

# **Industrial Policy of Jharkhand 2001**

## **Government of Jharkhand, Department of Industries**

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Government of Jharkhand Department of Industries Resolution

**Subject : Industrial Policy-2001 for the State of Jharkhand**

After the creation of the State of Jharkhand on 15<sup>th</sup> November 2000, to optimally utilise the available resources of the State in a planned manner and to accelerate the industrial development of the State, an Industrial Policy has been formulated. To achieve expected industrial growth, the districts of the State have been categorised into three categories, so as to capitalise the industrial potential through planned utilisation and development of natural and human resources and to gradually increase the employment opportunities.

In view of above, the State Government has decided to make effective the Jharkhand Industrial Policy-2001. This resolution shall include following provisions :

**1.0 INTRODUCTION**

1.1 The newly carved out resource rich State of Jharkhand is widely acclaimed as the region of the future, having immense potential for industrialisation with its large deposits of minerals, which could provide a firm launching pad for various industries. It is one of the richest zones of minerals in the world. As large as 40% of the total minerals of the country are available in this State. The State is the sole producer of cooking coal, uranium and pyrite. It ranks first in the production of coal, mica, kyanite and copper in India. The geological exploration and exploitation of gold, silver, base metals, decorative stones, precious stones, etc. are the potential areas of future.

1.2 Jharkhand is also endowed with other resources such as surface and ground water, land with immense bio-diversity, moderate climate, disciplined and skilled manpower, adequate availability of power, which are the basic essentials for the growth and development of industries.

1.3 The State Government firmly believes in maximising capital investment in the State for its accelerated economic development and generation of employment opportunities. The State Government is committed to create an environment conducive to growth of industries in the State. It is determined to encourage investment in the industries based upon the State's agro-climatic, mineral and manpower resources as also in development of infrastructure.

1.4 The Government of the nascent State of Jharkhand, in consonance with the need and aspirations of the local populace and entrepreneurs, the changes taking place in the global and national economic scenario and the competition at the national and international level has found it expedient to formulate an Industrial Policy for attracting investment including foreign investment in identified thrust areas with a focus upon the Balanced Regional Development as also for creation of essential infrastructure including that for power generation.

1.5 The Government is committed to facilitate rapid, accelerated and planned industrial growth of the region. It shall provide the required infrastructure, simplified mechanisms, sensitive and proactive Government machinery and a friendly atmosphere for industrial growth in the State. It is determined to bring the Industrial Development of Jharkhand at par with leading industrially developed states of the country by 2005.

## **2.0 OBJECTIVES**

2.1 The Industrial Policy aims at making Jharkhand one of the most preferred destination for investment, both from inside and outside the country and to ensure accelerated implementation of infrastructure related projects, increasing employment opportunities, improving productivity, ensuring homogenous and balanced development of all Geographical regions of the State with emphasis on development of small, tiny and cottage industries.

2.2 The broad policy objectives are elaborated as below:

- (i) Optimal utilisation of agro-climatic, mineral and human resources of the State.
- (ii) To promote economic activities to ensure maximum capital investment in the State with the objectives of increasing employment opportunities, improving standard of living of people at large, specially the deprived and the down trodden sections of the society and to ensure all round development of the State.
- (ii) Identification of thrust areas and thrust zones to prioritize the sectors and categorisation of backward regions with respect to industrialisation.
- (iii) To develop the state of art technology and infrastructure so as to ensure planned and accelerated industrial development.
- (iv) To ensure Balanced Regional Development so as to prevent socio-economic distortions due to backwardness of any region.
- (v) To encourage and involve private sector participation in the process of planned and rapid industrialisation of the State.
- (vi) To promote export of such items, in which the State holds advantage vis-a-vis other States.
- (vii) Revival of viable sick units.
- (viii) Simplification of 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.
- (ix) To take steps to protect and promote rural handicrafts so as to conserve and enrich cultural heritage, traditions and customs of the region.
- (x) To provide better development opportunities to Scheduled Castes, Scheduled Tribes, Handicapped, Weaker Sections and Women and to ensure their participation in the development process.

(xi) To promote research and development, technological upgradation and qualitative improvement and utilisation of state of art technology to improve product, production and productivity.

### **3.0 STRATEGY**

3.1 The strategies to be adopted for achieving the objectives are broadly as follows:

- (i) Rationalise fiscal concessions.
- (ii) Provide adequate good quality infrastructural support at a reasonable cost for efficient functioning of the industrial sector.
- (iii) Amend laws / rules for encouraging private sector participation in various sector.
- (iv) Simplify rules, regulations and procedures to remove bottlenecks for smooth functioning of the industrial sector.
- (v) Improve the quality of services to entrepreneurs with sharp focus upon SC/ST categories, handicapped and women to encourage them to actively participate in the developmental process.
- (vi) Introduce latest scientific data collection system to make the planning process more realistic.
- (vii) Make the "Single Window System" more effective at the district, the industrial area and State level.
- (viii) Strive to put in place appropriate arrangements for ensuring timely and adequate flow of credit to industries, specially the SSI sector.
- (ix) Assist Industrial Sector in their marketing efforts by providing adequate support services backed by appropriate enabling provisions in the legislations / rules.
- (x) Facilitate availability of technical and financial support for modernisation through increased access to Research & Development facilities.
- (xi) Give thrust to entrepreneurship development through Establishment of Entrepreneur Development Institute (EDI) and other specialized institutions.
- (xii) Diagnose incipient sickness and initiate timely measures for revival of sick industries and develop a monitoring system at district level to avoid sickness in industry.
- (xiii) Identify the areas of concentration of traditional skills and provide training, improved design, technological back up and marketing support. Development of "Craft Villages" and organising "Craft Bazaars" to provide adequate market access to artisans and craftsmen.

(xiv) Encourage setting up of fruit processing, vegetable processing, spice processing, horticulture and other food processing industries in the State by providing special incentives and basic infrastructure to these industries.

(xv) Develop Industrial Parks for specialised activities in the fields of Information Technology, Tassar/Mulberry, Electronics, Plastic, Chemicals, Biotech and Herb, Exports and Food Processing with adequate power, water, communication, transport and other common facilities.

(xvi) Emphasis on small power generating units and developing non-conventional sources of energy through private participation.

(xvii) To encourage development of consumer oriented industries such as Plastic, Herbs, Drugs, Leather, Handloom, Handicrafts, Khadi, etc.

(xviii) Issue of notifications by various concerned Departments to give effect to the strategies of the policy.

(xix) Institutionalisation of Monitoring and Evaluation mechanism.

(xx) Mid-term review of implementation of this policy to ensure timely and appropriate corrective actions.

#### **4.0 INFRASTRUCTURE**

4.1. The Government has carefully considered the United Nation Development Programme \_ Country Co-operation Framework for India Report, 1997-2001. Infrastructure is the most critical component for ensuring industrial growth. Accordingly, the Government would take suitable steps to provide an appropriate framework for private sector participation in infrastructure development in the State.

4.2 An Industrial Infrastructure Development Board (I I D B) is proposed to be set up under the Chairmanship of the Chief Minister with the Minister, Industries as Vice Chairman and the Secretary, Industries as Member \_ Convener to :

- (a) Identify key infrastructural requirement,
- (b) Ensure submission of specific projects / proposals in time bound manner,
- (c) Prioritise public investments in these projects / proposals,
- (d) Decide on the modalities on external funding including private funding / investment, and
- (e) Review the executions of the project.

4.3 The State Government would actively encourage both Indian and Foreign private investment / participation in infrastructure projects. The Government would also be prepared to participate in joint ventures for infrastructure development. In suitable cases the Government shall actively consider providing land at concessional rate or free of cost.

4.4 The Government would take specific measures for development of sectoral clusters taking into account the needs of the targeted industries. The State has already

accepted the concept of BOT, BOOT, BOLT and would evolve comprehensive guidelines for various model of projects for funding and operating such infrastructure projects with private investment on a commercial format. The enabling provisions would suitably be included in the concerned legislation, wherever required.

4.5 The State would encourage Financing Institutions and private sector to establish and maintain industrial growth centres / industrial areas / Export Promotion Industrial Park /Special Economic Zone / and such other infrastructure projects.

## **5.0 INDUSTRIAL AREAS**

5.1 The State has at present three Industrial Area Development Authorities with Head Quarters at Adityapur, Bokaro and Ranchi. These authorities are responsible for acquisition of land, development of infrastructure facilities like road, drainage, park, water supply, public utilities, etc. within their jurisdiction. It is contemplated to establish an Industrial Area Development Authority for Santhal Pargana with Head Quarters at Dumka.

5.2 The State Government would endeavour to identify new industrial areas so as to ensure each District has at least two industrial areas which would facilitate balanced growth of the entire State.

5.3 The Government is committed to provide international standard infrastructure and facilities in the industrial areas and estates managed by the Industrial Area Development Authorities. Existing infrastructure shall be upgraded and maintained efficiently. Supporting facilities in these industrial areas in terms of access to information, transportation linkages, housing facilities, telecommunication, health, education, sports etc. would further be strengthened and new facilities wherever required would be provided.

5.4 Steps would be taken to revamp the Industrial Area Development Authorities and bring them under unified control to ensure uniform application of procedures, facilities and benefits to the entrepreneurs.

## **6.0 LAND**

6.1 LAND / SHEDS IN GROWTH CENTRES / INDUSTRIAL AREAS, ETC.:

6.1.1 Land / Sheds in growth centres, Industrial areas, 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 subjected 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 by the Industry department.

6.1.2 The State Government shall constitute a "Land Bank" at District level to make available the required land to intending entrepreneurs to overcome the delay in land acquisition process.

6.1.3 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.

## **6.2 LAND FOR INDUSTRIES OUTSIDE INDUSTRIAL AREAS / GROWTH CENTRES.**

6.2.1 The State Government will assist the entrepreneurs in providing land and also in acquiring land for locating industrial units outside industrial areas / growth centres. Enabling amendment in Chhotanagpur Tenancy Act 1908 has already been made to facilitate setting up of any unit for industrial purpose or for the purpose of mining (Bihar Act 2 of 1996). Similarly, enabling amendments have already been made in the Bihar Tenancy Act authorising conversion of agricultural land.

