will be allowed to have captive power plants, to generate power from waste heat recovery, and to wheel power to sister concerns. Such units will also enjoy 50% exemption from electricity duty for a period of 5 years.
- 24.6 A power plant generating power from renewable sources, with commercial operation after the effective date of implementation of this policy, shall be deemed to be a new industrial unit and will be entitled to all the incentives under this policy. These plants will not be liable to pay 50% electricity duty for a period of 10 years.
- 24.7 Information Technology, Bio-technology and Tourism related activities (existing or new) which are treated as industrial activity will be entitled to have power at industrial or commercial rate of tariff, whichever is lower, subject to JSERC approval.
- 24.8 Department of Energy is bringing out a new and separate policy for further facilitation in the sector.

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

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

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

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

(b) In order to promote FDI, the State Government has proposed to set up NRI cell both at National Capital and Ranchi which will work as interactive platform and facilitate NRI / PIO investors in setting up industries in the State. It will also help in the redressal of their grievances. It may also extend support to other enterprises of the State by facilitating their import-export with the help of NRIs / PIOs.

(c) The State Government proposes to organise investors meet in India and abroad in association with Overseas Indian Facilitation Centre (OIFC) and other organisations. Efforts will also be made to facilitate the visits of investors, entrepreneurs and Govt. officials for participation in major trade fairs / investors meet organised within or outside the Country under the auspices of Government of India and its organisations and international organisations.

## 26. INFORMATION TECHNOLOGY / BIOTECHNOLOGY

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

26.2 The **objective** of IT policy is to (a) provide congenial and industry – friendly atmosphere for the establishment and growth of IT companies for providing IT – Services (hardware / software based) and IT – enabled services (call centering, medical transcription, BPO etc) (b) Generate employment opportunities for the educated youth of the State. (c) Exploit export potential of this sector for augmenting GSDP of the State. (d) Bringing IT to masses and accelerating its uses for socio-economic development.

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

26.3 (a) IT industries will be accorded priority in allotment of land by IADA.

(b) In case of land allotment by IADA, mega IT units will be allowed deferred payment of land value i.e. payment of land value by such units will be allowed in five equal installments spread over five years.

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

#### 26.3.7 Alternate Source of Power Generation

**IT-ITES units with 5 KVA power requirements can be set up anywhere in the State.**

#### 26.3.8 FAR Relaxation

*50% more FAR over and above to permissible FAR of the place will be allowed by the concerned Authority / Urban Local Bodies for IT-ITES units in earmarked areas IT Parks / STPs in consonance with other provisions of the prevailing Building Bye-laws. Necessary amendment, if required, will be done by concerned Authority / Urban Local Bodies with requisite permission of the Department of Urban Development.*

### 26.4 Biotechnology

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

**Objectives** of the policy include.

- i. To encourage and facilitate the introduction of biotechnology at the grass root level to strengthen the economy of the State.
- ii. To promote industrial biotechnology for the production of useful chemical compounds.
- iii. To promote cultivation of **Spirulina** as a high value low cost nutrient for rural and tribal areas.
- iv. General end use of different types of bio-energy.
- v. To expand forest cover of the State through social and agro forestry.

- vi. To promote agro industries.
- vii. Production of high-yielding, draught and pest-resistant seeds for agriculture and horticulture crops suited to different agro-climatic zones.
- viii. Enhancement of the productive potential of the aquatic eco-system.

26.4.1(a) The fiscal incentive and concessions offered under the Jharkhand Industrial Policy-2012 shall be extended to biotechnology industry also.

(b) Biotechnology units will also get priority in allotment of land by IADA.

(c) Biotechnology industry not covered under Mega Industry as defined under classification of Industries [Annexure 1 {11 (iii)}] will be given the incentives covered under 32.2, 32.3, 32.4 and 32.6.

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

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

(i) Exemption from No Objection Certificate (NOC clearance) of JSPCB.

(ii) Exemption from zoning regulations for purposes of location.

(iii) Self-certification for purposes of compliance of the following Acts:

(a) Factories Act

(b) Employment Exchange (Notification of vacancies) Act.

(c) Payment of Wages Act.

(d) Minimum Wages Act

(e) Contract Labour (Regulation and Abolition) Act

(f) Workmen Compensation Act.

(g) Shops and Establishments Act.

## 27. **TOURISM**

27.1 The Tourism and Travel Industry is well on its way to become one of the most powerful sector in coming decades. Since there is a huge potential of

employment in tourism sector the State Govt. proposes to give special thrust to the sector by attracting higher investment in the areas with tourist potential. Efforts will be made to pool up resources both from government agencies and private sector for investment so that the ultimate objective of employment and revenue generation in the State is achieved. Priority is proposed to be given for the development of eco-tourism, religious tourism, heritage-tourism, resorts etc.

- 27.2 Air- taxi services would be promoted to provide package tours especially keeping in mind the Buddhist circuit, Jain circuit and international tourist flow.
- 27.3 There are about 29 hotels, 33 tourist complexes and several Tourist Information Centres, Way Side Amenity, Ropeway etc. in the Govt. sector. Deptt. of Tourism will ensure Private Sector participation under PPP mode / Joint Venture for its operation, quality and capacity improvement.
- 27.4 Deptt. of Tourism will bring out a comprehensive policy for setting up hotels, motels, yatri niwas etc. in Public, Private, Joint Venture Mode.
- 27.5 Necessary assistance will be extended by Revenue Department for purchase of land from Raiyats under consent Award Scheme.

