

Incentives, Exemptions and Concessions for industrial units under Jharkhand Industrial & Investment Promotion Policy,2016

1. Comprehensive Project Investment Subsidy (CPIS) –

- MSME units shall be entitled to get CPIS for investments made in fixed capital investment. Subsidy under CPIS for MSME shall be admissible at the rate of 20% of investments made in fixed capital investment.
- Maximum admissible subsidy under CPIS for MSMEs will be 20% of Fixed Capital Investment with upper cap of Rs. 2 crores.
- SC/ST/Women/Handicapped Entrepreneurs will avail 5% additional benefit under CPIS. Only one time subsidy under CPIS category will be provided to the industries.
- Industrial units entitled for benefits in the above category under Government of India Scheme will not be eligible to get benefits under the same category under this policy.

2. Stamp duty and Registration fee-

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

3. Quality Certification-

- High priority is being accorded by the State government for improvement of quality of the industrial units and will be provided with assistance for obtaining quality certification from B.I.S. and other internationally recognised institutions @ 50% of the expenditure incurred up to maximum of Rs. 10.00 lakh.
- An Enterprise can avail the facility for more than one certification during the policy period subject to maximum limit.

4. Patent Registration-

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

5. Subsidy / Incentive on VAT-

- This facility will be available to all industries including MSME, Handloom, Sericulture, Handicraft, Khadi and village industries products, as given below :
- (a) Incentive on VAT: New MSME units will be given incentive of 80% NET VAT payable p.a for five years from the date of Production with a ceiling of maximum 100% of total fixed capital investment made.

6. Incentive for Cluster Development-

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

7. Incentive for textiles and apparels-

- 100% reimbursement of stamp duty and transfer duty paid by the industry will be allowed for execution of lease, lease cum sale or sale deeds in respect of industrial land / plots/ sheds allotted or purchased by industry and Execution of Lease Deeds in case of IADA lands/ plots taken on lease.
- Textile / apparel manufacturing units will be provided financial assistance for purchase of land close to the Apparel / Textile Park for construction of dormitories to house the workers at the rate of one acre for every 1000 workers employed. The assistance will be limited to 50% cost of land up to a maximum of Rs. 50 lakh.

8. Incentive for captive power plant-

- New or existing industrial units setting up captive power plant shall be exempted from the payment of 100% of electricity duty for a period of five years for self – consumption or captive use (i.e. in respect of power being used by the plant) from the date of its commissioning.

9. Incentive for IT / ITES-

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

10. Incentives for Food Park-

- The food parks established under the assistance of MOFPI and **Jharkhand Industrial Park Policy 2015** shall be eligible for the following incentives:
 - 1) Reimbursement of Stamp Duty paid for land acquisition to set up food park.
 - 2) The power tariff to the food park and the units established there shall be similar to the agriculture tariff for 10 years from Date of Production.

3) In addition to the grant provided by the MOFPI, matching additional grant of 15% of the grants released by Government of India shall be given by State Government on Date of Production.

4) No Mandi tax on agricultural produce in the State.

11. Interest Subsidy-

- New MSME units and non MSME sector units shall be entitled to interest subsidy for timely payment @5% per annum on total loan availed from public Financial institutions / Banks for period of five years from the date of commencement of production subject to total maximum limit of Rs. 10 Lakhs for Micro Enterprises ,Rs. 20 Lakhs for Small Enterprises ,Rs. 40 Lakhs for Medium Enterprises , Rs. 1 Crore for non-MSME Sector units.
- Units which are classified as Non-performing Asset (NPA) at the time of making the application will not be eligible to avail such incentive.
- In addition to the interest subsidy, the guarantee fee charged under the Credit Guarantee Trust for Micro and Small Enterprises (CGTMSE) scheme to Micro and Small Enterprises (MSEs) will be reimbursed to the enterprises in order to improve the CGTMSE coverage for collateral free loans in the state.

12. Incubation Centres for Start-ups-

GoJ is proposed to provide financial grants up to Rs. 10 Crore or 90% of the project cost, whichever is lower for incubation centre in identified higher education institutions through Single Window Clearance mechanism.

13. Export Promotion-

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

- a) Efforts have been made to have MoU/ strategic partnership / task force engagement with IIFT, DGFT and FIEO for the promotion of export from Jharkhand on Value Added Products.
- b) Programmes will be organized with the help of reputed consultants / IIFT to sensitize exporters about market intelligence, export documentation, finance and other critical areas of export c) Efforts will be made to set up a State-of-Art external Information Centre in collaboration with local Chamber of Commerce and Industries Associations.
- d) Air Cargo Complex is under construction at Ranchi Airport. This would give the desired impetus to the export of products like flowers, fruits, vegetables etc.
- e) Inland Container Depot (ICD) with the assistance of Govt. of India has been set up at Jamshedpur for large scale containerization of value added and manufactured exportable goods. Similar facility at other places is proposed to be set up in consultation with Railways and Department of Central Excise and Customs.
- f) Industries will be encouraged to participate in International Exhibitions and Trade Fairs. Visits of trade delegations will also be supported financially by dovetailing the schemes of Govt. of India
- g) Export oriented units will be declared as essential services / Public Utilities Services.
- h) Export Awards will be provided to Export Oriented Units to recognize quality, R&D and performance GoJ has launched **Jharkhand Export Policy 2015** for facilitation and providing incentive support for MSME units which are exporting from Jharkhand.

14. Promotion of Clean and Green Technologies-

Various initiatives are taken by the GoJ to both minimize the detrimental impact of the infrastructure and enhance the positive contribution to the environment. In light of this, Jharkhand Industrial and Investment Promotion Policy 2016 intends to provide several incentives to encourage greater compliance with the environmental standards as well as encourage adopting cleaner production techniques and going for green technologies and processes to protect the environment and ecology.

- Under this policy, following may be provided:

- a.) Financial assistance for establishment of common solid waste management facility shall be provided at IADA.

- b) The financial assistance shall be provided for the establishment of common effluent treatment plant, hazardous waste management facility and solid waste management facility at RIADA and BIADA.
- c.) Need based financial assistance for development of Green Industrial Estate Efforts shall be made to complete these projects either through PPP mode or on the basis of own initiative of IADA within this financial year to provide common infrastructure facility within the common area.

15. Promotion of Non-Conventional energy-

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

16. Industrial Finance-

- The Government intends to take various measures, which would promote easy flow of finance to industrial units and entrepreneurs.
- a) The State Government shall make efforts to ensure opening up of Regional / controlling offices of Banks / Financial Institutions and posting of senior officials having sufficient delegation of powers to enable speedy credit decisions on the spot.
- b) The lead banks in their respective districts would take up preparation of “Industrial Credit Plans” at the district level to accelerate the flow of credit to the industry sector with emphasis on SSI, Tiny and Cottage Industries for which separate targets would be fixed.
- c) The State Government would make efforts to open specialized SSI bank branches in the State to cover all districts having concentration of SSI units, in a time bound manner.
- d) The State Government shall also invite Private Sector Banks / Financial Institutions to provide financial services to various industrial units.
- e) A State level Banker’s Committee (SLBC) has been constituted to provide adequate interfacing between State Government and State Level Institutions on one side and RBI, Banks and Term Lending Institutions on the other. This committee provides a useful forum for exchanges of information and discussion on the problems faced by the small and medium scale industrial units and small entrepreneurs.