6.2.2 The Government shall encourage such entrepreneurs by providing approach road , in case of those industries where minimum investment in plant and machinery is Rs. one crore. However, the cost involved in providing such communication facility shall be subject to a limit of 20% of such investment or maximum limit of Rs. 25 lakhs whichever is lower.

## **6.3 ALLOTMENT OF GOVERNMENT LAND**

6.3.1 Allotment of Government land at times gets delayed mainly on account of the fact that the competent authority is required to make references to a number of departments before taking a view in the matter.

6.3.2 To expedite the process, number of inter departmental references would be minimised along with decentralisation of powers to the level of Collectors.

6.3.3 Collectors would maintain detailed information regarding all available Government land in the district in the form of `Land Bank', out of which, while the Collectors would be authorised to lease up to 5 acres of Government land for industrial purpose, Government land in excess of 5 acres would be leased to entrepreneurs by the Collector with the approval of the High Level Empowered Committee headed by the Member, Board of Revenue. The land would be allotted at predetermined rates.

## **6.4 PRIVATE INDUSTRIAL ESTATES**

6.4.1 Government would encourage establishment of Private Industrial Estates by acquiring and making available such land at the acquisition cost.

6.4.2 The Government in turn will also provide infrastructure facilities such as water, electricity and road at the doorstep of such private industrial estate. The extent of such private industrial estate shall not be less than 100 acres. Such private industrial estate shall be allowed to install a Captive Power Plant to generate and distribute power directly within such industrial estate.

## **6.5 SOCIAL INFRASTRUCTURE**

6.5.1 Social infrastructure in close proximity of industrial areas / estates would be developed. The Government would encourage private participation in putting up well planned and systematic residential facilities, quality residential / non-residential schools, hospitals etc. Large industries would be persuaded to establish such facilities

individually or to pool their resources to set up these facilities collectively. The State Government shall endeavour to provide land and other facilities at concessional rates for this purpose.

## **6.6 GROWTH CENTRES**

6.6.1 The State Government has formulated an ambitious plan to set up and promote 3-Tier Growth Centres, namely at Mega, Mini and Micro levels.

6.6.2 Mega Growth Centres at Barhi , Hazaribagh have been taken up for providing modern infrastructure facilities for rapid industrialisation. These growth centres envisages an investment of Rs. 30 to 40 crores and shall provide quality infrastructure inputs like land, water, power, communication, etc.

6.6.3 Industry specific Mini Growth Centres are being contemplated to be set up by the Government at different locations in the State where specific industrial activity needs to be boosted. The location of these growth centres has been selected keeping in mind the inherent locational advantages with respect to availability of raw material, manpower, connectivity and market.

6.6.4 The Government shall provide following facilities at such growth centres :

- (a) Highest slab of capital investment and interest subsidy.
- (b) Highest slab of other relevant subsidies
- (c) Quality infrastructure support, which includes, good road connection to the nearest highway.
- (d) Priority in power allocation to such growth centres.

6.6.5 These Growth centres would shift the focus of growth of industries into rural areas, yet ensuring that these growth centres are located near main highway and the district head quarters. This would help in generating employment for the local population, and the nearest town would provide residential / schooling facilities for the families.

6.6.6 The following Mini Growth centres are proposed to be set up at the following locations:

- (a) Tasar / Silk Park at Chaibasa and Godda
- (b) Agro based Food Processing Park at Ranchi and Dumka
- (c) Plastic Park at Koderma
- (d) Electronic Park at Namkum / Tatisilwai
- (e) Chemical Park
- (f) Export Promotion Industrial Park (EPIP) at Dhanbad.
- (g) Software Technology Park (STP) at Ranchi / Jamshedpur
- (h) Biotech and Herbs Park.

6.6.7 To give boost to village based industries, the Government intends to set Micro Industrial Areas / Parks at each block level which shall provide basic infrastructure facilities to the rural entrepreneurs, artisans and craftsman. This shall give a fillip to employment and rural growth.



## **7.0 ROAD NETWORK**

7.1 The status of roads in the State is as follows:

?National Highways : 1600 Kms

?State Highways : 2711 Kms

7.2 An ambitious project of providing Four Lane Highway between Hazaribagh and Baharagoda via Jamshedpur measuring 333 kms is under construction. A detailed project report for construction of High Specification Road between Ranchi and Sahebganj via Govindpur, Jamtara and Dumka is being prepared, which will provide gateway to Assam and North East. Similarly Ranchi \_ Daltonganj \_ Garhwa road shall also be strengthened.

7.3 Special attention shall be paid to improve and upgrade the existing road network and providing new road linkages / by-passes with bridges over rivers to facilitate quick and efficient movement of raw materials and finished goods.

7.4 The Government shall encourage Private Sector participation on Build-Operate-Transfer (BOT) concept for building and maintenance of roads and bridges. With respect to the bridges upon the National Highways, the State Government shall undertake steps to involve Private Sector Participation in consultation with the Government of India. The State Government would also allow commercial use of specified road side land in order to improve the economic viability of such road / bridge projects as per the approval plan.

7.5 The Government shall plan for, and in the long run provide expressways along the main high-density corridors across the state.

7.6 The Government shall also encourage private sector participation in the management of inter-state and intra-state bus terminuses across the State.

## **8.0 RAILWAYS**

8.1 The state has extensive and well-developed railway system providing vital links to mining industry and tourism with important cities and ports of the country. The State has extensive goods handling facilities available at Ranchi, Bokaro, Dhanbad and Jamshedpur (Tata Nagar). In addition, ore loading facilities are available at Kiriburu , Lohardaga and all the coal mines of Central Coalfields Ltd.

8.2 Railway Projects in the offing

- New Division at Ranchi
- Koderma \_Hazaribagh-Ranchi
- Koderma-Giridih
- Deoghar-Dumka-Rampur Haat

8.3 An Inland Container Depot (ICD) is coming up at Tatanagar to facilitate export efforts. The depot is expected to be commissioned by end December, 2001.

## **9.0 AIR TRANSPORT**

9.1 Air link is vital to attract investment and to promote tourism in the State. There is vast untapped potential in this sector of public transport.

9.2 Ranchi, the State capital is connected with Delhi, Patna, Mumbai by regular air services. Efforts are being made to provide connectivity with Kolkata and other major national and commercial cities. To upgrade Ranchi airport as international airport, the State Government shall extend all assistance to IAAI .

9.3 Major towns in the State, such as, Jamshedpur, Dhanbad, Bokaro, Giridih, Deoghar, Hazaribagh, Daltonganj, Noamundi have air strips. The State Government would take steps to strengthen and improve these air strips along with proper fencing and establishing terminal buildings. The air strip at Dumka would also be upgraded. These air strips shall be allowed to be used by private air taxi / cargo service operators. Concessional landing facilities for a period of one year from the date of starting such air taxi / cargo service shall be provided. Re-fueling facilities shall also be made available.

#### **9.4 AIR CARGO COMPLEX**

The State Government has taken steps to set up Air Cargo Complex at Ranchi. This would provide boost to export oriented industries, specifically, those operating in the area of high value and perishable commodities. Floriculture and horticulture based industries can take advantage of this facility.

### **10.0 SEA ACCESS**

10.1 Jharkhand is a land locked state. Efforts are being made to provide inland water transport facilities by making Suvernrekha river navigable. In addition, navigational infrastructure at Sahebganj and Rajmahal is also contemplated to be provided on river Ganges to facilitate sea port access. The State Government would strive to possess a dedicated berth at either Haldia Port or Paradeep Port to facilitate imports and exports.

### **11.0 WATER**

11.1 The State possesses a large number of water bodies, reservoir and river basins (17) spread across the State, which is available for industrial use. It need not be stressed that water is an important industrial input, which should be easily available. The State has undertaken steps to store run-off water for water harvesting. The State has normal rainfall pattern of 1400 mm spread across the whole region.

### **12.0 TOURISM**

12.1 Tourism has been given the status of an industry. The State Government intends to give boost to tourism sector by attracting higher investment in the areas with tourist potential and to generate employment opportunities through combined efforts of governmental agencies and the private sector. Priority shall be accorded to develop eco-tourism, religious tourism, heritage- tourism, adventure tourism, amusement parks, resorts and way side amenities.

12.2 Air taxi services would be promoted to provide package tours especially keeping in mind the Buddhist circuit and international tourist flow.

### **13.0 TELECOMMUNICATION**

13.1 After the creation of the State of Jharkhand focused attention on telecommunication facilities has resulted into a significant improvement in the telecommunication services and facilities.

13.2 A separate Telecommunication Circle for Jharkhand has started functioning which would take care of the requirements of this sector. Jharkhand has 337 telephone exchanges having total switching capacity of 3.52 lakhs and has 2.75 lakhs working telephone connections. All district headquarters are connected to the main network by reliable media and STD facility in all district headquarters is available. The switching capacity of major towns of the State such as Ranchi, Hazaribagh and Giridih are being upgraded. The Ranchi internet node has been upgraded to "A" category. Optical Fibre Cable (OFC) media connectivity is available in all district headquarters. At present 6 internet nodes are operational in Jharkhand Telecom Circle. Local dialing facility to access internet is available for all district headquarters.

13.3 Regular cellular mobile telephone service (Bharat Mobile Service) in Jharkhand State shall be available by March 2002. The Jharkhand Telecom Circle has formulated extensive plans to link the rural areas through WLL (Wireless in Local Loop). It is also proposed to connect all telephone exchanges through OFC / UHF. It is also proposed to provide limited mobile services to the rural areas. Extensive plans have been made to set up Cyber Cafes at each block headquarter.

13.4 The State Government would take steps to utilise the communication facilities available with Railways to set up a dedicated communication network for the State.

#### **13.5 PRIVATE INVESTMENT IN TELECOMMUNICATION SECTOR**

The State Government acknowledges the need to induct private investment in this sector to speed up the process of linking up the rural areas with business centres in the State and outside, and also to upgrade the existing system in key areas to that of international standards. The government will thus encourage telecom companies to set up basic services in the State specially in the rural hinterland of the State as well as the areas that are emerging as industrial centres. Presently Reliance Telecom is providing cellular mobile services in the major towns of Ranchi, Jamshedpur, Dhanbad, Hazaribagh, Bokaro, Chas, Katras and Ramgarh.

