



Jharkhand Industrial and Investment Promotion Policy, 2026 (Draft)

**Directorate of Industries,
Government of Jharkhand**

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1. Introduction

1.1 Background

A. Strategic Location and Connectivity Advantage of Jharkhand

Jharkhand is strategically located in the eastern region of India, sharing its boundaries with Bihar in the north, West Bengal in the east, Odisha in the south and Chhattisgarh in the west. This central positioning within the eastern economic belt provides Jharkhand with a natural advantage in terms of market access, logistics efficiency and trade facilitation.

The state enjoys close proximity to major seaports on the eastern coast, including Kolkata Port (approximately 400 km from Ranchi), Haldia Port (420 km) and Paradip Port (560 km). This multimodal connectivity makes Jharkhand an increasingly attractive destination for Export Oriented Units (EOUs) and logistics-driven industries.

Given its location near the Eastern Seaboard, Jharkhand is well-positioned to support and benefit from the Government of India's 'Act East Policy', providing industries based in the state with a significant time and freight cost advantage for accessing South-East Asian and East Asian markets.

B. Robust Rail and Road Infrastructure

Jharkhand has well-developed rail and road connectivity, enabling seamless integration with national and regional supply chains. The Eastern Dedicated Freight Corridor (EDFC) passes through the state, directly linking Jharkhand with major industrial and consumption centers in West Bengal, Bihar, Uttar Pradesh, Delhi (NCR), Haryana and Punjab. This corridor significantly enhances logistics efficiency for bulk commodities such as coal, iron ore, steel and finished goods, reducing transit time and cost.

The state is traversed by an extensive network of National Highways and State Highways, connecting major industrial clusters such as Ranchi, Jamshedpur, Bokaro, Dhanbad, Ramgarh and Hazaribagh to metropolitan markets across India. From a demand perspective, the combined population of Jharkhand and its four neighbouring states stands at approximately 247.5 million, representing nearly 25% of India's population, which offers a vast and growing consumer base for manufacturers and service providers.

C. Natural Resource Endowment and Industrial Potential

Jharkhand is richly endowed with natural and mineral resources, making it one of the most attractive destinations in India for mineral-based industries. The state holds significant reserves of coal, iron ore, bauxite, copper, limestone, uranium and mica, supported by an experienced and industrious workforce traditionally engaged in mining and industrial activities.

Approximately 30% of Jharkhand's geographical area is covered by forests, many of which are highly bio-diverse. This creates substantial opportunities for Minor Forest Produce (MFP)-based industries, bamboo and lac processing, herbal extracts, essential oils and AYUSH-centric enterprises. Furthermore, Jharkhand's favourable

agro-climatic conditions support the development of agro-processing, food processing, horticulture, dairy, poultry and allied industries, particularly in tribal and rural regions.

D. Leadership in Iron, Steel and Automotive Manufacturing

Jharkhand holds a distinct competitive advantage in the Iron and Steel sector due to its proximity to key raw materials such as iron ore and coal. The state currently contributes approximately 20–25% of India's total steel production, positioning it as a cornerstone of the national steel ecosystem.

With the ongoing and proposed expansion of several integrated steel plants, Jharkhand is poised to emerge as the Steel Hub of India in the near future. The establishment of multiple auto-grade steel and cold-rolled steel facilities enables significant savings in freight and input procurement costs for downstream industries.

The automotive and auto-component sector in Jharkhand is anchored by Tata Motors in Jamshedpur, supported by a well-developed vendor base manufacturing products ranging from basic fasteners to complex components such as axles, shafts, radiators and precision-engineered parts. This ecosystem offers strong opportunities for MSMEs, Tier-2 and Tier-3 suppliers and advanced manufacturing units.

E. Alignment with National Development Initiatives

The industrial development of Jharkhand is closely aligned with flagship Government of India programs, including Make in India, Skill India, Digital India, Start-up India, Smart Cities Mission, Swachh Bharat Mission and Aatmanirbhar Bharat. These initiatives, combined with state-specific policies focused on employment generation, industrial diversification and ease of doing business, are catalyzing sustainable and inclusive economic growth.

The Government of Jharkhand places strong emphasis on local employment, skill development and entrepreneurship, particularly through promotion of MSMEs, start-ups and cluster-based development. Special focus is being placed on integrating tribal communities and youth into formal economic activities through skill training and enterprise development.

F. Strong Educational and Institutional Ecosystem

Jharkhand hosts a robust ecosystem of major industrial houses, reputed educational institutions and centres of excellence in management, science, engineering and technology. Institutions such as IIT (ISM) Dhanbad, IIM Ranchi, BIT Mesra, NIT Jamshedpur and XLRI Jamshedpur contribute significantly to the availability of skilled manpower, research capabilities and industry-academia collaboration.

Recognising the employment generation potential of MSMEs, the state government remains committed to creating livelihood security, industrial growth and balanced regional development, positioning Jharkhand as a future-ready destination for investment, manufacturing and sustainable development.

1.2 The rationale for the Policy

Jharkhand is steadily emerging as a vanguard of industrialisation among Indian States, leveraging its abundant natural resources, strategic location and growing infrastructure base. The State is endowed with rich reserves of minerals such as coal, iron ore, bauxite, copper, mica and limestone, which provide a strong foundation for mineral-based industries and value-added manufacturing. Recognising this inherent advantage, the Government of Jharkhand is pursuing a comprehensive industrial development strategy aimed at inclusive growth, employment generation and sustainable economic development.

A key focus of the Government has been on skill development, augmentation of industrial capabilities and promotion of exports from the State. Decentralised employment generation through the promotion of labour-intensive and resource-based industries, such as mining and minerals, agriculture and allied sectors, processed food, textiles, sericulture, handloom, handicrafts and forest-based industries, has been identified as a central pillar of the State's development agenda. These sectors possess high potential for rural and semi-urban employment while contributing significantly to income generation and regional balance.

The State Government is actively encouraging investments across a wide spectrum of industries, including mineral exploration, iron and steel, cement, metallurgical industries, plastics, chemicals, electrical and electronic equipment, automobiles and auto components, light engineering, textiles and apparel and allied service industries. These sectors not only utilise the State's natural advantages but also offer opportunities for downstream value addition, technology adoption and export-oriented growth.

In the post-pandemic period, revival of the manufacturing and service sectors has become imperative. There is a strong need to restore investor confidence, revive industrial output, stimulate exports and create new employment opportunities. In this context, the policy revision seeks to provide enhanced regulatory facilitation, infrastructure support and targeted fiscal incentives to enable industries particularly export-oriented units to recover, modernise and expand their operations.

The State Government has placed special emphasis on the revitalisation of traditional and rural industries such as sericulture, handloom, handicrafts, khadi, textile and agro-based industries. These sectors are critical for inclusive growth and livelihoods in rural areas. The Government envisages supporting these industries through modernisation and technological upgradation, establishment of common facility centres, strengthening of backward and forward linkages, product design and development, branding, quality certification and marketing support, including access to national and international markets. The objective is to make these sectors globally competitive while preserving local skills and traditions.

The Government also recognises that export-oriented units in the State must upgrade their technological capabilities, diversify product offerings, meet international quality standards and enhance workforce skills to remain competitive in global markets. Accordingly, the policy envisages a comprehensive framework for export promotion,

including development of export infrastructure, logistics and warehousing support, facilitation of market access and provision of fiscal and non-fiscal incentives. These measures are intended to increase export volumes, improve foreign exchange earnings and integrate Jharkhand more effectively into global value chains.

Jharkhand has made significant progress in adopting investor-friendly governance and ease-of-doing-business reforms. Institutional mechanisms such as single-window clearance systems, online application and payment platforms, time-bound approvals, standard operating procedures, deemed approvals, self-certification and third-party inspections have been implemented across departments. These reforms have enhanced transparency, reduced regulatory burden and improved the predictability of the investment environment.