## 28. **FILM INDUSTRY**

Existence of large number of beautiful natural religious, heritage and industrial sites, dense forest, natural water falls and availability of cheap labour make Jharkhand attractive site for film suiting and its development. Film industry in the State can be a good source of direct and indirect employment. Films in Nagpuri and other languages are being produced locally in the State. Private investment can be promoted by providing special incentives for setting up of film studios, film city etc. The setting up of film city, studios will attract same incentives as made to different Industrial Parks. Detailed policy will be worked out by the Department of Public Relation & Information in consultation with Department of Tourism,

Industry, representatives of film industries, Department of Commercial Taxes etc.

## 29. EXPORT PROMOTION

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

- (i) Programmes will be organized with the help of reputed consultants / IIFT to sensitize exporters about market intelligence, export documentation, finance and other critical areas of export
- (ii) Efforts will be made to set up a State-of-Art external Information Centre in collaboration with local Chamber of Commerce and Industries Associations.
- (iii) Setting up of an Air Cargo Complex is proposed. This would give the desired impetus to the export of products like flowers, fruits, vegetables etc.
- (iv) Inland Container Depot (ICD) with the assistance of Govt. of India has been set up at Jamshedpur for large scale containerization of value added and manufactured exportable goods. Similar facility at other places is proposed to be set up in consultation with Railways and Department of Central Excise and Customs.
- (v) Industries will be encouraged to participate in International Exhibitions and Trade Fairs. Visits of trade delegations will also be supported financially by dovetailing the schemes of Govt. of India.
- (vi) Export oriented units will be declared as essential services / Public Utilities Services.
- (vii) Export Awards will be provided to Export Oriented Units to recognize quality, R&D and performance.
- (viii) Export oriented units will be preferred in land allotment by IADA.

## 30. INDUSTRIAL SICKNESS

**30.1** Revival of willing and viable sick industries is among the priorities of the State Government. The State government has helped revival / rehabilitation of a number of Industries in the past. As many as 49 small scale units and 3 medium and large scale industries have been provided assistance by the State Government under revival / rehabilitation scheme.

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

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

**30.3 Industrial Sickness in Micro and Small Enterprises (MSE)**

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

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

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

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

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

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

30.3.7 The balance amount of electricity dues of such sick unit after deduction of the aforesaid amount shall be paid by the unit in such instalments as may be determined by such Apex body on case to case basis without any delayed payment surcharge. However, if such unit fails to pay any instalment in time, for such delay in payment, it shall be liable to pay delayed payment surcharge for such duration at the rate fixed for such delayed payment surcharge.

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

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

#### 30.4 **Revival / Rehabilitation of Sick Medium and Large Industries**

30.4.1 A committee with Secretary, Industries as its head will be constituted by the State Government to evolve suitable measures for revival of viable sick industrial units including State Public Sector Undertakings in large and medium sector.

30.4.2 The Committee shall make an assessment of sick / closed State Public Sector Undertakings and for revival of technically and economically viable



such undertakings, recommend adequate measure which may include manpower rationalization / disinvestment / financial restructuring etc.

30.4.3 For any financial incentive to medium and large units, beyond the provisions of the present industrial policy, there will be a State level Empowered Committee under the Chairmanship of Chief Secretary for taking financial decision on the recommendation of the Committee (mentioned in sl. 30.4.1). The Committee will also consist of representatives from Finance, Planning and Development, Energy and will be notified separately.

30.4.4 Sick Medium and Large Scale Units will be required to approach BIFR for being declared sick. Subsequently, concessions and facilities identified under the scheme of rehabilitation prepared by BIFR or by state Level Inter Institutional Committee of RBI (SLIIC) would be placed before the committee headed by Secretary, Industries for consideration and recommendation to Government through State Level Empowered Committee (SLEC) for approval.

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

30.4.6 Such closed and sick industrial units which have earlier already availed various facilities due to its sickness would not ordinarily again get facilities unless the State Government may decide to extend such facilities in public interest on case to case basis.

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

30.4.8 Govt. of India is in the process of finalization of a scheme for rehabilitation of sick, micro, small and medium enterprises by setting up a Rehabilitation Fund. Accordingly, the State would suitably modify its scheme, taking advantage of the Revival and Rehabilitation Scheme of Govt. of India for sick units.

## **31. INDUSTRIAL FINANCE**

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

31.8 The State Government would take necessary steps to facilitate empowering of the commercial banks and funding institutions to ensure speedy and expeditious recovery of the credit extended.

## **32. INCENTIVES AND CONCESSIONS**

**32.1 Comprehensive Project Investment Subsidy (CPIS) - Exclusively for industries other than Mega.**

32.1.1 Industrial Units shall be entitled to get Comprehensive Project Investment Subsidy (CPIS) for investment made in :

(i) Plant and Machinery.

(ii) Pollution Control Equipment.

(iii) Environment friendly alternative power generation equipment.