13.6 The State Government has taken steps to establish Software Technology Park at Ranchi. A "Dedicated Earth Station" shall be installed to enable satellite linked international communication facilities. Such facilities shall also be made available at Jamshedpur etc.

13.7 All block headquarters are being connected through optical fibre. Remote areas shall be provided access through Wireless in Local Loop (WLL) facility.

13.8 The State Government has adopted E-Governance as the future model to provide transparent and sensitive governance.

### **14.0 INFORMATION TECHNOLOGY**

14.1 The Government of Jharkhand, recognising the impressive growth of the IT sector in the country, has resolved to make Jharkhand an IT powerhouse and a front runner in the Information revolution. The government considers IT as an agent of transformation of every facet of human life which will bring about a knowledge based society.

14.2 The policy is aimed at accomplishing the following basic objectives:

14.2.1 **Info-Infrastructure Drive:** Accelerate the drive for setting up a world class Info-Infrastructure with an extensive spread of Fibre Optic Network, Satcom networks and Wireless networks for seamlessly interconnecting the Local Informatics Infrastructure (LII), National Informatics Infrastructure (NII) and the Global Informatics Infrastructure (GII) to ensure a fast nation-wide onset of the INTERNET, EXTRANETs and INTRANETs.

14.2.2 With India's potential to achieve \$50 billion dollar of IT exports by 2008, policy ambience will be created for Jharkhand IT industry to target for a \$ 5 billion annual export by the year 2010.

14.2.3 **IT for all by 2010:** Accelerate the rate of computer penetration in the state so that it reaches a penetration of one per 50 people by the year 2010. Towards the goal of IT for all by 2010, policies are provided for setting the base for a rapid spread of IT awareness among the citizens, propagation of IT literacy, networked Government, IT-led economic development, rural penetration of IT applications, training citizens in the use of day-to-day IT services like tele-banking, tele-medicine, tele-education, tele-documents transfer, tele-library, tele-info-centres, electronic commerce, public call centres, among others; and training, qualitatively and quantitatively, world class IT professionals.

14.2.4 Coordinate with all Central Government and private agencies involved in putting together the Info-Infrastructure in Jharkhand and actively put supplementary connectivity to the last mile. Requests made by STPs would be acted on within two weeks of receipt. In this regard, any renovation or construction of State Highways, new power transmission lines and new township development projects would look into the possibility of adding Optical Fibre network in these projects.

14.2.5 To provide Info Infrastructure to all areas with access to power within a period of 2 years.

14.2.6 To deliver e-governance, computerise the secretariat functioning within 2 years and earmark at least 2% of the departmental budget for IT related development.

14.2.7 To create a network right down to the block level administration within 2 years and bring the village level e-governance by 2005.

14.2.8. Promote 'IT Habitats' in the rural hinterland adjacent to cities with modern telecom and communications infrastructure along with top class educational/research institutions.

14.2.9 Create a Centre of excellence like IIIT in and around Ranchi and Regional Engineering Colleges through private participation.

14.2.10 Government to support all development of IT support services in regional language.

14.3 State Institutes of Public administration would be re-oriented to help bring about IT responsive State administration.

14.4 Suitable floor space in Government buildings, which are not utilised during non-office hours, would be considered to be given to private educational institutions for IT training purposes in return for a proportionate number of free nominations of Government employees for IT training, etc.

14.5 Feasibility of introducing a Citizen ID Number for creation of state wide database will be explored.

14.6 SPECIAL INCENTIVES FOR THE IT INDUSTRY:

(a) Exemption from environmental clearance

(b) Exemption from zoning regulations for purposes of location

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

- Water and Air Pollution Act
- Factories Act
- Employment Exchange (Notification of vacancies) Act
- Payment of Wages Act
- Minimum Wages Act
- Contract Labour (Regulation and Abolition) Act
- Workmen Compensation Act
- Shops and Establishments Act ; etc.

(d) General permission to run a three-shift operation

(e) The Government would provide rebate in the cost of land allotted to an IT Industry @ 0.25% of the cost of land per job created subject to the following conditions:

(i) The rebate shall be applicable only in respect of land allotted by the Government/IADA with prospective effect.

(ii) The rebate shall be restricted to 0.25% of the cost of such land per job created or the cost of the bare land (excluding development charges/cost), whichever is less.

(iii) The minimum number of employees to be employed by a company in order to avail the concession on land cost shall be fifty (50), at least 30% of which should be resident of Jharkhand.

(iv) The minimum gross salary/wage for an employment to be considered to have been created would be Rs. 4,000/- per month.

(v) The period for which such employment would have to be sustained to be eligible to be reckoned for this incentive shall be two (2) years.

(vi) The number of employees to be considered for the purpose of this provision shall not exceed the number arrived at by the following formula operated by the company at the location : Number of computer workstations at a location x 1.33 x number of shifts (of 8 hrs each).

(vii) The Government shall specify suitable guidelines to ensure that the benefits of this provision reaches a company only after it meets the stipulated conditions regarding job creation and that the employment

figures reported are corroborated by other supporting data such as investment, turnover, returns filed with RBI, returns filed with STPI, Ranchi etc.

(f) For establishing IT industries in the existing structures located in the industrial areas under IADA. Concessions will be in the form of rebate on registration charges and stamp duty for sale / lease of such built-up space to the IT industry in the following manner:

**Sl. Duration during which facilities established Rebate admissible**

No. and sold/leased

1. 1-8-2001 to 31-3-2003 90%
2. 1-4-2003 to 31-3-2004 70%
3. 1-4-2004 to 31-3-2005 50%

(g) Similar concessions would also be admissible for establishing IT infrastructure facilities on private/Government land. This concession would be available only for such localities which are notified by the Industries Department and which provide certain minimum facilities like uninterrupted/backup power, reliable telecom links etc.

(h) This concession would be available only for the first transaction when the first sale by IADA / Other concern is made to an IT industry.

The above concession would also be available on the purchase of land by an IT Industry establishing an IT park for its own use provided it does not avail the concessions in para

14.6 e.

## **15.0 POWER**

15.1 Power is the lifeline for industrial development of any State. The creation of new Jharkhand State has thrown a challenge of development of the state and to bring it to the level of other developed states. The main intention is to improve the system so that the industries should get power of right quality, right quantity and one, which is uninterrupted with constant voltage and frequency at affordable cost. The State Government will follow the power reforms on the lines of Central Power Bill \_ 2001. The objective is also to simplify the procedures with respect to tariff and other aspects. It is also targeted to generate power from non-conventional sources.

15.2 The development of power sector is to be given highest priority in the state's economic planning to bridge the gap between demand and supply. The State Government shall encourage the following:

### **15.2.1 PRIVATE SECTOR PARTICIPATION**

The State Government shall encourage Private Sector Participation in generation and distribution of power. The distribution of power in industrial areas and major cities of the State like Ranchi, Jamshedpur and Dhanbad are being contemplated for privatisation. The private sector power plant would be able to sell power to the State Electricity Board or to supply directly to bulk consumers and units in their designated

load areas. It shall also be able to sell power to any grid or export power outside the state with the concurrence of the State Electricity Board. Thus, it is intended to provide wheeling and banking of power through the transmission and distribution system of the State Electricity Board.

#### 15.2.2 CAPTIVE POWER GENERATION

The Government would encourage private sector in setting up of Captive Power Generation Plants of any capacity to meet the existing as well as future demand for power of industrial units. For setting up such power generation unit, no permission from SEB shall be required. The surplus power generated by such plant could also be purchased by the State Electricity Board on mutually agreed terms. The State Electricity Board shall allow wheeling and banking to such power plants. Large industrial unit / consortium of industrial enterprises in growth centers / industrial areas shall be allowed to set up power generating units as well as to take over distribution of power in such industrial complexes. Such captive power generation and purchase shall be provided exemption from electricity duty for a period of ten years from the date of commercial production.

15.2.3 Entrepreneurs will be permitted to use power generating sets. The unit desirous of using power generating sets shall be required only to inform the State Electricity Board of their intention in this regard.

#### 15.2.4 PRIORITY TO INDUSTRIAL CONNECTION

To ensure timely starting of industrial project, the State Electricity Board shall provide LT and H T industrial connection to such units within a period of 30 and 60 days respectively.

15.2.5 All incentives given to new industrial units shall also be available to the new power projects.

15.2.6 The Govt. would encourage two-tier tariff system for "peak and off peak" hour separately. To avail this facility T.O.D. meter shall have to be installed by the industrial units at their own cost.

15.2.7 The Government shall endeavor to provide exclusive dedicated feeder to industrial areas to ensure quality, uninterrupted supply of power to the industrial units located within.


15.2.8 Concept of maximum connected load will be changed to the concept of maximum Demand Load. Units desirous of availing this facility shall have to install electronic meters at their own cost.

15.2.9 Industrial units applying for a load of 100 H.P / 100 KVA or less shall be given connection under LTIS.

15.2.10 Industrial units applying for more than 100 H.P / 100 KVA shall be given connection under HTIS.

15.2.11 Exemption from payment of Minimum Guarantee Charge for new Industrial Units having connected load up to 500 KVA or equivalent H.P, as per billing norms.

15.2.12 For the period the Board is unable to supply power or the consumers unable to take supply due to certain reasons beyond their control such as natural calamity, accidental fire, labour unrest, major industrial accident etc., proportionate relief will

be given in fixed charges and Minimum Guarantee charges. 

15.2.13 SEB will accept NSC / Fixed Deposits against security money.

15.2.14 Amount of Security Deposit / Advance shall be fixed on the basis, on which Minimum Guarantee Charge is calculated and not on the basis of average consumption.

15.2.15 The rate of delayed payment surcharge shall be recoverable from the defaulting units at ½% (half) interest per week basis and not on monthly basis.

15.2.16 Notice period for disconnection or reduction of power load by HT consumers shall be six months.

15.2.17 For H.T. consumers, if the consumption exceeds the contracted demand up to 15% in a particular month, minimum guarantee charges, fixed charges, etc. shall be charged extra for that particular month only. On the other hand if consumption exceeds the contracted demand beyond 15%, minimum guarantee charges, fixed charges etc. shall be charged extra for a period of only 6 months instead of present 12 months.

### **15.3 POWER TARIFF**

An independent Electricity Regulatory Commission shall be established by the Government to rationalise the power tariff and ensure timely disposal of electricity related disputes between the industrial consumers and the Board.