This policy has been formulated after extensive consultations with industry representatives, industry associations, exporters, investors and subject-matter experts. Their inputs and feedback have been carefully considered to ensure that the policy addresses real-world challenges faced by industry while aligning with the State's long-term development objectives. The policy aims to offer an attractive, competitive and tailored incentive framework that can catalyse industrial growth, generate a strong multiplier effect in the State's economy and enhance Jharkhand's position as a preferred investment destination.

While drafting the JIIPP 2026, due diligence has been exercised to ensure that the incentive framework and facilitation mechanisms proposed under this policy are competitive with those offered by leading industrial states across the country and in several instances, exceed prevailing benchmarks.

The policy has been carefully designed to address the evolving needs of modern industries by combining fiscal incentives with robust institutional and regulatory support. These measures are aimed at creating a conducive and predictable investment ecosystem that enhances investor confidence, lowers the cost of doing business and reduces operational bottlenecks. Through this comprehensive and competitive package, the State seeks to effectively attract new investments opportunities, promote capacity expansion and modernization of existing enterprises, significantly enhance export performance and generate sustained and inclusive employment opportunities for the people of Jharkhand, thereby contributing to long-term economic growth and industrial development of the State.

1.3 Vision, Mission and Targets

The Jharkhand Industrial and Investment Promotion Policy (JIIPP) 2026 envisions to transform Jharkhand into a leading, nationally and globally competitive industrial and export-oriented State, that generates large-scale and quality employment, significantly enhances the contribution of industry and services to the State Gross Domestic Product and sustainably raises per capita income, thereby improving the overall standard of living of its people.

The policy envisions building a dynamic, investor friendly and future ready industrial ecosystem by leveraging Jharkhand's rich natural resources, skilled workforce and progressive governance.

Vision Statement

The vision of the Jharkhand Industrial and Investment Promotion Policy (JIIPP) 2026 is to drive broad-based, inclusive and sustainable industrialisation by leveraging Jharkhand's rich natural resources, strategic location, expanding infrastructure and skilled human capital to create sustained economic momentum for the State. Industrial growth is envisioned as the primary engine for large scale employment generation across rural, semi-urban and urban areas, with a strong emphasis on labour intensive industries, MSME led development, traditional and export-oriented sectors and by fostering value addition, technological adoption and diversification across manufacturing, mineral-based, agro-processing and service industries, the State seeks to substantially enhance the contribution of industry and services to the State Gross Domestic Product, strengthen backward and forward linkages and build a more resilient and integrated economy.

JIIPP 2026 aspires to translate higher productivity, advanced manufacturing capabilities and improved export performance into rising incomes, quality employment opportunities and sustained growth in per capita income, thereby improving overall living standards of the Citizens of the State. The vision further envisages the creation of a competitive, future-ready and environmentally responsible industrial ecosystem supported by investor-friendly governance, robust physical and social infrastructure, skilled manpower and seamless ease of doing business.

Mission Statement

The mission of the Jharkhand Industrial and Investment Promotion Policy (JIIPP) 2026 is to accelerate inclusive and sustainable industrial development by building a robust, future-ready and export-oriented economic ecosystem that leverages Jharkhand's natural endowments, human capital and institutional strengths.

The State Government is committed to creating a conducive investment climate that enables industries to establish, expand and modernise their operations through transparent, efficient and technology-driven governance; reduced regulatory burden; and timely delivery of services. By offering a competitive mix of fiscal incentives, infrastructure support and facilitation mechanisms, the policy seeks to lower the cost of doing business, enhance investor confidence and attract both domestic and global investments.

A core mission objective is to promote value addition and diversification across key sectors—including mineral-based industries, manufacturing, agro-processing, textiles, traditional and rural industries and heavy and light engineering & its allied services, thereby strengthening backward and forward linkages and integrating Jharkhand into national and global value chains. Special emphasis is placed on export-oriented units to enable technological upgradation, product diversification, quality certification, logistics support and access to international markets.

The policy aims to generate widespread and decentralised employment by fostering labour-intensive, resource-based and MSME-driven industries, particularly in rural and semi-urban areas. Revitalisation and modernisation of traditional sectors such as handloom, handicrafts, sericulture, khadi, forest-based and agro-based industries will be pursued through skill development, common facility centres, design innovation, branding and market linkage support, while preserving indigenous skills and cultural heritage.

Capacity building and human resource development are integral to the mission. The Government of Jharkhand seeks to align industrial growth with workforce skilling, reskilling and upskilling initiatives to enhance employability, productivity and industry-ready talent, especially for youth and local communities.

Sustainability, innovation and resilience form key pillars of the mission. Industrial growth will be promoted in a manner that is environmentally responsible, resource-efficient and resilient to economic disruptions, while encouraging adoption of clean & green technologies, digital solutions and modern manufacturing practices.

Through collaborative engagement with industry, investors, exporters, educational institutions and other stakeholders, the mission of JIIPP 2026 is to drive long-term economic transformation, ensuring balanced regional development, increased exports, higher incomes and enduring socio-economic prosperity for the people of Jharkhand.

1.4 Key Objectives of the Policy

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

- a) To generate large-scale employment and investment by creating at least 25,000 jobs through attraction of investments exceeding INR 1,00,000 Crore across industrial and services sectors.
- b) To position Jharkhand as a preferred investment destination by fostering sustainable, inclusive and competitive industrial growth supported by investor-friendly policies.
- c) To ensure transparent, time-bound and digital governance through successful implementation of web-based mechanisms for approvals, date of production declaration and disbursement of financial and non-financial incentives.
- d) To establish a simple, proactive and responsive institutional framework that facilitates industrial growth through coordination, handholding and effective grievance redressal.
- e) To enhance ease and reduce cost of doing business by simplifying regulations, strengthening digital delivery systems and ensuring predictable regulatory processes.
- f) To promote large industries, MSMEs and ancillary units through coordinated support under the Industrial and Investment Promotion Policy, MSME Act,

2006, MSME Concession Act, 2025 and other Sectoral & allied policy interventions.

- g) To develop world-class industrial and export infrastructure including warehouses, cold storages, ICDs, rail–road connectivity, tool rooms, common facility centres and logistics support.
- h) To promote export-oriented industrialisation and global integration by supporting sectors with export potential, indigenous input-based MSME production, quality certification, technology upgradation and market access.
- i) To strengthen value chains and industrial linkages by promoting value addition, downstream processing and OEM–MSME integration across mineral-based, agro-based and manufacturing sectors.
- j) To encourage sectoral diversification and modernisation across manufacturing, agro-processing, textiles, engineering, traditional industries and allied services.
- k) To revitalise traditional and rural industries through technology upgradation, skill development, design innovation, branding and improved market linkages while preserving indigenous science & heritage.
- l) To strengthen the food and feed processing sector by increasing processing levels, reducing wastage, enhancing farmer incomes and expanding exports.
- m) To promote innovation, startups and technology adoption through incubation, R&D support, technology transfer and modern manufacturing practices.
- n) To align industrial growth with skill development initiatives to build an industry-ready workforce, with special focus on youth and local communities.
- o) To promote environmentally sustainable industrial development through clean technologies, resource efficiency and climate-resilient practices.
- p) To ensure balanced and regionally equitable growth by directing industrial investments towards rural, tribal, semi-urban and underdeveloped regions.
- q) To foster long-term socio-economic transformation by increasing industrial output, exports, incomes and stakeholder collaboration across the state.

