

ERNST & YOUNG

Draft ESDM Policy for Jharkhand-2016

Draft Policy

(Restricted for use of Department of IT and eGov, Jharkhand only)

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1. Preamble

The National Policy on Electronics (NPE) has a vision is "To create a globally competitive electronics design and manufacturing industry to meet the country's needs and serve the international market". The objective of the NPE is to be create an ecosystem for a globally competitive ESDM sector in the country by attracting investment of about USD 100 billion for a projected demand of USD 400 billion by 2020 and generating employment for around 28 million people at various levels. The ultimate aim of the policy is for the Indian ESDM sector to develop core competencies in all three arms of the electronics industry i.e. R&D, Manufacturing/ Fabrication and Assembly/ATMP.

Electronics is reported to be the largest and fastest growing industry in the world. It is expected to reach a turnover of USD 2.4 trillion by the year 2020. In the indian context the india exports of electronic goods is expected to grow to USD 80 billion in the year 2020 and the demand for Indian market grow to USD 400 million by 2020. The expected electronic market in India by 2020 is-

- i Telecom Equipment (USD 34 Billion).
- ii Laptops, Desktops, Tablets (USD 34 Billion).
- iii LED (USD 35 Billion).
- iv Consumer Electronics (USD 29 Billion).
- v Set Top Boxes (USD 10 Billion).
- vi Automotive Electronics (USD 10 Billion).
- vii Medical Electronics (USD 8.5 Billion).

The contribution of High Technology Manufacturing in the GDP of a country cannot be denied. The success of China, Mexico, Brazil, Malasiya and Indonesia are living examples of what manufacturing can do to an economy. The industry is so diversified that the value chains, ecosystems and economic growth of a group of states is positively affected by the growth of even one unit. Value chains and ecosystem of the industry are so complex and few industries are as geographically widespread, and intertwined as the ESDM industry.

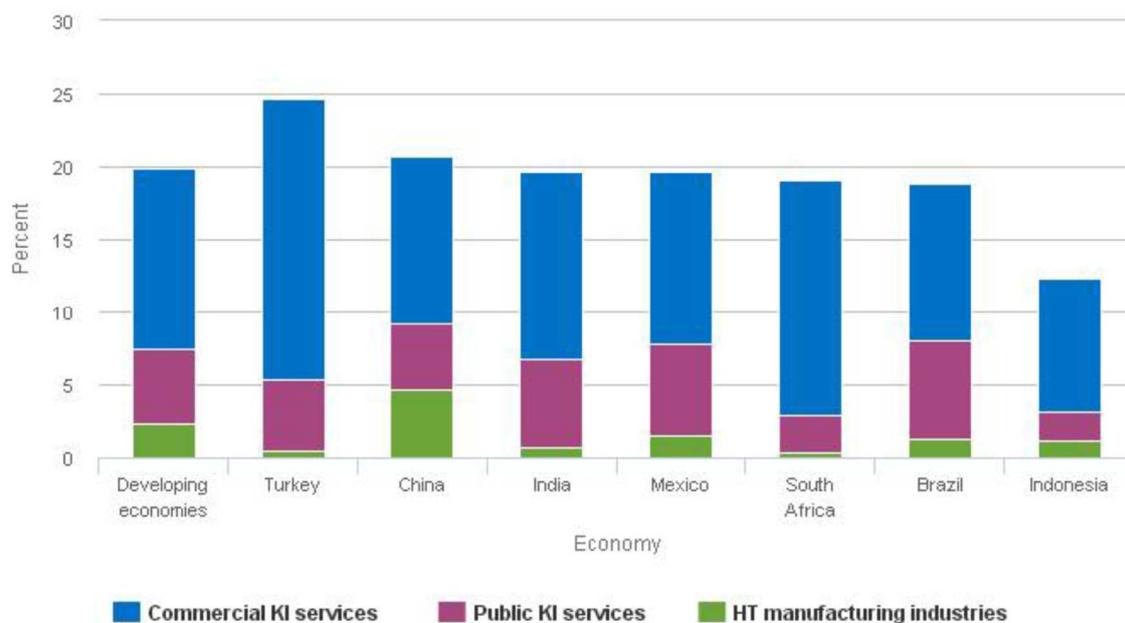
As per a report from the Semiconductor Industry Association (SIA) one of the U.S. semiconductor company has more 16,000 suppliers worldwide. More than 7,300 of its suppliers are based in 46 different American states and more than 8,500 of its suppliers are located outside of the United States. Many of those suppliers are small businesses in multiple industries that provide a variety of goods and services including chemical gases, materials, construction services, foundry services, capital equipment, spares, control and life systems, computing hardware, market research, technical consulting, and media services.