### **15.4 INSTALLED CAPACITY OF POWER IN JHARKHAND**

Units Type Installed capacity

Tenughat Thermal Power Station Thermal 420 MW

Patratu Thermal Power Station Thermal 840 MW

Sikkidiri Hydel 130 MW


DVC Thermal/Hydel 1200 MW

**Total 2590 MW**

There is immense prospect of capacity addition in both the thermal and hydel sectors. The Government shall take steps to enhance the capacity of existing power plants.

### **15.5 POWER POTENTIAL IN JHARKHAND**

There is immense potential for setting up of Thermal, Hydel, Geothermal, Atomic, Methane and Gas based new power plants in Jharkhand. The prospects of capacity

addition in various power stations is as follows: 

#### **S.N. Unit Type Capacity**

1 Patratu Thermal 420 MW

2 Tenughat Vidyut Nigam Ltd. Phase I " 630 MW

3 Tenughat Vidyut Nigam Ltd Phase II " 500 MW

4 Chandil " 500 MW

5 North Karanpura " 2000 MW

6 Shankh II Hydel 186 MW

7 Tilaiya Dhadhar " 50 MW

8 Kanhar " 450 MW

**Total 4736 MW**



15.6 Besides, a number of mini and micro hydel power plants can also be installed at various identified localities, each of which may provide 1 MW power to 10 MW to the adjacent localities. The Government shall accord "Industry Status" to such mini / micro power generating units which would be allowed to wheel energy.

15.7 Private sector would also be encouraged to exploit and develop non-conventional sources of power, such as geothermal energy, biomass based power, solar power, wind power etc. to generate power locally and provide it in the remote areas. The Government shall accord "Industrial Status" to such non-conventional sources of power generating units, which also would be allowed to wheel energy.

### **15.8 RURAL ELECTRIFICATION**

The State Government has undertaken massive rural electrification programme to provide electricity to all villages and rural areas. The investment being made for this purpose is Rs. 30 crores in the current year 2001-2002.

### **16.0 SPECIAL ECONOMIC ZONE**

16.1 Special Economic Zone will be paradise for investors. The investors are made available the land, power, water and communication facilities. A number of tax concessions by the State Government and the Central Government are also offered as incentives. This zone acts as a magnet and over a period creates number of ancillaries.

16.2 The Special Economic Zone would also have an IT Park, Bio-Tech Park, Hotels, Recreation facilities, Housing, etc. with state of the art technology. The State has to act as a catalyst, enabler and enhancer to promote maximum activities through private participation. The establishment of Special Economic Zone would accord a fillip to export promotion. The high quality supporting infrastructure available at SEZ would greatly enhance the investment and economic development of the region.

16.3 Government intends to set up an SEZ along Jamshedpur \_ Ranchi National Highway corridor on both sides. The area lying within a distance of 5 kms on both sides.

### **17.0 HUMAN RESOURCES DEVELOPMENT**

17.1 Skill development is the key to quality and productivity. It also ensures employment of local people in sophisticated industries. New technology and tools are being developed which must be made available to the local youth for optimal utilisation of the resources at disposal.

17.2 The State is endowed with good educational and technical institutions. There are 12 Polytechnic institutions and I T I 's. There are institutions of repute such as XLRI, XISS, ISM, RIT Jamshedpur, BIT Sindri, BIT Mesra, CMPDI, etc. A good number of National Laboratories such as CFRI, CMRI, NIFFT, NML etc. are located here. Every year altogether 5000 trained technical manpower is released in various categories, for absorption in the national and international markets. Recently the Government has decided to allow private participation in opening technical institutions. Many national and international software companies have established their manpower training institutions in the State. To promote private participation in opening technical

institutions a special cell would be set up by the Government to ensure speedy and single point facilitation of such services.

17.3 The Indo-Danish Tool Room (IDTR) at Jamshedpur is playing a very important role in providing tool room and training facilities to the industrial concerns. The State Government intends to have close interaction with various industries and research institutions for accelerated industrial growth.

## **18.0 STATE INFRASTRUCTURE DEVELOPMENT & MANAGEMENT SYSTEM**

18.1 For better coordination and systematic development of Infrastructure in State an Apex institution consisting of multi-disciplinary experts group under the Chairmanship of the Hon'ble Chief Minister, Jharkhand shall be established.

## **19.0 EXPORTS**

19.1 In the age of liberalisation and globalisation of the economy, the importance of exports for economic development of the State cannot be ignored. Various measures are being proposed to boost export of various commodities from the State which include flowers, metals, tassar, handicrafts, automobiles, computer software, etc.

19.2 With a view to give boost to exports, the Government has constituted a "State Level Export Promotion Council", headed by the Chief Secretary with wide representation from industry and commerce. The council would direct, promote and ensure monitoring of the export related activities in the State.

### **19.3 EXPORT PROMOTION MEASURES**

(a) The Government shall set up an Air Cargo Complex at Ranchi, which would give the desired impetus to the export of flowers, fruits, vegetables and other relevant commodities.

(b) Large scale containerisation of import \_ export cargo in the International trade of India is taking place very rapidly. In order to realise maximum potential of export for value added and manufactured goods from the State, the Government has taken steps to establish Container Depot at Jamshedpur. Accordingly, an Inland Container Depot (ICD) at Tatanagar (Jamshedpur) with the assistance of Govt. of India is soon going to be commissioned.

(c) Export Promotion Industrial Park (EPIP) is proposed to be set up at Dhanbad with the assistance of Govt. of India, which will provide high quality infrastructure facilities for export oriented units.

(d) Special Economic Zone (SEZ) is being proposed to be set up to give fillip to exports and earn valuable foreign exchange for the country.

(e) Declaration of Export Oriented Units as Essential Services / Public utilities service.

(f) State Government would take supportive view in operation of relevant labour laws to facilitate export production.

## **20.0 FOREIGN INVESTMENT**

20.1 Foreign investment and technological collaboration by Overseas Corporate Bodies (OCBs) and NRIs would be encouraged in selected sectors, such as infrastructure, power, mineral development, telecommunication, frontier technologies and in the field of non-conventional energy sources, environmental protection, food processing, bio-technologies, tissue culture, pharmaceuticals (life saving drugs) and value added industries on mutually advantageous basis. Over riding priority shall be given to such proposals.

## **21.0 INDUSTRIAL FINANCE**

21.1 The Government appreciates that inadequate industrial finance is 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.

21.2 The State Government would take steps to set up a new Twin Function Industrial Finance and Infrastructure Development Corporation, which would also provide counselling services to small and medium scale units. The Corporation would be set up with an initial capital of Rs 200 crores with the assistance from financial institutions such as SIDBI/ICICI/IDBI/Commercial Banks etc.

21.3 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.

21.4 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.

21.5 The State Government would make efforts to open specialised SSI bank branches in the State to cover all districts having concentration of SSI units, in a time bound manner.

21.6 The State Government shall also invite Private Sector Banks / Financial Institutions to provide financial services to various industrial units.

21.7 A State Level Inter Institutional Committee (SLIIC) 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 exchange 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.

21.8 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) / LAMPS / PACS. Necessary amendments in the co-operative laws would be made to update such laws to ensure focused attention and achievement of objectives.

21.9 In order to nurse the weak and ailing State PSU's , a special rehabilitation scheme would be worked out. To achieve this, a Special Purpose Vehicle (SPV) would be created with a dedicated Industrial Reconstruction Fund after assessing industry specific requirements. Possibilities of Employees Stock Option (ESOP) would be explored in this regard.

21.10 The State Government would set up a Technology Upgradation Fund in the form of Venture Capital. This fund would be set up with the assistance from RBI / IDBI / SIDBI / other Financial Institutions and Commercial Banks. This fund would be released on a selective basis under the recommendation of a High Level Committee for improving the technology / modernisation of such industries which are using out-dated technology but can become competitive if new technology is inducted.

21.11 To speed up recovery of overdue debts of banks / financial institutions, a Debt Recovery Tribunal shall be set up.

21.12 The State Government would take steps to notify all District Headquarters as notifying centers for creation of equitable mortgage.

21.13 To increase the flow of credit, banks would be exempted by the State Government from paying the filing up front fee with respect to Public Demand Recovery cases under Public Demand Recovery Act. Such filing fee shall be the first charge from the Public Demand debtor.

21.14 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.

## **22.0 UNITS UNDERTAKING EXPANSION / DIVERSIFICATION/ MODERNISATION**

22.1 Such units would be given identical treatment as new units only in respect of their incremental production due to their expansion / diversification / modernisation . All such incentives admissible to such units which are covered by the definition of expansion / diversification / modernisation as given in the Annexure, shall be provided.

## **23.0 INDUSTRIAL SICKNESS**

23.1 A concerted effort for revival of willing and viable sick industries for overall industrial growth of the State, specially in view of chronic problems of sickness in small, medium and large industries in the State is among the topmost priorities of the

State Government. It need not be emphasized that sickness in industries not only affects the revenue of the State but also results in unemployment and non-productive investment.

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

### **23.2.1 Prevention of Sickness**

Prevention is better than cure. Periodic coordination meetings with the industrialists / entrepreneurs and financial institutions at the IADA level with respect to the industries located in such industrial areas / estates under the Chairmanship of Managing Director of the concerned Industrial Area Development Authority and at the divisional level under the Chairmanship of the Divisional Commissioner for the rest of areas under their respective jurisdiction shall be held in which the status of various industrial units operating in the areas/ divisions shall be reviewed to ensure early detection of sickness / problem, and preventive measures for the same shall be taken.

### **23.3 INDUSTRIAL SICKNESS IN SSI SECTOR**

23.3.1 For the revival of willing and viable SSI units, the State Government proposes to form a State Level Apex Body with Secretary of Industries/Industrial Development Commissioner as its head to consider such revival efforts..

23.3.2 The State level Apex Body for rehabilitation of sick industry would be vested with adequate powers, so that it can effectively implement the management and financial restructuring. The resolution of such Apex body shall be binding upon all the concerned departments.

23.3.3 The sick SSI 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.

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

23.3.5 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.

23.3.6 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 .

23.3.7 The balance amount of electricity dues of such sick unit after deduction of the aforesaid amount shall be paid by the unit in such installments 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 installment 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 .