2. Industrial Development Strategy

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

- a) To promote collaborative and integrated regional value chains by fostering innovation, sector-specific interventions and coordinated industrial development across priority sectors.
- b) To accelerate development of quality industrial infrastructure through promotion of private investment and Public-Private Partnership (PPP) models in roads, power, telecom, industrial estates, clusters and parks, including rural industries such as sericulture, khadi, handicrafts, food processing, handlooms, bamboo, leather, lac and others.
- c) To ensure timely and adequate flow of institutional credit, particularly to MSMEs, startups and small enterprises, through strengthened coordination with financial institutions.
- d) To strengthen export-oriented industrial growth by developing robust linkages with Export Promotion Councils (EPCs), ITPO, sectoral bodies, MSME associations and International Trade service providers.
- e) To enhance trade facilitation mechanisms by strengthening the Single Window System, adopting e-governance solutions and simplifying export-related procedures.
- f) To improve land availability and land management systems by ensuring a ready supply of developed industrial plots to facilitate quick investment decisions.
- g) To promote inclusive industrialisation by providing special incentives and targeted support to Women, Divyang and SC/ST entrepreneurs.
- h) To institutionalise effective monitoring, evaluation and grievance redressal mechanisms for ensuring accountability, transparency and timely resolution of investor and industry concerns.
- i) To establish structured and continuous stakeholder consultation mechanisms with industry associations, industrial bodies and other stakeholders for participatory policy implementation.
- j) To promote entrepreneurship, innovation and skill development through focused programmes supporting enterprise creation, workforce readiness and industrial competitiveness.
- k) To encourage labour-intensive industries as a means of generating large-scale employment and inclusive economic growth.
- l) To adopt a focused approach for industrially under-developed and backward regions by facilitating targeted interventions and infrastructure support.

- m) To promote innovation, research and product development by encouraging universities and academic institutions to support startups, technology upgradation and R&D activities.
- n) To improve ease of doing business and labour ecosystem through conducive labour reforms, simplified compliance systems and investor-friendly regulations.
- o) To align industrial growth with national initiatives such as 'Make in India' to enhance domestic manufacturing, competitiveness and self-reliance.

2.1 Classification of Focus Sector

Focus Sectors of Jharkhand for Industrial Development & Promotion

- Mineral, Metallurgical and Materials-Based Industries
- Textile Sector Industries
- Heavy Industries
- Agriculture, Forest-Based and Food Processing Industries
- Automobile, Automobile Components and Electric Vehicles
- Defence and Aerospace
- Home Based Furnishing
- Medical Equipment and Devices

Other Strategic Sectors

Any Strategic Sector (Emerging sectors identified by the Department from time to time based on market trends, national priorities or Jharkhand's comparative advantage).

2.2 Preference for local product

The Government of Jharkhand, in alignment with the Jharkhand Procurement Policy, 2014, aims to promote local procurement to strengthen the State's industrial ecosystem. Preference shall be accorded to goods and services manufactured or supplied by State-based MSMEs/ Startups and other eligible local industries, including large and mega manufacturing units operating within Jharkhand. By enhancing procurement of locally manufactured products that meet prescribed quality and technical standards, the policy seeks to stimulate industrial growth, enhance employment opportunities, strengthen local supply chains and increase State tax revenues.

2.3 Policy Provisions for Industrial Development

India is increasingly witnessing a framework of competitive and cooperative federalism, wherein States are actively leveraging their comparative advantages to attract investment, foster innovation and accelerate economic growth. In this evolving landscape, the strategy for industrialisation must be Jharkhand specific, resource

driven & mobilization, employment generation and market responsive, while remaining aligned with National Priorities.

The State of Jharkhand is endowed with several distinct and enduring advantages, including abundant mineral resources, a strong base of core and heavy industries, strategic geographic location, improving infrastructure and a growing skilled workforce. These strengths position Jharkhand as a key enabler of India's industrial and manufacturing ambitions.

Recognizing these advantages, the Government of Jharkhand proposes a set of strategic policy provisions under the Jharkhand Industrial and Investment Promotion Policy (JIIPP) 2026 to accelerate industrial development, enhance value addition, promote inclusive growth and improve ease of doing business. These measures aim to foster sustainable industrialisation, encourage private investment, strengthen MSMEs and Startups and create quality employment opportunities across the State. The government of Jharkhand proposes the following strategic measures to enhance the industrialisation of the State.

2.4 Raw Materials Security and Resource based Industrialization

Recent national-level changes in natural resource allocation policies have slowed the growth of mineral-based industries, particularly in mineral-rich states like Jharkhand. To address this, the Jharkhand Government proposes industry-friendly initiatives, including providing raw material linkages and coal supply through Fuel Supply Agreements (FSA) via JSMD, MDOs, JVs, or Central PSUs.

The State aims to ensure long-term raw material security through transparent allocation, efficient logistics and reliable supply of key minerals. Preference will be given to industries that focus on local processing and value addition, with policies encouraging stronger linkages between mining and downstream manufacturing to boost domestic industrial output and reduce raw material exports.

2.5 Value Addition

Jharkhand aims to accelerate industrial growth by promoting value-added manufacturing through sector-specific industrial clusters covering mineral-based industries, metal downstream products, engineering goods, auto components, textiles, food processing and forest-based sectors. These clusters will be supported with common infrastructure such as testing facilities, effluent treatment plants, tool rooms and logistics, improving efficiency, competitiveness and technology adoption, especially for MSMEs.

Leveraging its abundant natural resources—minerals, forests, horticulture and water—the state emphasizes value addition to drive faster economic development.

The State can be roughly divided into eight major zones based on raw material deposits and industrialisation. Below list is non-exhaustive:

Palamau – Garhwa	Iron ore, Dolomite, Limestone, Coal and Graphite deposits, China clay, Fireclay, Quartz, Emerging sectors: Cement, Ceramics, mineral-based MSMEs
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Lohardaga Industrial Area/ Latehar	Bauxite-based Aluminium industries (core sector), Thermal & Renewable Power plants, Value-added sectors: Alumina refining, downstream metal industries
Koderma – Hazaribagh Industrial Area	Mica-based industries (traditional strength), Cement, Glass, Alloy Steel, Refractories, Power plants (coal-based & captive), Emerging sectors: advanced materials, electronics components (mica derivatives)
Ranchi Industrial Area	Medium & Large-scale diversified industries, IT / ITES, Startups and digital services, Food & Feed processing (strengthened under 2024 policy), Silk & Textile (Tussar silk leadership), Emerging sectors: Electronics, Innovation hubs, Centre of Excellence (CoEs), Development of EV Support eco system.
Dhanbad-Bokaro Industrial Area	Coal mining & coal beneficiation, Iron & Steel industries, Refractories, Coal-based thermal power, Emerging sectors: Clean coal technologies, Energy transition, Coal gasification, Aerospace and Defence corridor.
Singhbhum Industrial Area (Jamshedpur and Adityapur) and Singhbhum, Kolhan Division	Iron & Steel, Automobile & Auto Components (major cluster), Copper, Uranium, Cement & Engineering industries, EVs, IT/ITES & industrial services, Forest-based industries, Horticulture, Food processing, Silk & Textile (Tussar silk leadership), Aerospace and Defence corridor
Ghatsila Industrial Area	Copper Mining & Smelting, Automobile & Engineering ancillary units, Forest-based industries, Emerging sectors: Metal processing and industrial supply chain linkages
Deoghar-Jasidih and Santhal Pargana	Food processing & Agro-based industries (major policy push), Oil mills, Herbal & Medicinal plants, Glass, Light Engineering, Small Steel units, Coal-based Power plants, Silk & textile (Tussar cluster)

The State will encourage industries to adopt innovative technologies for effective waste management, focusing on pollution prevention and control. It also proposes to enhance revenue through carbon credit mechanisms by promoting Carbon Trading. A designated nodal agency will support this initiative by providing technical, financial and institutional assistance to interested companies.

2.6 Inclusive Growth and MSME Development

Jharkhand aims to enter a new phase of high and inclusive economic growth focused on equitable wealth distribution and sustainable development. This will be driven by

increased rural investment, improved infrastructure, enhanced employment opportunities and development of backward regions, with special emphasis on women, PVTGs, SC and ST communities.