(iv) Employee Welfare (EPF, ESI, Health Insurance Scheme)

32.1.2 The qualifying amount of investment for subsidy 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).

**32.1.3 Subsidy under CPIS will be admissible at the rate of 7%, 10% and 15% max of the calculated qualifying amount of investment for blocks under category A,B and C respectively (List of Blocks under Category A,B and C is mentioned in Annexure 1, Sl. 12).**

32.1.4 Maximum admissible subsidy under CPIS for an industrial unit will be Rs 5 crore.

32.1.5 Industries availing subsidy under CPIS will not be eligible to avail benefits under sl. 32.2 (stamp duty and registration fee).

32.1.6 Subsidies to industries under sl. 32.2 (stamp duty and registration), VAT Incentives and CPIS, all added together, will not be more than total Fixed Capital Investment made by the company in the project. VAT incentives will include VAT computed under sl. 32.5 and VAT benefits claimed under any other heads as provided in this policy. However, incentives for patent /

quality certification and special incentives for SC / ST / women/ PH will not form part of this.

**32.1.7 SC/ST/Women/Handicapped Entrepreneurs will avail 5% additional benefit under CPIS.** This benefit shall be applicable only to residents of Jharkhand. For the purpose of this clause, those persons will be eligible for benefit under SC/ST category who are issued caste / residential certificate to this effect by competent authority, not below the rank of SDO, in the State of Jharkhand. Similarly, those persons will be deemed to be of handicapped category who are certified by a competent Medical Board to have handicap of more than 40%.

**32.1.8 Special incentive for extremist infested blocks**

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

32.1.9. The policy envisages direct employment of specified number of work force for some industries to avail certain facilities / incentives etc. of the government. **Industries implementing State Government reservation policy in such direct employment will be eligible for 5% additional incentive under CPIS.**

32.1.10 Only one time subsidy under CPIS category will be provided to the industries. The subsidy to be paid will be spread over a period of 5 years time @ 20% each year.

32.1.11 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 sl. {32.1.1 (i to iv)} under this policy.

**32.2.1 Stamp duty and Registration fee**

Manufacturing units with direct employment of 100 persons will enjoy **50% reimbursement of stamp duty and registration fee** for land directly purchased from the raiyats / acquired through consent award (lessee of

IADA / industrial parks will not be eligible for this benefits). This facility will be granted only for the first transaction for a particular plot of land.

32.2.2 **100% reimbursement of stamp duty and registration fee** for land will be allowed for industries offering 100 direct employment per acre of land bought.

32.2.3 Industries engaged in mineral extraction activities such as mining, crushing, transportation, washing etc without significant value addition will not be entitled for such benefits.

### 32.3 **Quality Certification**

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

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

- ISO-9000 Quality Management System
- ISO-14000 Environmental Management System
- ISO-18000 Occupational Health and Safety Standards.
- BIS certification
- Social Accountability Standards.
- Green Energy Certificate.
- Bureau of Energy Efficiency (BEE) Certificate.
- LEED Certification in New and renewable Energy.
- Internationally accredited eco-labels OKE-TEX 100 etc
- Any other internationally accredited certification that will enable better market positioning.

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

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

#### 32.4 Patent Registration

Industrial units will be encouraged for filing their successfully generated, registered and accepted patents based on their original work / research. The State Govt. will provide **financial assistance of 50% of the expenditure incurred, up to a maximum of Rs 2 lakh, per patent.** Out of these a maximum of Rs 1 lakh may be given on expenditure incurred in filing of patent, attorney fees, patent tracking etc. and upto maximum of Rs 2 lakhs on final acceptance of the patent.

#### 32.5 Subsidy / Incentive on VAT

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

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

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

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

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

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

(ii) Large amount of Fly Ash and Blast Furnace Slag is likely to be generated by a number of existing, upcoming and proposed integrated steel plants with Captive Power Units and coal based Thermal Power Plants in the State. The generation of these wastes causes environmental pollution. These wastes are normally used in brick making, cement production, soil conditioning etc. With a view to make partial use of these materials it is proposed to extend the VAT incentive, as envisaged in 32.5 d (i) above, to such mega industrial units which use atleast 25% (by weight) Fly Ash or Blast Furnace Slag as raw material mix of the State for production provided their product conforms to BIS or equivalent International Standard.

(e) Industrial units which have qualified to be new unit by expansion / modernization / diversification will be entitled to get similar benefits in respect of VAT as mentioned above in their respective categories. However, they have to maintain separate record of production and investment details for such expansion / diversification / modernization. In case, maintaining a separate record is not possible by such units the benefit to such eligible units shall be available in the ratio of 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) Department of Commercial Taxes shall give top priority to such units in matters of final assessment of annual tax return in a specific time frame.

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

(i) Payment against VAT reimbursement claim will be made on annual basis and claim for such payment has to be made after the plant has been operated for atleast one full financial year.

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

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

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

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

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

## **32.6 Incentive for Industrial Parks, Private Industrial Area / Estate**

32.6.1 50% of cost, upto maximum Rs 10 crore, incurred on development of common infrastructure of green field textile, apparel park, IT/ITES park,



Bio-technology park, Gems and Jewellery park, Bio-tech and Herbs park, Chemical and Pharmaceutical parks, Food Park, Automobile Vendor Park etc {as mentioned in sl. 15.(i-viii)} and private industrial area / estate will be borne by the State Government. Such infrastructure will mainly include road network, drainage, drinking water and power transmission etc.