The industry is uniquely structured to derive maximum benefit from the diverse and varied skills of human resources and locational advantages of participating

countries. Canada, European countries, and the United States tend to specialize in semiconductor design, along with high-end manufacturing. Japan, the United States, and some European countries specialize in supplying equipment and raw materials. China, Taiwan, Malaysia and other Asian countries tend to specialize in manufacturing, assembling, testing and packaging. Canada, China, Germany, India, Israel, Singapore, South Korea, the United Kingdom, and the United States are all major hubs for semiconductor R&D. Major semiconductor companies have located facilities in countries as far flung as Costa Rica, Latvia, Mexico, South Africa, and Vietnam¹.

It is often stated that countries have fallen behind in the shift from manufacturing to services and therefore could not create more jobs via more services. The fact is that , industrial production contains a large volume of services, providing the infrastructure for the manufacturing activities. India was (in 2014) one of the least performers among some of the developing nations who have used manufacturing as a tool for GDP growth (see chart below).

Output of KTI industries as a share of GDP of selected developing economies: 2014



GDP = gross domestic product; HT = high technology; KI = knowledge intensive; KTI = knowledge and technology intensive

SOURCE: IHS Global Insight, World Industry Service database (2014).
Science and Engineering Indicators 2016

Jharkhand with its multitude of natural resources the skill of its engineers can play a vital role in the global ESDM industry.

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Innovation in technology, specifically in information technology, is at the core of growing economic prosperity worldwide. Crafting effective policies that boost innovation and encourage the concept of “digital economy” is critical to ensuring robust economic growth and a higher, standard of living for the citizen. However, as in any new and changing situation, policymakers have varied concept of what is needed and what will work. In some cases legislators have adopted the new and complex technology policy issues with solutions that are outdated and expired to benefit the economy. The innovation factor in any economy has therefore become increasingly important and vital. States need to innovate for change to survive in today’s economy.

The “Make in India” initiative launched by Prime Minister envisions an increase in manufacturing sector growth from 6.7% per annum currently to 12-14%, over the medium term, and an increase in the share of manufacturing in India’s GDP from 16% to 25% by 2022. Currently, China and Taiwan meet about 62% of the Indian demand for IT products through imports. According to news reports Indian manufacturers suffer from a variety of fiscal and other disabilities, relative to imports, leading to idle capacity in excess of 75% of the installed capacity. Significant disabilities therefore make domestic manufacturing un-competitive and encourage imports of IT products.

The Government of India in order to rectify these disabilities introduced a differential duty regime by reducing the excise duty in the Budget 2015 to 1% for mobile phones and 2% for tablets without CENVAT credit, while maintaining the option of paying excise duty at 12.5% with CENVAT credit. Importers of these products are restricted from availing the concessional excise duty regime. In addition, parts, components and accessories of tablets were fully exempted from excise duty, subject to actual user condition. This announcement has encouraged many mobile phone manufacturers to draw up plans for manufacturing in India over the last one year. Budget 2016 has extended a similar differential duty regime to more IT products such as chargers/adapters, battery and wired headsets/speakers, for manufacture of mobile handsets and consumer premise equipment (CPE) viz., routers, broadband modems, set-top boxes, CCTV camera/IP camera etc.

The need today is to for Jharkhand to focus on building technology brands from India. We must target emerging markets and future technologies to capture not only the market share but also consumer preference. Leveraging technology for citizen empowerment which has been already adopted by the government can also bring about State’s social transformation. The government of Jharkhand is taking the first step in the direction by placing a proactive policy for the development of ESDM sector in the State.

2. Vision Mission and Objectives

2.1. Vision

To create a thriving and competitive Electronics design and manufacturing industry in Jharkhand to fulfil national and international demands.

2.2. Mission

- i To promote the manufacturing of entire range of ESDM products for economic development and employment generation in the State.
- ii To develop ESDM manufacturing capabilities and capacities in Jharkhand.
- iii To develop high quality Electronic products at economical prices for national and international markets.
- iv To develop an environmentally friendly practice in manufacturing, use and disposal of electronic products.