The policy promotes inclusive industrial growth by strengthening MSMEs, Startups, women-led enterprises and SC/ST entrepreneurs through targeted incentives, access to credit, technology support and preferential procurement. It also seeks to integrate local entrepreneurs into large industry supply chains and foster entrepreneurship in rural and semi-urban areas for broad-based economic participation.

2.7 Promoting Labour Intensive Industries

The State aims to promote labour-intensive industries to leverage low labour costs and boost employment. Focus sectors include Automobile & auto components, Iron & steel Industry, textiles and apparel, leather and footwear, food processing, furniture, handicrafts, light engineering, pharmaceuticals, garments, cosmetics and related industries.

Targeted incentives will encourage job creation, local hiring and adoption of skill development programs. The policy also aligns industrial growth with apprenticeship models and industry-linked training, while fostering investments that generate strong ancillary and downstream opportunities, especially within the MSME sector.

2.8 Industrialization of under-developed areas

The policy marks a strategic shift from relying primarily on fiscal incentives to prioritizing the development of robust core infrastructure in under-developed regions, recognizing that the availability of basic facilities is fundamental to attracting sustainable industrial investment. It focuses on improving overall socio-economic conditions through the provision of reliable 24x7 power supply, enhanced road and rail connectivity and high-speed digital infrastructure. Additionally, the State aims to ensure balanced regional development by promoting value addition, strengthening industrial linkages and leveraging regional advantages, while simultaneously improving access to quality education, skill development and infrastructure.

To further accelerate growth in backward, under-developed and aspirational districts, the policy provides for targeted incentives and facilitation measures, including enhanced capital subsidies, land cost rebates, infrastructure support and tax-related benefits. A strong emphasis is placed on establishing anchor industries, industrial estates and MSME parks in these regions to catalyze local economic activity. These initiatives are designed to reduce regional disparities, generate livelihoods and create a more inclusive and geographically balanced industrial ecosystem across Jharkhand.

2.9 Governance and Ease of Doing Business Initiatives

Industrialisation in Jharkhand shall be driven by a facilitative and efficient governance framework that minimizes procedural delays and enhances ease of doing business. The policy emphasizes streamlined approval mechanisms through a robust single-window clearance system, ensuring time-bound service delivery and transparent implementation of regulations. The State's flagship platform, Advantage Jharkhand, serves as an integrated digital interface enabling investors and industries

to obtain necessary approvals, licenses and clearances from multiple departments through a unified system. This reduces administrative burden, improves accountability and provides real-time tracking of applications, thereby significantly enhancing investor confidence and operational efficiency.

In addition, the policy underscores the importance of continuous stakeholder engagement to ensure that industrial growth remains responsive to changing economic and business dynamics. Regular consultations with industry representatives, MSMEs and investors will inform periodic policy reviews, enabling timely modifications and improvements. By combining digital governance tools like Advantage Jharkhand with proactive facilitation, transparency and adaptive policymaking, the State aims to create a business-friendly ecosystem that fosters sustained industrial development and attracts long-term investments.

3. Development of Industrial Ecosystem

Jharkhand has emerged as one of the key states in India for advancing a robust and dynamic industrial ecosystem. Leveraging its rich mineral resources, strategic geographic location and policy-driven governance framework, the state has made significant growth in fostering a business-friendly environment. The development of the industrial ecosystem in Jharkhand focuses on attracting both domestic and foreign investments, promoting sustainable growth and preparing industries for emerging “New Age” technologies such as Industry 5.0, green manufacturing and digital transformation.

3.1 Focus on Investment Promotion

The state government has adopted a proactive approach to facilitate inward investments through comprehensive industrial policies, investor-friendly regulations and streamlined approval mechanisms such as single-window clearance systems. Dedicated investment promotion agencies and industrial facilitation cells assist investors throughout the project lifecycle, from conceptualization to commissioning. These initiatives have strengthened Jharkhand’s competitiveness among leading Industrial destinations in India.

3.2 Promotion of Foreign Direct Investment (FDI)

Foreign Direct Investment (FDI) is a critical parameter in assessing the attractiveness and competitiveness of a region as a global investment destination. Beyond capital infusion, FDI plays a transformative role in strengthening the industrial ecosystem by enabling the transfer of technology, managerial expertise, innovation and global best practices. It also acts as a catalyst for employment generation, export growth and overall economic development in the State.

Recognizing the strategic importance of FDI, the Government of Jharkhand has adopted a multi-pronged approach to attract, facilitate and sustain foreign investments across key sectors.

a. Strategic Technological Collaborations

The State aims to actively promote technological and financial collaborations with overseas corporate entities, multinational corporations (MNCs), Non-Resident Indians (NRIs) and Persons of Indian Origin (PIOs). These partnerships are encouraged in high-potential sectors such as:

- (i) Infrastructure development
- (ii) Power and energy (including renewable and non-conventional sources)
- (iii) Mineral exploration and value addition (including critical mineral)
- (iv) Food processing and agro-based industries
- (v) Biotechnology and life sciences
- (vi) Advanced manufacturing and emerging technologies in Steel & iron industries, auto and auto components.

Such collaborations are envisioned to operate on mutually beneficial terms, ensuring both technology transfer and sustainable economic returns. Priority incentives, fast-track approvals and policy support will be extended to investors bringing advanced technology and innovation capabilities to the State.

b. Institutional Mechanism and Governance Support

To streamline and strengthen FDI inflows, the Government proposes to institutionalize a robust framework for:

- (i) **Need Assessment:** Identification of priority sectors and investment gaps based on market demand and resource availability.
- (ii) **FDI Road mapping:** Preparation of sector-specific investment strategies aligned with long-term industrial goals.
- (iii) **Facilitation & Clearances:** Establishment of dedicated mechanisms for speedy approvals, regulatory clearances and project monitoring.
- (iv) **Coordinated Approach:** A coordinated institutional approach will ensure transparency, efficiency and investor confidence, thereby reducing procedural delays and fostering a predictable business environment.

c. Establishment of NRI (Non-resident Indian) & PIO (Person of Indian Origin) Facilitation Cells

To further promote foreign investments, the State Government proposes to establish dedicated **NRI/ PIO Facilitation Cells** at:

- (i) National Capital Region (Delhi)
- (ii) Ranchi (State capital)

These cells will serve as a single-point interface for diaspora investors and will:

- (i) Provide assistance in investment planning, project approvals and implementation
- (ii) Facilitate networking and partnerships between local enterprises and global investors
- (iii) Address investor grievances through structured redressal mechanisms
- (iv) Support import-export activities of local industries by leveraging global NRI/PIO networks

This initiative aims to harness the financial strength, expertise and global connections of the Indian diaspora for the State's industrial growth.

d. Investor Outreach and Global Engagement

The Government proposes to actively engage with potential investors through strategic outreach initiatives, including:

- (i) **Investor Meets and Roadshows:** Organising domestic and international investment summits in collaboration with industrial associations, trade bodies and institutions such as the Overseas Indian Facilitation Centre (OIFC)
- (ii) **Participation in Global Trade Fairs:** Facilitating participation of State representatives, entrepreneurs and officials in major international exhibitions, trade fairs and business forums
- (iii) **Investment Promotion Campaigns:** Targeted campaigns to showcase Jharkhand's investment potential, policy incentives and sectoral strengths
- (iv) **Investor Delegations:** Encouraging inbound and outbound visits of investors and government representatives to strengthen business relations and explore partnerships

3.3 Promotion of Clean and Green Technologies

The Government of Jharkhand is promoting sustainable industrialization by supporting clean technologies, financial incentives and modern infrastructure. It aims to balance economic growth with environmental protection by encouraging energy-efficient and eco-friendly practices. This approach seeks to reduce pollution, conserve resources and build a resilient, environmentally responsible industrial ecosystem.