32.6.2 State Government will provide 50% reimbursement of registration fee of land of above mentioned industrial parks and private industrial area / estate.

### 32.7 Incentive for Cluster Development

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

### 32.8 Incentive for textiles and apparels

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

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

### 32.9 Incentive for agro-food processing cluster.

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

### 32.10 Incentive for captive power plant

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

### 32.11 Incentive for IT / ITES

- (a) **Mega IT units will be exempted from electricity duty for five years.**
- (b) **New IT – ITES as well as expansion units investing between Rs 5 crores and Rs 50 crores and employing more than 100 direct workers would be eligible for a comprehensive project investment subsidy (CPIS).**
- (c) **Recruitment Incentive of Rs 2.5 lakh per 50 people (local people including those who have studied in the State) will be given to the IT – ITES unit. This will be one time benefit with maximum limit of Rs 25 lakh.**
- (d) **100% reimbursement of stamp duty, transfer duty and registration fee paid by IT-ITES industries on sale / lease deeds on the first transaction.**
- (e) **50% reimbursement of stamp duty, transfer duty and registration fee paid by IT – ITES industries on sale / lease deeds on the second transaction.**
- (f) **Facilities at (d) and (e) will not be available for IADA land.**
- (g) **Lease rentals (including premises on rent) up to 50% of actual cost incurred subject to a maximum of Rs 5 lakh per annum will be reimbursed up to a period of three years for the plug-and-play built up office space of minimum 2500 sq. ft. These units will not be allowed to take benefit under land / building component of CPIS. However, other component of CPIS like incentive for plant, machinery etc. can be availed by them.**
- (h) **Government will encourage Captive Power Generation in IT-ITES locations. 40% of the capital expenditure incurred in soundless captive power generating sets will be reimbursed. This will be one time incentive under CPIS (by clubbing the pollution control equipment incentive & environment friendly programme).**

32.12 **Incentive for Tourism** (No other incentives mentioned in the policy elsewhere will be applicable except the following).

32.12.1 (a) **There will be total exemption of luxury tax, electricity charge at domestic rate, on the Bed and Breakfast (Home stay) facilities on dwelling**

units and no separate permission from urban local bodies for land use will be required. It will be applicable for maximum 5 years.

(b) Five Star Hotels at Ranchi, Jamshedpur & Dhanbad and Three & Four Star Hotels at other places of the State will get 50% reimbursement of Luxury Tax for a maximum period of five years.

**(Multiplexes have already been granted 100% exemption of Entertainment Tax by Deptt. of Urban Development, GOJ)**

32.12.2 New Ropeways and Amusement parks set up in the State will be reimbursed **entertainment tax for a period of 5 years** from the date of becoming fully operational.

### **33. EXPANSION / MODERNISATION / DIVERSIFICATION**

Units undergoing Expansion / Modernisation / Diversification and fulfilling the criteria mentioned at sl. 6 and sl. 7 at Annexure-I, will be treated at par with new Industrial units and will be eligible for incentives accordingly even if the unit might have availed of benefits for earlier expansion / modernisation / diversification under any earlier policy as an unit. For expansion / modernisation / diversification of MSME units, if the gap period between DOPs of earlier project and the one under implementation is two years then only the benefit can be availed under this policy. Similarly, for large and mega projects the gap between DOPs of earlier project and the one under implementation is to be three years for availing the benefits.

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

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

### **34. GENERAL PROVISIONS**

#### **34.1 Public Utility Services**

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

(i) Information Technology & IT Enabled Services.

(ii) Bio Technology

(iii) Agro-based processing

(iv) Electronics & telecommunications

(v) Export Oriented Units and units in parks.

(vi) Infrastructure projects including industrial parks and SEZs

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

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

(i) Information Technology & IT Enabled Services.

(ii) Bio Technology

(iii) Electronics & telecommunications

(iv) Export Oriented Units.

(v) Industries set up in Special Economic Zones.

34.3 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.

34.4 Tourism, Information Technology (IT) and Biotechnology related units including laboratories may be allowed in Urban areas in conformity with Master Plan inforce and following other relevant clearances. Floor Area

Ratio (FAR) for above mentioned unit may also be considered to the extent with conditions as defined in sl. no. 26.3.8.

#### 34.5 Labour Reform

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

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

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

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

#### 34.6 Chartered Engineers / Inspectors

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

#### 34.7 Applicability of Incentives (special mention)

(a) Incentives under CPIS are not available for mega industries.

(b) **The industries which made investment earlier and have qualified as mega industries, based on norms fixed under annexure 1 {11(iii)}, and have not availed subsidy / benefits and DOP declaration under the previous policy JIP 2001 inspite of DoP before 01.04.2011, will be entitled to benefits under this policy.**

(c) The provisions under 20.7 will be applicable to eligible industrial units, even if Government of India provides similar benefits. It will be an addition to incentive of Government of India.

(d) Incentives where time frame has not been mentioned will be available for a maximum period of five years.