23.3.8 The Apex Body shall periodically monitor the progress of the revival package and it shall have the competence /authority to take such actions as it may deem fit against the defaulting party including the unit and / or other department .

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

#### **23.4 SICKNESS IN LARGE & MEDIUM SECTORS**

23.4.1 A committee with Industrial Development Commissioner / Industry Secretary 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.

23.4.2 The Committee shall make an assessment of sick / closed State Public Sector Undertakings and for revival of technically and economically viable such undertakings, take appropriate measures which may include manpower rationalisation / disinvestment / financial restructuring etc.

23.4.3 The Committee will recommend concessions and facilities including those in this policy statement, if considered necessary for revival of the such sick units. These recommendations would be placed before the Government through State Level Empowered Committee (SLEC), which would be constituted under the Chairmanship of Chief Secretary , for final decision.

23.4.4 Concessions and facilities identified under the scheme of rehabilitation prepared by the BIFR or by State Level Inter Institutional Committee of RBI (SLIIC) would be placed before the committee headed by the Industrial Development Commissioner (IDC) / Industry Secretary for consideration and recommendation to Government through State Level Empowered Committee (SLEC) for approval.

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

23.4.6 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.

23.4.7 The Government shall frame an Exit Policy so as to enable such units which do not find it possible to continue and intend to dispose off their assets and clear the Bank dues.

#### **24.0 PROMOTION OF RURAL INDUSTRIALISATION**

24.1 Promotion of rural industries is among th e priorities of the Government. This sector provides employment opportunities to vast sections of the society which mainly comprise of the weaker sections, the minorities and the women. This sector, in addition, has immense export potential which needs to be exploited to earn valuable

foreign exchange for the country. To give thrust to this sector, the Government aims to provide benefits in the following areas:

## **24.2 HANDLOOM**

24.2.1 Handloom is labour intensive cottage industry sector providing employment to around 1.50 lakh weavers throughout the State.

24.2.2 Various incentives to the handloom weavers are being provided under Deendayal Hastkargha Protsahan Yojana, which aims at taking care of wide gamut of activities such as basic inputs like looms and accessories, product development , infrastructure support, institutional support, training to weavers, supply of equipment and marketing support , both at micro and macro levels in an integrated and coordinated manner for an overall development of the sector and benefit to handloom weavers .

24.2.3 The State Government shall also aid this sector by setting up Computer Aided Design (CAD) and Computer Aided Manufacturing (CAM) centres. In addition, marketing outlets shall also be set up. Steps shall be taken for upgradation of technology and improvement in existing looms. Raw material shall be provided through NHDC, designs through CAD Centre, training to weavers, its production and manufacturing through State Run Weavers' Training Centres and Weavers' Service Centres of the Govt. of India. Weavers' Training Centre shall be upgraded by improving the quality of looms.

## **24.3 HANDICRAFTS**

24.3.1 Handicrafts of Jharkhand reflects the cultural heritage, customs and traditions of the State. Suitable and effective steps shall be taken to provide training, improved tools, design development, technological improvement, raw material support, providing bank financing and marketing assistance to boost the growth of this sector.

24.3.2 The State will take steps to boost the manufacturing of sophisticated and intricate handicrafts in cane and bamboo works, wood carving, stone ware, brass ware, lac based handicraft items, paper mache, terracotta, etc.

24.3.3 The State Government shall set up a 'Handicraft Village' in Ranchi during initial phase and in Santhal Pargana in the next phase. This Village would provide marketing platform to the rural artisans of the State. Craft Melas would be organised across the State to boost marketing in this sector. Handicraft emporiums would be set up at the District and the State level with private participation.

## **24.4 KHADI & VILLAGE INDUSTRIES**

24.4.1 The KVI sector would be accorded high priority with the objective of promoting a self-reliant rural economy and decentralised process of growth.

24.4.2 The State Government would set up a Khadi and Village Industry Board to give impetus to this sector to provide services with respect to training, financing and marketing needs of various institutions, societies, co-operatives and individuals. Preference shall be given by Government departments / institutions to products of Khadi and Village Industries while making purchases.

24.4.3 The State Government would facilitate the setting up of a Bamboo Research Institute.

## **24.5 SERICULTURE**

24.5.1 Jharkhand carries the enviable status of producing 60% of the total tasar production of the whole country. The Government shall strive to attain the following objectives in a time bound manner :

- (i) quantum jump in production of tasar
- (ii) extensive plantation of Arjun / Asan / Sal / Mulberry in the denuded forest areas, waste lands and other areas available for the purpose.
- (iii) To promote research and development to improve the product and productivity.

#### **24.6 MINOR FOREST PRODUCE**

24.6.1 Various minor forest produce available in the state are mahua seed, sal seed, lac , kendu leaf, harre, bahera etc. The Government shall encourage research and development for increasing use of minor forest produces, to increase the production and provide marketing assistance to give boost to this sector.

#### **25.0 EMPLOYMENT PROGRAMMES**

25.1 The Prime Minister Rozgar Yojana has resulted into providing employment to a large number of youths across the State and has led to the establishment of large number of micro enterprises in the rural as well as urban areas of the State. The State Government shall endeavor to ensure sufficient flow of capital through commercial banks for new ventures in industry, business and service sectors under this programme. The bottleneck in implementation of this ambitious scheme shall be removed to ensure exploitation of full potential.

25.2 The Government intends to set up "Micro Industrial areas" in each block to provide infrastructure facilities to beneficiaries of this scheme.

25.3 The District Industries Centre (DIC) across the State shall be reorganised to give impetus for effective implementation of this programme through the banks.

25.4 Effective steps shall also be taken to recover loans from beneficiaries to generate active support from the commercial banks.

#### **26.0 ENTREPRENEURSHIP DEVELOPMENT**

26.1 The State Government appreciates the need for entrepreneurship development among the local youth. Entrepreneurship Development Programmes (EDPs) will be organised with special focus on Weaker sections / SC's / ST's / Minorities / Women and technically qualified entrepreneurs engaged in traditional crafts like pottery, blacksmithy, carpentry, shoe making, fisheries, weaving, bangle making, etc. on priority basis. NGO's and Industries Associations will be involved in this task. Course on EDP's would be integrated into the curriculum of various training and vocational institutes.

26.2 The Government would setup an autonomous Entrepreneurship Development Institute with active support from the leading management/training institutions on self



supporting basis for developing quality infrastructure facilities for imparting entrepreneurial training.

26.3 The District Level Committees under the Deputy Commissioners would pay special attention to the entrepreneurs of this class and regularly review the progress.

## **27.0 IDENTIFICATION OF THRUST AREAS**

27.1 The State of Jharkhand is blessed with huge natural resources such as minerals, forests, water resources, energy sources, fertile land, etc. which can place the State amongst one of the top most prosperous and developed states of the country.

27.2 Besides, the State is also gifted with relatively moderate climate, good rainfall, good rail and road communication, technical educational facilities, research laboratories, management institutes, etc.

27.3 With a view to inculcate rapid growth in industrial sector, such industries which aim to utilise natural resources available in Jharkhand and which can generate employment for local inhabitants are being classified as thrust area industries.

27.4 It is also intended to give boost to those industries, which propose to add value to the minerals, forest produce and agro based products available in the State. Important criteria for determining suitability of thrust industries for accelerated development in the states are:

- a) availability of raw material
- b) market
- c) manpower resources
- d) linkage with larger units
- e) sustainability aspects

27.5 The following industries have been identified as thrust areas for focussed industrial development in the State :

### **1. Mining and Mineral Based Industries**

The potential for growth in mining and mineral based industries is immense. This sector has huge potential for attracting large investments to create employment and raise resources. It would be the endeavor of the State Government to expedite the granting of mining leases and simplify the procedures with respect to the grant of mining leases. In addition, the State Government would also provide certain relief to make mining activities easier.

Concerted efforts shall be made to expedite / undertake survey / exploration of mining resources. Modern methods of exploration like remote sensing, arrow magnetic survey and other methods would be used to set up the resource inventory of various minerals in the State. The State Government would encourage participation of reputed private parties, multinationals and Central and State agencies in this exercise.

The State Government would encourage joint venture projects with State Mineral Development Corporation (SMDC) especially in the field of mining. Private sector would be encouraged to take up mining activities in the State. Mining lease applications alongwith project report and all relevant documents would preferably be

disposed off within a period of 60 days of the filing of such application. Suitable steps would be taken to adopt state of art technology in mining activities. For this, the Government would promote private sector participation and would offer a package of reasonable concessions on case to case basis. To ensure raw material linkage to mining based and other industries, priority in granting mining leases to such industries and other such facilities shall be extended.

## **2. Agro based industries**

- Cattle feed
- Jute, hemp, sisal and other fabrics
- Tea cultivation, processing and packaging
- Paper
- Floriculture
- Horticulture

## **3. Industries based on medicinal and aromatic plants**

### **4. Sericulture / Tasar**

### **5. Forest based industry, like Shellac, Bamboo, etc.**

### **6. Engineering, auto component, iron & steel and steel based down stream industries.**

### **7. Chemical based industries**

### **8. Power generating and allied industries**

### **9. Electronic and computers and IT based industries**

### **10. Industries based on non-conventional energy**

### **11. Live stock based industries, such as dairy, poultry, piggery, aquaculture, meat processing, etc.**

### **12. Industries based on recycling of wastes, eco friendly raw materials and processes.**

### **13. Super specialty Health services**

### **14. Telecommunications and related products**

### **15. Food processing industry ;**

- Tissue culture products
- Seeds and planting materials
- Foods and Vegetable processing
- Bio-technological processes and products
- Post Harvest technologies

### **16. Tourism**

### **17. Cold Storages**

### **18. Plastic and plastic based industries.**

### **19. Pharmaceutical / drugs based industries.**

### **20. Leather based industries.**

### **21. Technical education**

### **22. Ceramics**

**23. Sports goods**

**24. Packaging**

**25. Metallurgical Industries including power intensive units like induction furnaces, arc furnaces, ferro alloys, oxygen plants, graphite & gas plants and calcium carbide plants.**

**26. Textile, hosiery, knitwear**

**27. Handicrafts / Khadi / Handloom based industries**

**28. Natural Gas Based Industries**

**29. Housing Fixtures and related industries**

## **28.0 COMMERCIAL TAX REFORMS**

28.1 New Industrial Units as well as existing units which are not availing any facility of Tax-deferment or Tax free purchases or Tax free sales under any notification announced earlier, shall be allowed to opt for set off, of Jharkhand Sales Tax paid on the purchases of raw materials within the State of Jharkhand only against Sales Tax payable either JST or CST on the sale , excluding stock transfer or consignment sale out side the state , of finished products made out from such raw materials subject to a limitation of six months or the same financial year from the date of purchase of such raw materials .