a. Policy Approach Towards Green Industrial Development

This policy aims to integrate environmental sustainability into the industrial growth framework by:

- (i) Encouraging industries to adopt cleaner production techniques, such as resource-efficient manufacturing, waste minimization and energy optimization
- (ii) Promoting the use of green technologies, including renewable energy systems, water recycling and eco-friendly materials
- (iii) Strengthening compliance with environmental norms and standards through incentives and regulatory support
- (iv) Facilitating the development of shared environmental infrastructure to reduce the environmental burden on individual industries

The emphasis is on creating a balance between industrial growth and environmental protection, ensuring long-term sustainability and improved quality of life.

b. Financial and Institutional Support Mechanisms

To accelerate the adoption of environmentally sustainable practices, the State Government proposes targeted financial and institutional interventions under this policy:

- (i) **Financial Assistance for Solid Waste Management:** Financial assistance will be provided to Jharkhand Industrial Area Development Authority (JIADA) for the establishment of common solid waste management facilities across industrial areas. These facilities will ensure scientific handling, treatment and disposal of industrial waste, thereby reducing environmental pollution.
- (ii) **Support for Common Environmental Infrastructure:** The Government will also extend financial support to JIADA for setting up:
 - Common Effluent Treatment Plants (CETPs) for treating industrial wastewater
 - Hazardous Waste Management Facilities to safely handle and dispose of toxic industrial by-products
 - Integrated Solid Waste Management Systems within industrial clusters

These shared facilities will help industries, especially MSMEs, comply with environmental regulations in a cost-effective manner while ensuring environmentally sound practices.

c. Development of Green Industrial Estates

Need-based financial assistance will be provided for the development of Green Industrial Estates, designed with sustainability at their core. These estates will incorporate:

- Energy-efficient infrastructure and green buildings
- Renewable energy integration (such as solar power)
- Water conservation systems (rainwater harvesting, recycling, reuse)
- Eco-friendly waste management solutions
- Planned green belts and open spaces

d. Implementation Strategy

Efforts will be made to ensure timely implementation of these initiatives through:

- **Public-Private Partnership (PPP) mode**, encouraging private sector participation in environmental infrastructure development
- **JIADA-led initiatives**, where projects may be executed through internal resources and institutional capacity
- Time-bound execution, with a focus on completing key facilities within the financial year to ensure early availability of common infrastructure

The establishment of shared environmental infrastructure within industrial areas will significantly enhance compliance, reduce operational costs and promote sustainable industrial practices.

3.4 Promotion of non-conventional energy

To achieve inclusive and sustainable development, Jharkhand is prioritizing the decentralization of its growing energy needs through environmentally sustainable solutions. The State is promoting a shift from conventional fossil fuels to non-conventional energy sources such as solar, wind and biomass. This approach aims to enhance energy security, reduce dependence on non-renewable resources and minimize environmental impact. By encouraging the adoption of clean and renewable energy technologies, Jharkhand seeks to build a resilient and eco-friendly energy ecosystem that supports long-term sustainable growth.

3.5 Industrial Finance

The Government recognizes that limited access to industrial finance is a key constraint to the State's economic growth. It aims to facilitate a smooth and efficient flow of credit to industries and entrepreneurs through the following measures:

- a) Encouraging the establishment of regional and controlling offices of banks and financial institutions in the State, with senior officials empowered for prompt credit decisions.
- b) Directing lead banks to prepare district-level Industrial Credit Plans, with targeted support for MSMEs, including SSI, tiny and cottage industries.
- c) Promoting the opening of specialized MSME banking branches in districts with a high concentration of such units.
- d) Inviting private sector banks and financial institutions to expand financial services for industrial growth.
- e) Strengthening access to micro-credit by encouraging institutions such as NABARD, SIDBI, cooperative and commercial banks to support Self-Help Groups (SHGs).
- f) Facilitating measures to empower banks and financial institutions for efficient recovery of credit extended.

3.6 Provision of Land for Industrial Growth

The availability of adequate and readily accessible land is essential for industrial growth. The State aims to ensure, that the provision of well-developed industrial land with necessary infrastructure across regions is the key factors for Industrial Growth.

- a) To achieve this, Industrial Area Development Authorities will expand land banks by identifying barren, un-irrigated and unused government land.
- b) Land from sick or closed industries will also be included and comprehensive land information will be made available to investors through the State's Single Window Portal.
- c) Mini Industrial Areas will be developed at the local level based on demand from micro and small enterprises. Additionally, land acquisition processes will be streamlined and completed within defined timelines to facilitate timely project implementation.
- d) Jharkhand Industrial Area Development Authority (JIADA), through its regional offices (Ranchi, Bokaro, Santhal Pargana and Adityapur), is responsible for

land acquisition and infrastructure development, including roads, water supply, drainage and utilities.

- e) The Department of Industries has also established objective criteria for land allotment and zoning of industrial areas based on industry type and pollution levels.

3.7 Industrial Parks and Logistics Development

The Department notified the Jharkhand Industrial Park and Logistic Policy in 2022 and all provisions outlined in the policy shall be applicable.

The Jharkhand Industrial Park and Logistic Policy, 2022 aims to promote the development of industrial parks and strengthen logistics infrastructure in the state. It focuses on attracting investment, improving connectivity and enhancing ease of doing business. The policy provides incentives and a regulatory framework to encourage private participation, support industrial growth and create employment opportunities in Jharkhand.

4. Fiscal Incentives

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

4.1 Comprehensive Project Investment Subsidy (CPIS)

- a) MSME units shall be entitled to get CPIS for investments made in fixed capital investment. Subsidy under CPIS for MSME shall be admissible at the rate of **20% of investments made in fixed capital investment.**
- b) Non MSME Units shall be entitled to get Comprehensive Project Investment Subsidy (CPIS) for investment made in:
 - Plant and Machinery
 - Pollution Control Equipment
 - Alternative power generation equipment
- c) The qualifying amount of investment for subsidy for non MSME units under CPIS will be calculated giving weightage of 60% to investment made in Plant and Machinery, 20% each to investment in pollution control equipment and alternative power generation equipment.

Type of Unit	Maximum Limit	Maximum Admissible Subsidy
MSME	20% of FCI	INR 15 Cr
Non MSME	25% of FCI	INR 30 Cr

- d) SC/ST/Women/Differently abled Entrepreneurs will avail **5% additional benefit** under CPIS up to **INR 5 Crore.**
 - i. This benefit shall be applicable only to residents of Jharkhand.
 - ii. It will apply to a unit only if such entrepreneurs hold more than 50% ownership stake in the company/ organization in case of a private limited company or a limited liability partnership, or in the case of a proprietorship firm, where the proprietor belongs to the SC/ST/Women/Differently abled category.
 - iii. For the purpose of this clause, those persons will be eligible for benefit under SC/ST category that are issued caste / residential certificate to this effect by competent authority as notified by Government of Jharkhand. Similarly, those persons will be deemed to be of differently abled category that are certified by a competent Medical Board to have Differently abled of more than 40%.

e) Location-Based Additional CPIS (Zonal Incentive)

To ensure balanced regional development, units shall be eligible for additional CPIS based on location:

Zone	Districts	Additional CPIS (%)
Zone 1	Ranchi, East Singhbhum, Dhanbad, Bokaro, Ramgarh, Saraikela Kharsawan and West Singhbhum	No additional benefit
Zone 2	Hazaribagh, Chatra, Giridih, Koderma, Simdega, Gumla, Khunti, Lohardaga, Latehar, Palamu and Garhwa	+3%, upto INR 3 Cr
Zone 3	Deoghar, Dumka, Godda, Jamtara, Pakur, Sahibganj	+5%, upto INR 5 Cr

- f) Applicable CPIS will be disbursed to MSME and Large sector units in two instalments with 50% in first year and balance 50% in third year while for Mega/ Ultra Mega units, CPIS will be disbursed in three instalments with 50% in first year, 25% in third year and balance 25% in fifth year.
- g) 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.