#### 34.8 **Special Mega Units.**

**Industrial units with investments of three times the investment norm fixed under annexure 1 {11(iii)} for mega classification, will be considered for special incentives, package etc., on case to case basis, as decided by the State Cabinet.**

#### 35. **DATE OF PRODUCTION (DoP)**

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

35.2 An industrial unit has to invest minimum of 85% of proposed capital investment and achieve minimum of 50% of rated production capacity, as envisaged in project proposal / DPR to become eligible for filing of application of DoP to Industries Department.

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

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

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

35.4 (a) 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.

(b) A penalty deduction of 3% per month with maximum 10%, from the amount of incentives will be imposed for delayed submission of application

beyond 6 months. This deduction will be made at first transaction out of CPIS incentives for non mega and Net VAT for mega unit.

(b) In case of delay in submission of application beyond next six months, penalty deduction of 5% per month, with maximum 25%, will be imposed on the amount payable at first transaction, out of admissible amount of CPIS incentives for non mega, and net VAT for mega units.

35.5 (a) Application forms complete in all respect only will be considered for issue of DoP certificate.

(b) Mere submission of EM Part II or IEM will not be sufficient for the purpose of disbursement of subsidy under this policy.

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

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

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

35.6 (a) Normally the application for issuing DoP certificate will be disposed of within a month from the date of receipt of application.

(b) If for any reason, however, the disposal is delayed, the reason of delay will be explained and such delay will not exceed more than three months.

35.7 (a) All such industries covered under existing MoUs, where substantial progress has been achieved during the previous policy period (15.11.2000 - 31.03.2011) but DoP has not been fixed, will be entitled to avail benefits / concession under this new policy under relevant category.

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

(c) Industrial units, with investment above Rs 500 crore, which have commenced production / operation before 01.04.2011 and have not applied for the issue of Date of Production (DoP) certificate by the Industries Department may approach the Department for issue of such certificate to avail the benefits only under Jharkhand Industrial Policy- 2012.

**36. MEMORANDUM OF UNDERSTANDING (MoU)**

36.1 (a) MoU may be agreed / signed between Government of Jharkhand and Investors for new investment.

(b) MoU may be agreed only for 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 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.

(e) MoU signed initially will automatically expire after one year if the second stage of MoU is not signed with the State Government.

36.2 (a) Existing MoUs which have been partly or fully executed and for which benefits have been availed under Jharkhand Industrial Policy 2001 will stand completed.

(b) Previously reached MoUs, where 50% of the proposed investment has not been made, will be required to be reached afresh after expiry of the existing due date of MoU or 31.03.2012, whichever is earlier. Such MoUs reached afresh will be treated as second stage of MoU, as mentioned in 36.1 (d).

(c) All cases of previously reached old MoUs, with inadequate investment or without investment, will be re-evaluated by High Powered Committee before these are permitted for second stage MoU as mentioned in 36.1 (d).



## **37. FACILITATION**

### **37.1 Facilitation by DIC / IADAs for awareness creation and grievance redressal.**

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

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

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

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

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

(f) Clearances with other Departments will also be facilitated by DIC / IADAs.

### **37.2 Policy Period**

The State Government may at any time amend any provision of this policy. Normally the policy will remain operational for 5 years (01.04.2011 to 31.03.2016)

### **37.3 Doubts Resolution**

(a) Doubts relating to interpretation of any term and / or dispute relating to the operation of any provision under this industrial policy shall have to be referred to the Industries Department, Government of Jharkhand for

clarification / resolution and the decision of Government in this regard shall be final and binding on all concerned.

(b) In case of any doubt the "English Version" of the policy will be considered an authentic version.

#### **37.4 Procedure for operationalisation 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.

#### **37.5 Role of JIIDCO**

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

#### **37.6 Role of JINFRA**

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

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

Enterprises will be encouraged to adopt cleaner production techniques and go for green technologies and processes to protect the environment and ecology.

#### **37.8 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,

turn around of sick industries, corporate social responsibility, entrepreneurship and quality. Sixty two awards, during last 6 years have been awarded. Scheme of enterprises adopting such best practices will continue to be recognized with State awards every year.

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

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

37.9 A **web-based application portal** with monitoring and feedback capability will be created to operationalise the framework – administrative guidelines to assist entrepreneurs and facilitate speedy and time bound processing of their applications.

37.10 **On line monitoring system** is proposed to be introduced for developing better interface between the investor, the Industries Deptt. and other related Departments of GoJ.

### 37.11 **Environmental Clearance**

(a) To ensure smooth environmental clearance the State Level Environment Impact Assessment Authority (SEIAA), and State Level Expert Appraisal Committee (SEAC) as provided in the gazette notification dated 14.09.2006 part II, Sect. 3 (ii) of Ministry of Environment and Forest, Government of India, New Delhi have been empowered.

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

(c) State Govt. would extend necessary support to Jharkhand State Pollution Control Board (JSPCB) for expediting the disposal of applications of investors / entrepreneurs for environmental clearance. The following measures are envisaged to be undertaken for the purpose.

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

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

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

#### 37.12 **Concept of Niveshak Samadhan Adalat**

(a) With a view to providing a timely and effective dispute / grievance resolution mechanism for units / enterprises, the State Government shall constitute a NIVESHAK SAMADHAN ADALAT which shall meet every month atleast once (more frequently depending on the business in hand) and hear the grievances / complaints of investors and make its recommendation to the appropriate authority / authorities for consideration and redressal of the grievances.