28.2 Clause 13(i)(b) of the Adopted Bihar Finance Act, 1981 provides for two (2) rates of concessional sales tax on purchases of raw material and other inputs. These are 2% and 3% against Form IX. Both these rates will be reduced to 2% in view of the provision for set off as aforesaid.

28.3 The State Government would make efforts to charge Sales Tax as far as possible with respect to the thrust area items at par with the floor rates recommended by the Central Government.

28.4 To provide support to the local industries, purchase at concessional rates would be admissible to Govt. departments, Boards and Corporations from the industries located within the state.

28.5 Jharkhand Sales Tax Registration Certificate would be required to be renewed every five years.

28.6 Jharkhand sales tax will not be charged on purchase of raw materials and sale of finished goods from 100% exporting units.

28.7 Application filed for Sales Tax registration shall be disposed off within a period of 15 days of filing such application.

28.8 The State Government shall ensure simplified and rationalised Sales Tax Act and Rules.

## **29.0 FISCAL INCENTIVES**

29.1 There is a dire need for the new born State of Jharkhand to accelerate industrialisation in the back ground of lost opportunities and non realisation of its industrial potential.

29.2 The types of incentives which are being offered are given below . Such incentives shall be admissible only once to a unit, which comes into commercial production during the period this policy remains effective :

1. Capital Investment Incentive
2. Captive Power Generating Subsidy
3. Interest Subsidy
4. Stamp Duty and Registration
5. Employment Generation Based Incentives
6. Special Incentives for Thrust Areas/EOU and SC/ST/Women/ Ex-Servicemen and Handicapped Persons.
7. Feasibility Study \_ Project Report Cost Reimbursement Subsidy
8. Pollution Control Equipment Subsidy
9. Incentive for Quality Certification

### **29.3 CAPITAL INVESTMENT INCENTIVE**

The capital investment incentive shall be admissible to small and medium scale industries. The details of such incentives are as follows:

#### **Sl. Incentive Category Maximum Financial Special Benefits**

No. Incentive Limit (%) (Lakhs)

1 Capital A 15 15 Additional 5%

Investment B 20 20 incentive over and Incentive C 25 25 above with a cap of (For Small & Rs. 5 lakhs in thrust areas,

Medium Scale 100% Export Oriented Industries) Units, SC/ST Entrepreneurs, Women Entrepreneurs, Handicapped persons and Ex-servicemen shall be admissible.

### **29.4 CAPTIVE POWER GENERATING SUBSIDY**

The Captive Power Generating subsidy admissible to new industries in various categories of districts are as follows:

#### **Sl. Incentive Category Maximum Financial Special Benefits**

No. Incentive Limit (%) (Lakhs)

1 Captive A 15 2.25 Additional 5%

Power B 20 3.00 incentive over and Generating C 25 3.75 above with a cap of Subsidy Rs. 0.75 lakhs in thrust areas, 100% Export Oriented Units, SC/ST Entrepreneurs, Women Entrepreneurs, Handicapped persons and Ex-servicemen shall be admissible.

### **29.5 INTEREST SUBSIDY**

The objective of providing this subsidy is to bring down interest cost of industry for the period an industry is most hard pressed This subsidy is aimed to encourage industry to continuous growth rather than stagnate and contribute its share of prosperity to the state.

The interest subsidy admissible to new industries shall be admissible in the following manner on the interest actually paid to be financial institution / banks on loans taken by such new industry:

## **Sl. Incentive Category Maximum Financial Limit**

No. Incentive (Lakhs) (%)

1 Interest A 25

The subsidy shall be limited to subsidy B 50 a sum of Rs. 100 lakhs per annum C 60 provided the total interest subsidy shall not exceed 2% of the total sales amount made in the State of Jharkhand and / or in course of inter-state sales as supported by the certificate / document issued by the competent commercial tax authority. This subsidy shall be admissible for a period of 5 years for all categories of industries from the date of commercial production.

### **29.6 STAMP DUTY AND REGISTRATION**

An eligible industrial unit irrespective of its location will be entitled to exemption from payment of 50% of Stamp Duty and registration fee paid for registration of documents within the State relating to purchase/acquisition of land and buildings for setting up of a new unit.

### **29.7 EMPLOYMENT GENERATION BASED INCENTIVES**

29.7.1 This incentive would be admissible to following industries:

- a) All Khadi and Village industries
- b) All farm based industries such as horticulture, floriculture, sericulture , medicinal & aromatic plants based industries etc.
- c) Forest based industries such as Shellac, Bamboo etc.

29.7.2 All workers / labourers employed in such industries would be covered under Contributory Group Insurance Scheme(CGIS), in which the State would pay 50% of the premium paid by the employer against each such worker / labourer. This incentive shall be admissible to only such industries employing a minimum of fifty workers / labourers.

### **29.8 FEASIBILITY STUDY - PROJECT REPORT COST REIMBURSEMENT SUBSIDY**

The Industrial Units will be provided feasibility study - project report cost reimbursement subsidy @ 50% of the cost incurred in preparation of such report subject to a ceiling of Rs. 50,000/-. Such feasibility study \_ project report shall have to be prepared by a recognized consultant drawn from duly approved panel by the Industries Department. This subsidy shall be admissible after the commencement of commercial production.

### **29.9 POLLUTION CONTROL EQUIPMENT SUBSIDY**

Capital investment subsidy for installation of Pollution Control and monitoring equipment shall be allowed on the certificate of the State Pollution Control Board about the necessity for such installation. This incentive shall be admissible to new and existing industrial units. This subsidy will be 20% of the cost of the pollution control and monitoring equipment subject to a ceiling of Rs. 20 lakhs, in addition to the capital investment subsidy admissible to such industrial unit. This would be in addition to any other incentive available from any other source. This subsidy will be paid only after such unit produces supporting documents for the expenses incurred alongwith the certificate of a Chartered accountant.

### **29.10 INCENTIVE FOR QUALITY CERTIFICATION**

Small Scale / Ancillary Industries would be encouraged to seek ISI / ISO certification. The State Government shall facilitate for reimbursement of charges for acquiring ISO-9000 (or its equivalent) certification to the extent of 75% of the cost subject to a maximum of Rs. 75,000/- in each case from the Central Government.

### **29.11 MEGA UNITS :**

Special packages shall be formulated for the new projects with an investment of more than Rs. 50 crores on case to case basis through direct negotiation with prospective investors.

## **30.0 ENVIRONMENT PROTECTION AND POLLUTION CONTROL CLEARANCE**

30.1 The State Pollution Control Board would accord approvals / clearances / NOC expeditiously preferably within 45 days of filing of application.

30.2 The industries would be categorised into Green, Orange and Red categories by the State Pollution Control Board . No pollution control clearance shall be required for the Green Category of industries. Expeditious clearance to Orange SSI and Medium Scale Industries would be given on long-term basis as provided under the relevant rules.

30.3 Inspection would only be carried out on periodic basis in addition to those at the time of expansion/ modernisation or diversification.

## **31.0 SIMPLIFICATION OF PROCEDURES**

31.1 The Government is committed to simplify various rules and regulations and make suitable amendments in the relevant Acts to provide quick and transparent administration and to ensure quick disposal of various matters.

31.2 Appropriate steps would be taken to rationalise and simplify the Government controls.

31.3 To save industrial units from inconvenience, wherever possible Self-certification would be encouraged. Simple inspections, for examination of accounts, security reasons and on receiving specific complaints inspections would be conducted to prevent violations as per the procedures mentioned in paragraph 31.5.

31.4 The Government shall take steps to simplify the industrial licensing procedures and make inspection of industries transparent. Various licenses relating to the industries under different Central and State statutes shall be made valid for a minimum period of 5 years by bringing suitable amendments in the relevant Acts . The annual inspection of the industrial premises shall be carried out strictly in accordance with law on camp basis under the direct control and supervision of the senior district level statutory authority in consonance with the Directorate of Industries for which, wherever possible, specific dates for a specific area shall be announced in advance.

31.5 Without infringing upon the powers granted under various labour acts, the competent authority shall submit the report of surprise inspection of an industrial

premise within 48 hours to his department. A copy of such report shall be simultaneously sent to the Industries Department for information. In case of an industrial unit is found violating any rule or procedure, and it becomes necessary to file criminal prosecution under relevant act/rules against such industrial unit, then the competent authority shall seek prior permission from the Labour, Employment and Training Department before initiating such action. The sanctioning authority while granting such permission shall mandatorily intimate the same to the Industries Department alongwith the reason for such action.

Any inspection made with malafide intention shall be dealt with very seriously and shall invite strict disciplinary action by the concerned department. Efforts will be made to issue composite licenses within the legal parameters.

31.6 The State Government would set up a Law Commission /High Level Review Committee to assess and evaluate the applicability and relevance of certain acts such as Weights & Measures Act, Drug Control Act, Factories Act, Water and Air Pollution Act, Employment Exchange Act, Payment of Wages Act, Contract Labour (Regulation and Abolition) Act, Shops and Establishment Act, Boilers Act, Minimum Wages Act, Workmen Compensation Act, Co-operative Act, Forest Act, Mining Act, Tenancy Act, etc. This Commission /committee would be constituted within a period of 30 days of the announcement of this policy and would submit its recommendations with respect to the amendments to be made within 90 days of its constitution.

31.7 Time bound disposal of applications would be ensured and delegation of powers for decentralised decision making shall be taken recourse to.

31.8 An effective Single Window system would be established at the district level, the Industrial Area Development Authority Level and at the Directorate level to ensure timely disposal of various pending matters at such levels. Computerised facilities shall be provided at all such levels which would be interconnected to facilitate smooth functioning of the system, transparency, accountability and monitoring to ensure time bound results. Facilities for on line submission of application shall be provided. For the purpose of effective Single Window System a nodal officer shall be designated at all the levels to ensure coordination. This nodal officer shall be known as "Udyog Bandhu".