4.2 Interest Subsidy

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

- INR 25 Lakhs for Micro Enterprises
- INR 1 crore for Small Enterprises
- INR 2 Crores for Medium Enterprises
- INR 5 Crores for non-MSME Sector units

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

In addition to the interest subsidy, the guarantee fee charged under the Credit Guarantee Trust for Micro and Small Enterprises (CGTMSE) scheme to Micro and Small Enterprises (MSEs) will be reimbursed to the enterprises in order to improve the CGTMSE coverage for collateral free loans in the state.

4.3 Stamp duty and Registration fee

100% reimbursement of Stamp duty and Registration fee for land directly purchased from the Raiyats / acquired through consent award (lessee of JIADA / Industrial Parks will not be eligible for this benefits). This facility will be granted only for the first transaction for a particular plot of land.

4.4 Patent Registration

Industrial units will be encouraged for filing their successfully generated, registered and accepted patents based on their original work / research. The State Government will provide **financial assistance of 100% of the expenditure incurred, up to a maximum of INR 20 lakh, per patent.**

4.5 SGST Incentive

- a) New MSME units will be given incentive of 100% NET SGST per annum for five years from the Date of Production with a ceiling of maximum 200% of total fixed capital investment made.
- b) New large projects will be given incentive of 100% of NET SGST per annum for seven years from the Date of Production with a ceiling of maximum 200% of total fixed capital investment made.
- c) New mega projects will be given incentive of 100% of NET SGST per annum for nine years from the Date of Production with a ceiling of maximum 200% of total fixed capital investment made.
- d) New ultra-mega projects will be given incentive of 75% of NET SGST per annum for twelve years from the Date of Production with a ceiling of maximum 200% of total fixed capital investment made.

Note: Industrial units shall be reimbursed for Net SGST paid by debiting the Electronic cash ledger against the intra-state supply of goods and services by the said industrial unit after exhausting all the input tax credit available in the credit ledger and after deducting refund amount claimed if any.

Actual realization in the state treasury means the goods or services supplied by the industrial unit and finally consumed within the State and SGST paid thereof realized in the state treasury.

4.6 Quality Certification

- a) High priority is being accorded by the Government of Jharkhand for the improvement of quality of the industrial units and units shall be provided with assistance for obtaining quality certification from B.I.S. and other internationally recognised institutions **@ 100% of the expenditure incurred up to a maximum of INR 20 lakhs.**

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

- ISO-9000 Quality Management System
 - ISO-14000 Environmental Management System
 - ISO-18000 Occupational Health and Safety Standards
 - BIS certification
 - Social Accountability Standards
 - Green Energy Certificate
 - Bureau of Energy Efficiency (BEE) Certificate
 - LEED Certification in New and Renewable Energy
 - ZED Certification
 - Internationally accredited eco-labels OKE-TEX 100 etc.
 - Any other nationally/ internationally accredited certification that will enable better market positioning.
- b) An Enterprise can avail the facility for more than one certification during the policy period **subject to the maximum limit specified under this section.**
- c) Incentives for quality certification (ISO-9000, ISO-14000, etc.) are also being given by the Government of India. State Government will promote and facilitate the unit getting such benefits on a priority basis.

4.7 Grant for Cluster Development

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

4.8 Anchor Unit Subsidy

Anchor units shall be eligible for an additional 5% benefit under CPIS, subject to a maximum limit of INR 5 crore.

Anchor unit means: An enterprise having investment more than **125 Crore** in Plant & Machinery and through its scale of operations, technology, market reach, and supply-chain linkages, catalyses the development of industrial clusters by attracting ancillary industries, MSMEs, suppliers, and related investments, thereby generating employment, enhancing value addition, and strengthening the State's industrial ecosystem.

4.9 Incentives for setting up of Educational and Technical Institutes:

Willing organisations / investors setting up Medical Colleges, Private Universities (with at least 30% of total intake for professional, job-oriented courses), Engineering Colleges, or other higher educational institutions in the State and adhering to the norms and standards prescribed by the respective statutory regulatory bodies such as the NMC,AICTE,UGC and any other competent authority, shall be accorded the status of Industries.

Such institutions shall comply with applicable reservation requirements in admissions for students who are residents of the State, in accordance with norms stipulated by the Personnel Department and the Higher & Technical Education Department, Government of Jharkhand.

Incentives under the Policy shall be applicable to institutions fulfilling the norms prescribed under the University Grants Commission (Institutions Deemed to be Universities) Regulations, 2023, as amended from time to time, including provisions relating to Institutions of Eminence (IoE).

In cases where an Institution of Eminence (Deemed to be University) establishes an approved off-campus, in accordance with the applicable UGC regulations and approvals of the Government of India, such institutions shall be eligible for incentives under this Policy, subject to compliance with all applicable laws and regulatory requirements.

Engineering Colleges and Technical Institutes	
Minimum 100 seats and atleast 5 streams of engineering with adequate infrastructure	Upto 25% of the Capital Investment (apart from Land) made subject to a maximum limit of INR 30 Crore
	Interest Subsidy Upto 5% for a period of 5 years subject to a maximum limit of INR 5 Crore
	100% reimbursement of stamp duty and registration fee

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

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

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

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

4.10 Incentives for Setting up of Healthcare facilities

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

- (i) Multi-Specialty Hospital (Grade I) having:
 - a. Capital Investment of at least INR 10 Cr
 - b. Two or more specialties with ICU, OT (major, minor), Labour room, Diagnostics, Pharmacy etc.

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

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

A. Subsidy on Capital Investment:

Category	Subsidy
Multi-Specialty Hospital (Grade I)	Upto 25% of the Capital Investment (apart from Land) made subject to a maximum of INR 10 Cr
Multi-Specialty Hospital (Grade II)	Upto 25% of the Capital Investment (apart from Land) made subject to a maximum of INR 15 Cr
Super-Specialty Hospital	Upto 25% of the Capital Investment (apart from Land) made subject to a maximum of INR 30 Cr
Nursing Colleges	Upto 25% of the Capital Investment (apart from Land) made subject to a maximum of INR 1 Cr

- B. Interest Subsidy upto 5% for a period of 5 years subject to a maximum limit of INR 3 Crore.
- C. 100% reimbursement of stamp duty and registration fee for the first transaction of a particular plot of land (lessee of JIADA/industrial parks will not be eligible for this benefit).

4.11 Incentives for Breweries and Distilleries

A reimbursement of maximum 25% of the VAT paid by the Brewery and Distillery shall be reimbursed for 5 years, subject to a maximum ceiling of 200% of the Capital Investment.

Note: This incentive shall not be applicable if penalties are imposed on the units and if there is a difference of amount between the tax assessed and accepted under the prevailing rules.

Also, apart from the above-mentioned VAT subsidy, breweries and distilleries shall not be eligible for any incentives mentioned in this policy.

4.12 Non-Fiscal incentives

Mega & Ultra Mega Projects

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

The Non-fiscal incentives are like:

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

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

Mega and Ultra-mega projects have a multiplier effect integral for employment generation and for inclusive growth. The development of Mega and Ultra-Mega industries will attract ancillary and auxiliary industries in the MSE sector leading to a positive domino effect in the economy.

5. Single Window Clearance Mechanism

For the promotion of investment and industries in the Jharkhand State, Department of Industries, has established a Single Window Clearance System for Ease of Doing Business and to provide mandatory clearances and disbursement of fiscal incentives within the prescribed time limit. This mechanism shall have Single Window Clearances Committee under the Chairmanship of Principal Secretary, Department of Industries

with all the important Secretaries as members in this Committee. This Committee shall review and consider for the approval of all projects including financial incentives up to MSME level. For projects other than MSME, this Committee shall recommend to the High-Powered Committee for approval of fiscal incentives.