(b) The NIVESHAK SAMADHAN ADALAT will be chaired by Member Board of Revenue. Two other members of ADALAT will be eminent experts of Finance, Management and Industry and law.

(c) Secretarial assistance will be provided by Single Window Cell.

(d) This forum will act as revisional authority against the order of Secretary, Department of Industry related to implementation of provisions of this policy.

(e) A separate notification in detail will be issued to this effect.

37.13 Efforts will be made to bring all regulatory Departments on the same platform by constituting a committee under the Chairmanship of Chief

Secretary. The committee consisting of representatives from all related Departments will work out the detailed modality of joint inspection, frequency of inspection etc so that clearances / approvals are given to the entrepreneurs within specified time.

### **38. MONITORING AND REVIEW**

(a) A committee under the Chairmanship of Chief Minister will be constituted to review the implementation of the policy. This will meet atleast twice in a year.

(b) All concerned departments and organizations would issue necessary follow up notifications within a month to give effect to the provisions of this Policy. The implementation of this policy will be duly monitored by Government at the level of Chief Secretary atleast once in a quarter, so that the State Government may carry out a mid - term review of this Policy.

**38.1.** The incentives / subsidies / reliefs outlined in this policy shall be available to industrial units which commence commercial production from 01.04.2011 till the validity of this policy.

**38.2.** For sanction and disbursement of the subsidy / incentives, contained in this policy, for MSME a Committee would be constituted under the Chairmanship of Director, Industries with the Director, Handloom, Sericulture and Handicraft, a representative each of the Commercial Taxes Department, Jharkhand State Electricity Board (wherever necessary) as well as the concerned Managing Director of the Industrial Area Development Authority or GM, DIC as its Members. For sanction and distribution of incentives to industrial units other than MSME, the High Powered Committee under Chief Secretary will function.

A detailed Resolution in this regard will be issued subsequently.

### **38.3. Definitions**

The definitions given in the Annexure to this policy shall be treated as part of this policy.

### **39. POWER OF THE STATE GOVERNMENT**

39.1 Notwithstanding anything contained in the foregoing paragraphs of the industrial policy, the State Government by issuance of notification in the official gazette may amend or withdraw any of the provisions and / or the schemes mentioned herein above.

39.2 If any difficulty arises in giving effect to provisions of the industrial policy, the same shall be referred to the State Government through Chief Secretary and thereon the decision taken shall be final.

**Order:** It is ordered that a copy of the resolution should be sent for publication in the special edition of the Jharkhand Gazette, Reputed Journals and Newspapers and be circulated among all the Departments / Departmental heads and Subordinate office of the Government.

By the Order of the Governor of Jharkhand  
Sd/-  
(A.P.Singh)  
Secretary  
Industries Department,  
Government of Jharkhand.

***Memo No 1958, Ranchi, Dated 16.06.2012***

Copy with enclosure forwarded to the Superintendent, Government Press, Hinoo, Ranchi for its publication in the special edition of Jharkhand Gazette. It is requested that 500 (five hundred) copies of the published Gazette be made available to the department.

By the Order of the Governor of Jharkhand  
Sd/-  
(A.P.Singh)  
Secretary  
Industries Department,  
Government of Jharkhand.

***Memo No: 1958, Ranchi, Dated 16.06.2012***

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

By the Order of the Governor of Jharkhand  
Sd/-  
(A.P.Singh)

Secretary  
Industries Department,  
Government of Jharkhand.

## ANNEXURE - I

### Definitions

1. **Effective date:** "Effective date" means the date on which the provisions of this Policy come into force i.e. 01.04.2011. This Policy will remain in force for 5 years up to 31.03.2016.
2. **Industrial Unit/Industrial concern:** 'Industrial unit / concern' means any unit / concern engaged or to be engaged in manufacturing / processing / servicing industry under the following categories:
  - a) Industries listed under the First Schedule of the Industries (Development and Regulation) Act 1951 as amended from time to time.
  - b) Industries falling within the purview of the following Boards / Agencies:
    - (i) Small Industries Board
    - (ii) Coir Board
    - (iii) Silk Board
    - (iv) All India Handloom and Handicrafts Board.
    - (v) Khadi and Village Industries Commission.
    - (vi) Any other agency constituted by the Government of India or Government of Jharkhand for industrial development.
  - c) Other categories:
    - (i) Mining or development of mines
    - (ii) The maintenance, repair, inspection or servicing of machinery of any description or vehicles or vessels or motorboats or trailers of tractors.
    - (iii) The setting up or development of an Industrial Area, Industrial Estate, Integrated Infrastructure Development Export Promotion Industrial Park, Export Promotion Zone or Growth Centre.
    - (iv) Providing special or technical knowledge or other services for the promotion of industrial growth.
    - (v) Providing Engineering, Technical, Financial, Managerial, Marketing or other services or facilities for industry.
    - (vi) Providing services relating to Information Technology, Telecommunication or electronics including satellite linkage and audio or visual cable communication.
    - (vi) Tourism.