31.9 The District Industries Centers shall be reorganised professionally and motivated to create conducive and pro-active industrial atmosphere. Such centres shall play the role of facilitator and shall assist the local industries in development.

## **32.0 MARKETING ASSISTANCE AND OTHER LINKAGES**

32.1 Marketing of products has been recognised as the weakest link for the Tiny / SSI sector particularly those in the rural areas. The following measures would be undertaken to facilitate assistance :

32.1.1 The policy of the State Government is to ensure that State Government departments and various agencies under its control purchase their requirement of store items from industries located within the State.

In order to achieve this, the product of industries located within the State will be eligible for the facilities of preferential purchase by State Government departments and the agencies under its control. Various departments of the State Government and the various agencies under its control would ensure ,without compromising the quality , that minimum 75% of the total order placed with respect to any such tendered item be supplied exclusively by the manufacturing industrial units located within the State.

It would also be ensured that 33% of the total annual purchase by any department /agency should be exclusively supplied by the manufacturing small scale industrial units located within the State.

In order to provide the price preference facilities , with respect to certain identified item (s) being manufactured by the Small Scale Industries located within the State , with the objective of providing competitiveness to such items (s), a High Level Committee would be constituted by the State Government, which shall duly assess the competitiveness of such items as referred and make recommendations. The State Govt. shall ensure appropriate action with respect to such recommendations to encourage such small scale industrial units. Price preference shall be admissible as per the provisions to the industrial products of the small scale industrial units.

The Central Government, its various agencies and private / joint sector industries located within the State will be persuaded to accord similar facilities to the products of local industries. New industrial units coming up in the State will be persuaded to patronise local industries / firms for construction / supply of materials.

32.1.2 Local Small Scale Industrial units registered with DIC / IADA shall have to deposit only 50% of the earnest money while submitting tenders with the State Government departments and various agencies under its control.

32.1.3 The problem of delayed payment to SSI Units by the Govt. Departments / Corporations / Boards or large industrial undertakings creates severe financial constraints to SSI. To tackle this problem, the State Government would constitute an "Industrial Facilitation Council" at Ranchi as per the provisions of the "Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertaking Act, 1993".

32.1.4 The State Government would additionally take the following initiatives :

- Develop a strong data base to provide trade and export related information.
- Purchase of ISO / ISI certified products will be given preference.
- The Government will assist NGOs and other such agencies, which facilitate marketing of products in rural areas.
- Organising Buyer \_ Sellers meet involving public sector / private sector enterprises.
- Organising Trade Fairs / Handicrafts Melas for marketing assistance inside and outside the country.
- Encouraging E-Commerce.

## **32.2 PREFERENCE IN CASE OF PURCHASE OF RAW MATERIAL**

The raw material generating units shall be persuaded to give purchase preference to the local industries for supply of such raw material , whose production is dependent



upon the supply of such raw materials. Similarly, the PSU's / Private Sector large industries, located within the State would be persuaded to give purchase preference to the products of 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.

### **33.0 CONSULTANCY SERVICES**

33.1 To provide low cost consultancy services to entrepreneurs, the State envisages setting up of a Technical Consultancy Organisation with the assistance of IDBI, IFCI, ICICI, SIDBI, State level financial institutions and Commercial banks. This organisation shall be known as Jharkhand Technical Consultancy Organisation (JTCO).

33.2 The organisation shall also act as a catalyst to promote industrial culture in the State by motivating the local entrepreneurs for setting up of their own industrial venture under various schemes. It will also act as a nodal agency to attract big industrial houses and NRI investment for boosting industrial activities in the State.

33.3 Promotional institutions would be geared up to have an updated industrial data bank and undertaking project identification on a continuous basis so that shelf of projects with latest information and data is available to entrepreneurs. In this process private consultancy organisations in the State will also be involved.

### **34.0 RESEARCH AND DEVELOPMENT**

The Government acknowledges the importance of Research and Development to maximise economics, environmental and social benefits. The Government shall strive to strengthen the interface between Research and Development Institutions and private industries. The Government shall also act as facilitator between multilateral UN (International) Agencies and R & D institutions / private agencies / NGO led resource centres.

### **35.0 MISCELLANEOUS**

#### **35.1 AWARDS FOR OUTSTANDING PERFORMANCE**

Performance of industries will be evaluated every year and on the basis of objective evaluation criteria, suitable awards will be given by the State Government for outstanding achievement in exports, social services, industrial management, pollution control, energy conservation etc.

### **36.0 MONITORING AND REVIEW**

36.1 A High Power Cabinet Committee headed by the Chief Minister with the Finance Minister and the Industry Minister as Vice Chairmen and the Chief Secretary as the member convenor would be constituted to make suitable arrangements for the development / revival of any industry of the State. This committee shall take up

specific issues on case to case basis and offer all required help / concessions concerning sales tax department or any other department, if it so requires.

36.2 All concerned departments and institutions shall issue follow-up notifications to give effect to the provisions of this policy within 30 days of declaration of this policy.

36.3 A Monitoring Committee under the Chairmanship of Chief Secretary / Development Commissioner shall be set up, which shall have the Commissioner / Secretaries of the concerned departments as its members. The Director of Industries shall be the member secretary of this Monitoring Committee.

36.4 This Monitoring Committee shall also look into the hurdles / problems, if any, with respect to the implementation of this policy and also with respect to providing relief / concessions to specific industries if such issue is brought before the Committee.

36.5 The State Government would carry out annual / mid term review of this policy.

### **37.0 POWER OF THE STATE GOVERNMENT**

37.1 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.

37.2 If any difficulty arises in giving effect to provisions of the industrial policy and /or if any dispute arises about the interpretation of any provisions of the said policy, the same shall be referred to the Chief Minister through Chief Secretary and thereon the decision taken shall be final .

**Order:** It is hereby ordered that the copy of this resolution be published in the Special Jharkhand Gazette and wide publicity be given and be circulated among all Department / Heads of the Department.

By the order of the Governor of Jharkhand.

(P. P. Sharma)

Secretary

Department of Industries

Jharkhand, Ranchi

Memo No. : **1888** Ranchi, Dated **25.8.2001**

Copy to: Copy of the resolution forwarded to the Superintendent, Government press, Jharkhand, Ranchi for publication in the Special issue of the Jharkhand Gazette. It is requested that 500 (Five Hundred) copies of the published Gazette be made available to the Department.

(P. P. Sharma)

Secretary

Department of Industries

Jharkhand, Ranchi

Memo No. : **1888**Ranchi, Dated **25.8.2001**

Copy to: Copy of resolution forwarded to all Department of the Government / Head of the Department/Commissioner, Commercial Tax / All Authorities / Chairman, Jharkhand State Electricity Board, Ranchi/All Divisional Commissioner / All Deputy

Commissioner/All Regional Directorate of Industry / All D. I. C. / Residential Commissioner, Jharkhand Bhawan, New Delhi/ Director, SISI, Industrial Area, Kokar Ranchi/All officers of the Industries Department for information and necessary action.

(P. P. Sharma)

Secretary

Department of Industries

Jharkhand, Ranchi

## **ANNEXURE \_ 1**

### **DEFINITIONS**

#### **1. EFFECTIVE DATE**

Effective date means 15<sup>th</sup> November 2000 from which date the new State of Jharkhand has been created, the date on which the provision of this Policy come into force, i.e. November 15, 2000. This Policy will remain in force till 31<sup>st</sup> March 2005.

#### **2. INDUSTRIAL UNIT / INDUSTRIAL CONCERN**

"Unit" means any industrial project in large and medium scale having approval in the form of letter of intent, industrial license or registration certificate, as the case may be, under the Industries (Development and Regulation) Act, 1951 (65 of 1951) or an acknowledgment in the form of Secretariat for Industrial Assistance reference number from Central Government excluding those mentioned in the negative list of industries at Annexure \_ III.

O R

Any Cottage and Small Scale Industrial Undertaking including Industrial Co-operatives, Undertakings assisted by Small Scale Industries Board, Coir Board, Silk Board, All India Handloom and Handicraft Board, Khadi and Village Industries Commission, National Small Industries Corporation, State Khadi and Village Industries Board, any other agency constituted by GOI or GOJ for industrial development; Tiny and Small Scale Service and Business (provisionally / temporarily / permanently / finally) Undertaking registered under the District Industries Centre / IADA under the Directorate of Industries;

O R

Any Tourism / Service unit with a fixed capital investment exceeding Rs. 100 lakhs; no Letter of Intent or Industrial License or Registration Certificate under the Industries (Development and Regulations) Act, 1951, or Secretariat for Industrial Assistance reference number from Central Government shall be required in the case of such unit;

O R

Any unit engaged in Mining or development of mines, the setting up or development of an Industrial Area, Industrial Estate, Integrated Infrastructure Development, Industrial Park, Export Promotion Zone, Growth Centres, Special Economic Zone

Explanations :

(i) For the purposes of concessions / benefits relating to sales tax, only such units shall be deemed to be industrial units which carry on the business of manufacturing goods for sale.

(ii) If any doubt arises as to whether a unit / concern is an industrial unit / industrial concern or not for the purposes of this policy, the same shall be referred to a committee headed by the Finance Commissioner with Industrial Development Commissioner / Secretary Industry and Commercial Taxes Commissioner as its members and the decision of the Committee shall be final.

### **3 EXISTING INDUSTRIAL UNIT**

Existing Industrial Unit means an industrial unit which has gone into commercial production before the effective date.

### **4. NEW INDUSTRIAL UNIT**

New Industrial Unit means an industrial unit which has come into commercial production between 15<sup>th</sup> November , 2000 and 31<sup>st</sup> March , 2005.

### **5. TRANSFERRED UNIT**

Transferred Unit means an industrial unit whose ownership / management has been transferred in pursuance of provisions of the State Financial Corporation Act, 1951 or transferred with the approval of Financial Institutions / Banks.

### **6. EXPORTING UNIT**

Exporting Unit means a unit which figures as an exporter having privity established between it and foreign buyer, either through direct dealing or negotiation, or through the local representatives of the latter. In other words , sale by exporting unit will be valid only when the sale is made to a foreign buyer with whom the exporting unit has privity and as a result the goods are transported across the frontier.