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

5.1 Single Window Portal

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

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

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

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

5.2 Ease of Doing Business

Jharkhand has significantly improved its Ease of Doing Business (EoDB) by implementing various reforms. A user-friendly Single Window Portal now allows investors to submit applications, track their status and obtain online approvals for over 110 services offered by 28 state departments and corporations. To ensure efficient processing, these services are aligned with the Public Service Guarantee Act, which sets clear timelines for approvals and clearances.

Beyond applications, the portal provides valuable information on state policies, investment opportunities, news updates, available land banks and other government initiatives.

To enhance efficiency and accessibility, the state has been working to streamline electronic government services, including government-to-government, government-to-citizen and government-to-business interactions. This collaborative effort involves the Department of Industry, State Data Center, Department of IT & e-Governance and JAPIT.

To provide personalized support to businesses, Jharkhand has appointed dedicated EoDB managers in each district. These managers are available to address queries, resolve grievances and facilitate the smooth processing of approvals and clearances.

To reduce compliance burdens, the state has successfully simplified more than 360 compliance requirements under EoDB Business Reform Action Plan (BRAP) 2024. To continuously improve the EoDB environment, Jharkhand actively seeks feedback from industry associations and conducts regular stakeholder consultations. These interactions help identify areas for improvement and ensure that the state's initiatives align with the needs of businesses.

Overall, these comprehensive efforts aim to streamline processes, reduce bureaucratic hurdles and create a more conducive business environment in Jharkhand. By enhancing the Ease of Doing Business, the state seeks to attract investments, foster economic growth and improve the overall business climate.

With these initiatives State has been awarded with “Top Achievers across Four Reform Areas” on 11th November 2025 during Udhog Samagam event hosted at New Delhi. The four reform areas for which Jharkhand was awarded were: Business Entry, Construction Permit Enablers, Labour Regulation Enablers and Service sector. Overall, Jharkhand was awarded with “Aspirers under Category Y”.

6. Monitoring & Evaluation and Grievance Redressal

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

6.1 Monitoring

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

The Single Window Cell acts as a repository of information regarding state infrastructure, information about investment application processes and issues being

raised across industry. It shall also act as a source of information dissemination and shall provide additional information related to orders, rules and regulations.

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

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

The nodal officers of department's are also be deputed / seconded to Single Window for ensuring time bound service delivery.

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

6.2 Grievances Redressal Mechanism

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

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

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

The aggrieved investor before moving to any court shall apply before this Grievance Redressal Committee for the redressal of grievances and disbursal of incentives.

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

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

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

7. Miscellaneous Provisions

7.1 Memorandum of Understanding (MoU)

- a) MoU may be agreed / signed between Government of Jharkhand and Investors for new investment.
- b) MoU may be agreed only for Mega and Ultra-Mega Industries.

- c) Initially, MoU indicating the intention of the investor in brief about the proposed industry and the possible facilitation to be extended by the State Government which will remain valid only for a maximum period of 12 months.
- d) Subsequently, second stage of MoU will be signed which will include complete details of the project including DPR/TEFR with the site selected, resources required for the unit, possible sources of funds, raw materials, consumables, utilities, manpower requirement, infrastructural details, time-frame for implementation etc. Second stage of MoU shall have a validity of 3 years and on reasonable ground, the second stage of MoU may be extended for another two years
- e) MoU signed initially will automatically expire after one year if the second stage of MoU is not signed with the State Government.

7.2 Date of Production (DoP)

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

The "Date of Production" of an industrial unit shall mean the date on which the unit actually commences commercial production of the item for which the unit has been registered.

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

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

7.3 Procedure for operationalization of the provision of the policy.

Implementation of various provisions covering the incentives, concessions etc. will be subject to the issue of detailed guidelines / statutory notifications, wherever necessary in respect of each item by the concerned Administrative Department.

7.4 Policy Period

The State Government may at any time amend any provision of this policy. Normally the policy will remain operational for 5 years from the date of Gazette notification of the policy.

7.5 Doubts Resolution

- a) Doubts relating to interpretation of any term and / or dispute relating to the operation of any provision under this Industrial and Investment Promotion Policy shall have to be referred to the Industries Department, Government of Jharkhand for clarification / resolution and the decision of Department in this regard shall be final and binding on all concerned.

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

7.6 Power of the State Government

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

Draft

Annexure – I: Definitions

1. **Effective date:** “Effective date” means the date on which the provisions of this Policy come into force i.e. <Date>. This Policy will remain in force for 5 years up to <Date>.
2. **Classification of Units**
3. **MSME Units:** The classification of the MSMEs have been done by the Ministry of MSME, Government of India. As per the revised classification that came into effect on 1 April 2025, the criteria for the manufacturing and services oriented enterprises are as follows:
 - a) **Micro Enterprise:** The investment in Plant and Machinery or Equipment is **capped at two crore and fifty lakhs rupees** and the annual turnover is ten crore rupees.
 - b) **Small Enterprise:** The investment in Plant and Machinery or Equipment is **capped at twenty-five crore rupees** and the annual turnover is hundred crore rupees.
 - c) **Medium Enterprise:** The investment in Plant and Machinery or Equipment is **capped at one twenty-five crore rupees** and the annual turnover is five hundred rupees.
4. **Large unit:** The investment in Plant and Machinery or Equipment is more than INR 125 Crore and upto INR 250 Crore.
5. **Mega unit:** The investment in Plant and Machinery or Equipment is more than INR 250 Crore and upto INR 500 Crore.
6. **Ultra Mega unit:** The investment in Plant and Machinery or Equipment is more than INR 500 Crore.
7. **Industrial Unit/Industrial concern:** 'Industrial unit / concern' means any unit / concern engaged or to be engaged in manufacturing / processing / servicing industry under the following categories:
 - a) Industries listed under the First Schedule of the Industries (Development and Regulation) Act 1951 as amended from time to time
 - b) Industries falling within the purview of the following Boards / Agencies:
 - i. Small Industries Board
 - ii. Coir Board
 - iii. Silk Board
 - iv. All India Handloom and Handicrafts Board
 - v. Khadi and Village Industries Commission
 - vi. Any other agency constituted by the Government of India or Government of Jharkhand for industrial development
8. **Existing Industrial Unit:** "Existing Industrial Unit" means an industrial unit which is in commercial production on or before <Date>.

9. **New Industrial Unit:** "New Industrial Unit" means an industrial unit in which commercial production has commenced within five years from <Date>. Expansion/ modernization/ diversification unit as defined in 8, 9 and 10 of this annexure shall be considered as new industrial unit for the purpose of this policy and shall be eligible for all incentives like any other new industrial unit.
10. **Sick Unit:** "Sick unit" means an industrial unit declared sick by the erstwhile Board for Industrial and Financial Reconstruction under the Sick Industries Companies (Special Provision) Act, 1985 (now NCLT) or by the State Apex Committee for SSI headed by the Director of Industries or the High Level Empowered Committee headed by the Chief Secretary for large and medium sector.
11. **Expansion:** Expansion means an existing unit which makes additional capital investment and fulfils the following conditions:
- a) For MSME Units, it shall be 33% or above additional investment in Plant and Machinery of the already made investment in Plant and Machinery. For large units, it shall be 33% or above on depreciated book value or fixed capital investments of Rs. 16.5 crore, whichever is higher. For Mega and Ultra-Mega projects, it shall be 33% or above on depreciated book value or 33% or above of fixed capital investments of the minimum capital investment limit fixed in this policy, whichever is higher
 - b) An increase of at least 33% of the installed capacity
12. **Modernisation:** Modernisation means an existing unit which makes additional capital investment and fulfils the following conditions:
- a) For MSME Units, it shall be 33% or above additional investment in Plant and Machinery of the already made investment in Plant and Machinery. For large units, it shall be 33% or above on depreciated book value or fixed capital investments of Rs. 16.5 crore, whichever is higher. For Mega and Ultra-Mega projects, it shall be 33% or above on depreciated book value or 33% or above of fixed capital investments of the minimum capital investment limit fixed in this policy, whichever is higher
 - b) At least 20% improvement in the installed capacity
 - c) An improvement of either energy saving of at least 30% or reduction of pollution level of at least 30% or latest technology in that sector as certified by the reputed institutions recognized by the Government
13. **Diversification:** Diversification means an existing unit which makes additional capital investment and fulfils the following conditions:
- a) For MSME Units, it shall be 33% or above additional investment in Plant and Machinery of the already made investment in Plant and Machinery. for large units, it shall be 33% or above on depreciated book value or fixed capital investments of Rs. 16.5 crore, whichever is higher. For