**3. Existing Industrial Unit**

"Existing Industrial Unit" means an industrial unit which is in commercial production on or before 31.03.2011.

**4. New Industrial Unit**

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

**5. Sick Unit**

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

**6. Expansion / Modernisation**

"Expansion / Modernization of an existing unit would mean additional fixed capital investment to the extent of 50% or more of the non-depreciated value of fixed capital investment just before taking up this expansion / modernization in this unit leading to at least 70% of additional production of the capacity along with 70% of the total created capacity after expansion.

**7. Diversification**

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

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

***N.B** : Before expansion/modernization/diversification the project proposal must be submitted for approval. The approval shall be communicated within 30 days of*

*submission, if approval is not accorded within the stipulated time, it will be deemed approval.*

**8. Fixed Capital Investment**

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

**9. 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.

**10. Date of Production**

(a) The "date of production" of an industrial unit shall mean the date on which the unit actually commences commercial production of the item for which the unit has been registered, as envisaged in sl. 35.2.

(b) As regards the date of production of a Micro and Small Units, the certificate issued by the respective General Manager, District Industries Centre and the respective Managing Director, Industrial Area Development Authority would be valid.

(c) In case of any dispute regarding the date of production of Micro and Small Unit, issued by IADA's / GM, DIC the decision of the Director of Industries shall be final.

(d) In case of large and medium industries (other than SSI) the certificate issued by the Director of Industries would be valid.

(e) In case of any dispute regarding the date of production of large and medium industries, issued by Director of Industries, the decision of the Principal Secretary / Secretary Industries shall be final.

(f) Separate certificate for date of production has to be submitted for availing benefits as envisaged in sl. no. 35 under JIP-2012.

## 11. Classification of Industrial Units

### i. Micro, Small and Medium Enterprise (MSME) Industry

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

### ii. Large Scale Industry

An industrial unit which is not classified as Micro, Small, Medium and Mega Enterprises shall be classified as large scale industry.

### iii. Mega Projects

Sectorwise Mega Project classification will be as below :

Sl. No.	Sector	Minimum Investment	Direct employment generation
1.	Manufacturing	Rs 250 crore	300
2.	(a) Automobiles	Rs 300 crore	500
	(b) Auto components	Rs 50 crore	100
3.	Steel, Aluminium and other mineral based industries except cement	Rs 1000 crore	300
4.	Ancillary & Down-stream industries	Rs 50 crore	50
5.	Agro-processing / food processing, bio-technology / pharmaceuticals	Rs 50 crore	100
6.	Textile / reeling / spinning / weaving / garmenting projects / apparel	Rs 25 crore	500
7	Information Technology (IT-ITEs industries)	Rs 50 crore	1000
8	Cement	Rs 300 crore	100

- Except the above mentioned sector-wise classification, projects in other sectors with investment above Rs 250 crore will come under Mega project classification.

- Mega investors under above mentioned categories will be required to develop ancillary industries for spares / consumables for their respective mega units. The investment for their ancillary units will be in addition to the investment shown above.

## 12. **Classification of Backward Areas**

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

### **Category A (Least Backward) :**

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

### **Category B (Backward) :**

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

### **Category C (Most Backward) :**

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

13. Multiplexes covered under Tourism for exemption in entertainment tax will mean New Multiplex Cinema hall of at least 03 Screens with minimum

capital investment of Rs 3.00 crore & above with modern projection system, sound system, air conditioner, generator set, furniture & fixtures etc.

14. Food processing industries will be categorized / classified as per Government of India norms.
15. Renewable energy - as defined and explained by Ministry of Renewable Energy, Government of India, from time to time.
16. **NETVAT** - means tax payable and paid, under sub-section (I) of Section 17 of Jharkhand Value Added Tax Act, 2005.

**ANNEXURE - II**  
***List of Industries Not Eligible For Incentives***

1. Saw Mills, Wood Sawing and Furniture.
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. Tea Blending/Mixing Units.
4. Units Connected with Cutting of Raw Tobacco and Gul Related Products and Guraku
5. Bottling and Repackaging of Drugs/Pharmaceuticals/Chemicals without Processing and value addition (Excluding formulation and manufacturing units).
6. *Iron Scrap "Iron and Steel Processors" including cutting of sheets, bars, angles, coils, M.S.Sheets, recoiling, straightening, corrugating, drop hammer units etc.*
7. Book Binding / Note Book / Exercise Note Books / Registers / Ledgers / File Pads / Office files etc.
8. Rubber Stamp Making
9. Photo Copying and xerox machines
10. Stenciling Units / Processing of Stencil Papers.
11. Tailoring (Except Readymade Garment Manufacturing Units)
12. Laundry/Dry Cleaning.
13. Photography, Studio Labs, Video Parlours, Videography, Cinematography, Theatres, Photo studios, colour film laboratories, Video, Audio Cassette Recording and Watch Repairing.
14. Clinical/Pathological Laboratories/Nursing Homes/Clinics including Indian system of medicines except Super speciality Hospitals with investment more than Rs 50 Crore.
15. Beauty Parlours.
16. Goods and passenger carriers.
17. Guest Houses / Restaurants.
18. Petrol Pumps.
19. Narcotic Drugs, Tobacco barons / tobacco re-drying / processing, Beedi / Cigarette Manufacturing and other tobacco based products.