### **7. SICK UNIT**

Sick Unit means an industrial unit declared sick by the Board for Industrial and Financial Reconstruction under the Sick Industrial Companies (Special Provisions) Act, 1985 or by the Apex Body headed by the Secretary of Industries / IDC for SSI or the High Level Empowered Committee headed by the Chief Secretary for large and medium sector.

### **8. EXPANSION / MODERNISATION / DIVERSIFICATION :**

Expansion / Modernisation / Diversification of an existing industrial unit would mean additional fixed capital investment in plant and machinery of 33% or more of the undepreciated book value of fixed capital investment in the existing unit leading to incremental production which would not be less than 33% of the installed capacity immediately before such expansion / diversification / modernisation.

Incremental production shall mean the excess of actual production over 2/3 of the installed capacity immediately before expansion /diversification / modernisation is undertaken by these units or the highest production in 3 years immediately preceding the year in which such expansion / diversification / modernisation commenced, whichever of the two is higher.

In order to qualify for the sales tax and other incentives, a unit undertaking expansion / modernisation / diversification should send prior intimation before undertaking expansion / modernisation / diversification programme to the concerned officers of

Industries Department and Commercial Taxes Department. For Small Scale Industries, General Manager, District Industries Centre or the Managing Director of concerning Industrial Area Development Authority and Deputy Commissioner, Commercial Taxes is the competent Authority.

In case of Large & Medium Industries, the Director of Industries and Commissioner, Commercial Taxes is the competent Authority. Such intimation should be accompanied by detailed expansion / modernisation / diversification proposal giving the specific period of proposed additional investment.

#### **9. FIXED CAPITAL INVESTMENT**

The fixed capital investment means investment made in land / building and plant and machinery and productive assets of permanent nature.

#### **10. SMALL SCALE INDUSTRY (SSI)**

"Small Scale Unit" means a unit having investment up to the limit as prescribed by the Govt. of India from time to time.

#### **11. LARGE / MEDIUM SCALE UNIT**

"Large/Medium scale unit " means a unit having investment up to the limit as defined by the Government of India from time to time.

#### **12. ANCILLARY UNIT**

An Ancillary unit means a unit having investment up to the limit as prescribed by the Government of India from time to time.

#### **13. TOURISM UNIT**

"Tourism Unit" means a project in the large and medium sector related to tourism activities in the following items as defined in Annexure \_ II and as may be further notified by the Tourism Department.

#### **14. MEGA UNIT**

"Mega Unit" means an eligible new unit of special characteristics set up on or after the 15<sup>th</sup> November 2000 with investment exceeding Rs. 50.00 crores.

#### **15. NEGATIVE LIST OF INDUSTRIES**

"Negative List Of Industries" means the list of industries at Annexure \_III hereto as may be amended by the State Government from time to time.

#### **16. DATE OF PRODUCTION**

The date of start of production of an industrial unit shall mean the date on which the unit actually starts commercial production of the item for which the unit has been registered. As regards the date of production of a SSI unit, the certificate issued by the respective General Manager, District Industries Centre or Managing Director, Industrial Area Development Authority will be accepted. In case of any dispute in the date of production the decision of the Director of Industries in this regard shall be final.

In case of large and medium industries, the certificate issued by the Director of Industries shall be accepted. In case of any dispute in the date of production the decision of the Industrial Development Commissioner/ Secretary Industry shall be final.

#### **17. 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 three categories :

**Category A (Least Backward):**

All such blocks in Ranchi, East Singhbhum, Dhanbad, Seraikela and Bokaro districts, which are industrially developed as notified by the State Government.

**Category B (Backward) :**

Rest of the blocks listed in the above mentioned districts, All blocks in Hazaribagh, Giridih, Koderma districts.

**Category C (Most Backward) :**

All blocks in Dumka , Godda , Sahebganj , Pakur, Lohardaga, Chatra, Palamu, Gumla, Deoghar, Garhwa, Latehar, Jamtara, Simdega, West Singhbhum districts.

## **ANNEXURE \_ II**

### **1. Hotels**

Hotels should have facilities expected of the establishments in 1 to 5-star category or approved non-star category according to the guidelines issued / to be issued by the Department of Tourism, Government of India or Government of Jharkhand from time to time. Their size should be as per norms prescribed by the Department of Tourism, Government of Jharkhand from time to time. Their size should be as per norms prescribed by the Department of Tourism, Govt. of India / Govt. of Jharkhand for such units. A Hotel should have minimum 10 rooms to let, Reception Centre-cum-lounge, Restaurant, Bar, a small Convention Centre and car-parking space.

### **2. Motels**

A motel project should have highway facilities consisting of a minimum of two rooms to let, public toilets, a restaurant, a first-aid centre, medicine store, a utility store, handicraft selling centre and parking space for at least 10 vehicles. Facilities like bar, public telephone booth, car-repairing work shop and fuel-filling stations for vehicles may be included as desirable activities. About an hectare of land will be needed for a standard motel.

### **3. Heritage Hotel**

A heritage hotel project shall be located in a palace / castle / fort / building of architectural excellence which was built prior to 1950 and which is being converted into a Hotel with a minimum of 10 rooms to let. The facilities and the features alongwith the services should be as per classification guidelines of the Department of Tourism, Government of India as applicable to Heritage Hotels from time to time. A Heritage Hotel will have all the facilities available in a usual hotel as mentioned under the item 1 above.

### **4. Yatriniwas**

Yatriniwas is actually a low-budget hotel of 10 or more rooms to let, located near airport, railway station and central bus terminus for transit accommodation and will have all the facilities available in a usual hotel as mentioned under the item 1 above.

### **5. Yatrika**

Yatrika is a low-budget hotel of 10 or more rooms to let, located near a centre of pilgrimage mainly for accommodation of pilgrims and will have all the facilities available in a usual hotel as mentioned under item 1 above , except bar facilities which may or may not be allowed depending on the custom of the centre of the pilgrimage.

### **6. Tourist Resorts**

Tourist Resort means a unit which has at least any eight of the following activities / facilities:

- a. Health Club facilities e.g. saunabath, jacuzzi, steambath, gymnasium, etc.
- b. Water sports , e.g. white water rafting , canoeing , kayaking , water skiing , yachting , windsurfing , rowing , paddle boating , etc.
- c. Swimming Pool
- d. Aerosports e.g. power flying , a hand-gliding , paragliding , para-sailing , etc.
- e. Skiing.
- f. Ice skating
- g. Roller skating
- h. Sports like Tennis, Table Tennis, Badminton, Billiards, Bowling Alley
- i. Golf
- j. Angling
- k. Nature cure facilities e.g. Naturopathy, Yoga, Ayurvedic / Herbal cures.
- l. Beauty Parlour including Barber Shops and massage facilities
- m. Children corner including Creche , Park , Indoor Game and other recreational facilities.
- n. Landscaped Gardens and Orchards
- o. Jogging tracks / Nature trails
- p. Convention / Conference facilities
- q. Shopping Arcade
- r. Well-stocked library including Video Library
- s. Auditorium.

### **7. Camps and Facilities Encouraging Adventure Tourism**

The project of Camping and Tent facilities should have minimum 5 tents located in an area , not less than 1 acre of land, at least two toilets and two showers separate for men and women with running water and a restaurant.

The Camping sites should have specific sewerage disposal points for campers. There should be proper arrangements for disposal of sewerage and solid garbage.

Adventure tourism comprises trekking in the forests and the hills, mountaineering, mountain biking, rock climbing, canoeing, kayaking, water

skiing, yachting, river rafting, long distance swimming and para-sailing, car rally, etc.

### **8. Aerial Ropeway**

Aerial Ropeway means a system of overhead ropes on which the carriers are used for the purpose of carriage of passengers, animals or goods and includes posts, ropes, carriers, stations, offices, warehouse, workshop, machinery and other equipment used for the purpose of Aerial Ropeway and the land appurtenant to such Aerial Ropeway.

### **9. Amusement Park**

A Commercially operated park having various devices for entertainment and usually having booths for the sale of food and drinks.

## **ANNEXURE \_ III**

### **LIST OF INDUSTRIES NOT ELIGIBLE FOR INCENTIVES**

1. Rice Hullers and Rice mills (below 50 tonnes per day capacity )
2. Flour mills including manufacture of basen, pulse mills and chuda mills (below 50 tonnes per day capacity ).
3. Making of spices, papad, etc.
4. Confectionery (excluding mechanised confectionery)
5. Preparation of sweets and namkeens, etc.
6. Bread making (excluding mechanised bakery)
7. Manufacture of Ice Candy and Ice fruits
8. Manufacture and processing of betel-nuts .
9. Cracker making units.
10. Coal / Coke screening ,
11. Production of Fire wood and Charcoal .
12. Painting and Spray painting units
13. Units for physical mixing of fertilizers
14. Brick making units (except unit making refractory bricks and those making bricks from fly ash, red mud or similar industrial waste)
15. Manufacturing of tarpaulin out of canvas cloth
16. Saw Mill and Sawing of timber
17. Carpentry
18. Drilling rigs, Bore well and Tube well installing units.
19. Units of mixing or blending of tea
20. Units for cutting raw tobacco and sprinkling, jaggery for chewing purposes and gudakhu manufacturing units.
21. Units for bottling / repacking of drugs, medicines / chemicals without any processing and value addition excluding formulation and manufacturing units..
22. Book Binding
23. Rubber stamp making
24. Making Note books and Envelops.
25. Photocopying
26. Stenciling units
27. Processing of stencil paper



28. Distilled water units
29. Tailoring (other than readymade garments manufacturing units)
30. Repacking and stitching of woven sacks out of woven fabrics
31. Laundry / Dry cleaning
32. Photographic studios and Laboratories
33. Clinical / Pathological Laboratories / Nursing Homes and clinics
34. Beauty Parlours
35. Video Parlours
36. Goods carriers
37. Cassette recording Audio / Video, Clock & Watch Repairing shop, Vehicle repairing and servicing centres
38. Lime kiln
39. Petrol Pumps

**Note :**

- (i) *The right to make any change in the above list shall be reserved with the State Government.*
- (ii) The right to decide with respect to any unit falling in the above list shall rest with the State Government.

Source: <http://jharkhand.nic.in/>  
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