Mega and Ultra-Mega projects, it shall be 33% or above on depreciated book value or 33% or above of fixed capital investments of the minimum capital investment limit fixed in this policy, whichever is higher

- b) Production of at least one new product after diversification

Note Point:

1. The installed capacity as mentioned in the DoP certificate of existing project(s) undertaking expansion/modernisation/diversification or installed capacity just before taking up this expansion/modernisation/diversification whichever is higher shall be treated as the installed capacity for calculating expansion/modernisation/diversification.
2. Depreciated book value at the time of taking up this expansion/modernisation/diversification shall be used for calculating depreciated book value.
14. **Fixed Capital Investment:** The 'Fixed Capital Investment' means an investment made in building (not applicable for Non-MSME), plant and machinery as well as productive assets of permanent nature such as tools, jigs, fixtures, dies, crane, electrification, silent DG Sets and pollution control equipment.
15. **Ancillary Industrial Unit:** An "Ancillary Industrial Unit" is an industrial unit in which capital investment has been made up to the limit specified by the Government of India from time to time.
16. **Renewable energy** - as defined and explained by Ministry of Renewable Energy, Government of India, from time to time.
17. **NET GST**- means tax payable and paid, under sub Section 50 of CGST Act, 2017.
18. **JIADA** - means Jharkhand Industrial Area Development Authority established under Jharkhand Industrial Areas Development Authority Act 2001.
19. **Industrial Park** - means an industrial estate which is developed for establishment of industrial units to manufacture any goods or service and having basic industrial infrastructures like developed plot, internal roads, water distribution facilities, sewage collection and treatment, power distribution, communication faculties and such other facilities as may be required.
20. **Master Plan Committee** - means Master Plan Committee headed by Managing Director of JIADA and Chief Engineer of JIIDCO as members.
21. **Private Institution** - means any Industry Association, Chamber of Commerce or Federation registered under Societies Act, Trust Act, partnership Act or Companies Act will be treated as a private institution.

- 22. Public Institution** - means Industrial Area Development Authority established under Jharkhand Industrial Areas Development Authority Act 2001, Public Sector undertakings of Jharkhand Government, Urban Local Bodies, or Zila Parishad.
- 23. Pollution control equipment** such as Effluent Treatment Plants (ETP), Common Effluent Treatment Plants (CETP), Zero Liquid Discharge (ZLD) systems, etc established by unit.
- 24. Sector Specific Industrial Park** - means industrial parks envisaged for specific sectors like
- a) Apparel Fiber and Textile Park
 - b) IT Park / Software Technology Park
 - c) Gems and Jewellery Park
 - d) Bio-tech and Herbs Park
 - e) Chemical and Pharmaceutical Park
 - f) Food Park
 - g) Automobile Vendor-Ancillary Industries Park
 - h) Any other specific sectors e.g. Ceramic Park, Plastic Park, Knowledge Park, Film City, etc.

Annexure – II: List of Industries Ineligible for Fiscal Incentives

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

1. Sawmills and wood sawing
2. Drilling Rigs, Bore Well, Tube Well Establishing Units, Concrete Mixing Plants, Road Metal Mixer, Readymade Concrete Mixture and similar facilities mobile in nature
3. Units Connected with Cutting of Raw Tobacco and Gul Related Products and Guraku
4. Stencilling Units / Processing of Stencil Papers
5. Tailoring (Except Readymade Garment Manufacturing Units)
6. Laundry/Dry Cleaning
7. Photography, Studio Labs, Video Parlours, Videography, Cinematography, Theatres, Photo studios, colour film laboratories, Video, Audio Cassette Recording and Watch Repairing
8. Beauty Parlours
9. Goods and passenger carriers
10. Guest Houses / Restaurants
11. Petrol Pumps
12. Narcotic Drugs, Tobacco barons / tobacco re-drying / processing, Beedi / Cigarette Manufacturing and other tobacco based products
13. Tyre re-treading
14. Mines and Mining Activity including development of Mines etc.
15. Hard/ Soft Coke units
16. Vehicle or any consumer product show rooms, service / repairing centre or sales centre
17. Brick making units except refractory bricks making, bricks making with use of fly ash / red mud or similar other industrial waste
18. Any petroleum product storages
19. Banned items by State Government or Government of India from time to time will also come under this list

Note:

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

Annexure – III: General Abbreviations

CPIS	Comprehensive Project Investment Subsidy
CSR	Corporate Social Responsibility
DIC	District Industries Centre
DOP	Date of Production
DPR	Detailed Project Report
EM	Entrepreneur Memorandum
EMD	Earnest Money Deposit
EPF	Employees Provident Fund
ESI	Employees Provident Fund
FAR	Floor Area Regulation
FDI	Foreign Direct Investment
GM Land	Gair Mazarua Land
GM, DIC	General Manager, District Industries Centre.
GOI	Government of India
GSDP	Gross State Domestic Product
GST	Goods and Service Tax
HPC	High Powered Committee
JIADA	Jharkhand Industrial Area Development Authority
ICD	Inland Container Depot
IEM	Industrial Entrepreneur Memorandum
IT	Information Technology
ITES	Information Technology Enabled Services.
ITI	Industrial Training Institutes.
Jharcraft	Jharkhand Silk, Textile and Handicraft Development Corporation
JHARNET	Jharkhand State Information and Communication Network.
JIIDCO	Jharkhand Industrial Infrastructure Development Corporation
JINFRA	Jharkhand Infrastructural Development Corporation
JSERC	Jharkhand State Electricity Regulator Commission
JSMDC	Jharkhand State Mineral Development Corporation
JSPCB	Jharkhand State Pollution Control Board
JV	Joint Venture
KVIB	Khadi and Village Industries Board
KWH	Kilo Watt Hour
MD	Managing Director
MNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MOU	Memorandum of Understanding
MSE	Micro and Small Enterprises
MSME	Micro, Small and Medium Enterprises
MW	Mega Watt
NOC	No Objection Certificate
NSDC	National Skill Development Corporation
NSTEDB	National Science and technology entrepreneurship Development Board.

OIFC	Overseas Indian Facilitation Centre
PPP	Public Private Partnership
PSU	Public Sector Undertaking
R and D	Research and Development
R and R	Rehabilitation and Resettlement
RBI	Reserve Bank of India
SC / ST	Scheduled Caste / Scheduled Tribe
SD	Security Deposit
SEAC	State Level Expert Appraisal Committee
SEB	State Electricity Board
SEIAA	State Level Environment Impact Assessment Authority
SEZ	Special Economic Zone
SHG	Self Help Group
SIDBI	Small Industrial Development Bank of India
SLBC	State Level Banker's Committee
SLEC	State Level Empowered Committee
SLIIC	State Level Inter Institutional Committee
SPT	Santhal Pargana Tenancy
SPV	Special Purpose Vehicle
SSI	Small Scale Industry
STPI	Software Technology Park of India
SWCC	Single Window Clearance Committee
TEFR	Techno Economic Feasibility Report
VGf	Viability Funding Gap

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