20. Sponge Iron Plant with or without CPP.
21. *All process of Edible Oil Seeds / Cakes viz. 1. Groundnut 2. Sesam 3. Safflower 4. Rape seed / Musturd 5. Coconut (both tender & dry) 6. Sunflower, Niger Cotton Seed. (All processes include Decorticating, Expelling, Crushing, Roasting, Parching, Frying).*
22. Rice hullers & Rice mills except Rice Mills with capacity of atleast 50 Metric Tonne per day and annual output of minimum 5000 Metric Tonne.
23. *Ice Cream, Ice Candy, Kulfy, Ice Fruit, Pepsy, Tuty Fruity etc. except those having ISI, AG Mark or FPO Mark.*
24. *Powder of Chilly, turmeric, masala, spices, curry, sambar etc. except those having ISI, AG Mark or FPO Mark.*
25. *Distilleries, Breweries, Beer and other Alcoholic Drinks.*
26. *All table meat, animal rearing / farming like poultry, piggery etc.*
27. *Varnishes and Thinners.*
28. *Crushing / washing of Iron ore, Coal, Stone etc including segregation / blending except coal washries.*
29. Tyre retreading.
30. *Mines & Mining Activity including development of Mines etc.*
31. *Hard Coke / Smokeless fuel plant and any unit using coal as raw material which constitute more than 50% of cost or volume of total raw material.*
32. *Explosive manufacturing units including SMS bulk explosives.*
33. *Vehicle or any consumer product show rooms, service / repairing centre or sales centre.*
34. *Brick making units except refractory bricks making, bricks making with use of fly ash / red mud or similar other industrial waste.*
35. *Any petroleum product storages.*
36. *Fruit Juice Base, Packaged drinking water / mineral / aqua, aerated and soft drink units (excepting the units manufacturing fruit pulp or fruit pulp and juice out of it).*
37. *Sweets / namkeen etc.*
38. *Soap making units not operated by power driven machinery.*
39. *Shampoos and other cosmetic items except those having ISI mark.*
40. *Manure mixing industry.*
41. *Service Sector (not specifically allowed in the policy).*

*42. Banned items by State Government or Government of India from time to time will also come under this list.*

**Note:**

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



## ABBREVIATIONS

ADB	Asian Development Bank
AHD	Animal Husbandry Department
AIADA	Adityapur Industrial Area Development Authority
AMG	Annual Maintenance Guarantee
APEDA	Agricultural Product Export Development Authority
APMC	Agricultural Produce Marketing Committee
	Assistance to States for Development of Export Infrastructure and Allied
ASIDE	Activities
BIADA	Bokaro Industrial Area Development Authority
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
CIMAP	Central Institute of Medicinal and Aromatic Plant
CNT	Chhotanagpur Tenancy
CPIS	Comprehensive Project Investment Subsidy
CSR	Corporate Social Responsibility
CST	Central Sales Tax
DIC	District Industries Centre
DOP	Date of Production
DPR	Detailed Project Report
DVC	Damodar Valley Corporation
EM	Entrepreneur Memorandum
EMD	Earnest Money Deposit
EPF	Employees Provident Fund
ESI	Employees Provident Fund
FAR	Floor Area Regulation
FDI	Foreign Direct Investment
GM Land	Gair Mazarua Land
GM, DIC	General Manager, District Industries Centre.
GOI	Government of India
GOJ	Government of Jharkhand
GSDP	Gross State Domestic Product
GST	Goods and Service Tax
IADA	Industrial Area Development Authority
ICD	Inland Container Depot
IEM	Industrial Entrepreneur Memorandum
IFAD	International Fund for Agricultural Development
IHRI	Indian Horticulture Research Institute
IIUS	Integrated Infrastructure Upgradation Scheme
IL & FS	Infrastructure, Leasing and Finance Services
IT	Information Technology

ITES	Information Technology Enabled Services.
ITI	Industrial Training Institutes.
Jharcraft	Jharkhand Silk, Textile and Handicraft Development Corporation
JHARNET	Jharkhand State Information and Communication Network.
JIIDCO	Jharkhand Industrial Infrastructure Development Corporation
JINFRA	Jharkhand Infrastructural Development Corporation
JSERC	Jharkhand State Electricity Regulator Commission
JSMDC	Jharkhand State Mineral Development Corporation
JSPCB	Jharkhand State Pollution Control Board
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.
PESA	Panchayats Extension to Scheduled Area
PH	Physically Handicapped
PPP	Public Private Partnership
PSU	Public Sector Undertaking
R & D	Research and Development
R & R	Rehabilitation and Resettlement
RBI	Reserve Bank of India
RIADA	Ranchi Industrial Area Development Authority
SAU	State Agriculture University
SC / ST	Scheduled Caste / Scheduled Tribe
SD	Security Deposit
SEAC	State Level Expert Appraisal Committee
SEB	State Electricity Board
SEIAA	State Level Environment Impact Assessment Authority
SEZ	Special Economic Zone
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
TUFS	Technology Upgradation Fund Scheme
UAS	University of Agricultural Sciences
VAT	Value Added Tax
XLRI	Xavier Labour Relations Institute.