2.3. Objectives

- i To create a vibrant ecosystem for competitive ESDM sector in the State,
- ii To start at least 50 units of ESDM assembly/ manufacture in the next 10 years,
- iii To build a strong chain of supply line for raw material, parts and electronic components for manufacture,
- iv To facilitate and create export of ESDM goods from Jharkhand and contribute at least around USD 2 Billion in the export target of USD 80 Billion by 2020,
- v To protect the Intellectual priority rights and strengthen the protection of intellectual property by enacting balanced reforms to reduce patent litigation and increase trade secret protection,
- vi To enhance the availability of skilled and semi-skilled manpower by starting apprenticeship and special vocational training in ESDM assembly for eligible candidates,
- vii To use technology to develop sturdy electronic goods especially suited to rural use in India and abroad.

3. The “Make in Jharkhand” Initiative:

The 'Make in Jharkhand' program is an initiative launched by Government of Jharkhand to encourage companies to start/ increase manufacturing activity in the State, especially in the IT and ITeS sector. This not only aims at attracting overseas companies to set up shop in Jharkhand, but also encouraging domestic IT and ITeS companies to expand/ relocate and start production in the State.

The Make in Jharkhand initiative has at its core a transformed Jharkhand which lays a special stress on promoting business in the State. A number of initiatives have been undertaken to invite industry to come and invest. The State has achieved the third place in ranking by the World Bank in the year 2015 in the Ease of Doing Business. The State has industrial harmony and the man days lost due to industrial strife are the lowest in India. The State is also among the top five FDI investment destinations in India.

Availability of modern and facilitating infrastructure is a very important requirement for the growth of industry. Jharkhand government intends to develop IT Parks, industrial corridors (Eastern Economic Corridor) and smart cities to provide infrastructure based on state-of-the-art technology with modern high-speed communication and integrated logistic arrangements.

Given the attractiveness of investing in the State and availability of skilled manpower, appropriate space for IT and ITeS industry and attractive incentives by the government, Jharkhand is an ideal destination for industry which wants to start afresh, expand or relocate.

- I. Jharkhand shall Create 3 ESDM Innovation Hubs at Ranchi, Jamshedpur and Dhanbad with at least 200 acres of land for Multi Product Electronic, IT and ITeS including ESDM industry. The ESDM hubs shall be created under the Policy Guidelines of Electronic Hardware Promotion program of Ministry of Communications & information Technology, Government of India. The ESDM Innovation centres will provide complete infrastructure to students, entrepreneurs and companies to take up from a product concept to a working prototype to a start-up company manufacturing the product. The Innovation centres will also provide space to established units to start operations in the State.
- II. Incentives will be provided for using locally produced materials, like steel for making enclosures etc., to manufacture /assemble the final

products as detailed by Government of India in the annexures of M-SIPS Gazette notification dated 31 July 2013 and its subsequent amendments. Intermediate items which can also be sold as an independent product in the market like discrete components, populated or unpopulated PCBs, special wires and cables for electronic assembly etc., shall also qualify for the incentives.

- III. Land has emerged as a major constraint for industrial growth in Jharkhand. The State Government will take measures to make industrial land available, which is critical for sustained industrial growth, through creation of land banks by the State.
- IV. Government of Jharkhand shall encourage setting up ESDM units in dedicated Information Technology Parks (IT Parks) where necessary infrastructure facilities like power, water, roads, effluent treatment Plants etc. are readily available along with social infrastructure like nearby living area, markets, schools for children, Hospitals etc.
- V. The State shall facilitate the ESDM industry to get benefits from Gol under Modified Special Incentive Package Scheme (M-SIPS), Electronics Manufacturing Clusters (EMC) scheme, Scheme for financial assistance for Skill Development in ESDM sector and Scheme for supporting MSMEs in the Electronics Sector etc.
- VI. The State shall strengthen safeguards and increase penalties to protect trade secrets and other forms of Intellectual Property. Trade secrets are a critical and major asset of ESDM and semiconductor companies. Requirements for criminal penalties for trade secret theft, including via means of cyber theft, and strengthened procedures to protect trade secrets, are a priority for the State.
- VII. Environment, health & safety - To support sustainability the State shall enact appropriate regulations governing industry emissions of climate gases and the use of essential chemicals and materials, and safeguard the supply of materials critical to semiconductor manufacturing.

- VIII. All departments will mandatorily ensure that at least a percentage -to be determined by department of IT and e-Gov from time to time- of IT and ITeS hardware purchases in financial terms are made of locally produced items. In the beginning (first 3 years) this percentage share, at the discretion of the Principal Secretary/Secretary of the department concerned may be transferred to the next year/ purchase in which case the next purchase shall have the sum total of the share to be purchased locally.
- IX. Transport Subsidy- A transport subsidy will be provided to importers of ESDM raw material from abroad, for value addition. The subsidy will be provided from port of landing in India to the ESDM hub at Ranchi, Jamshedpur and Dhanbad. In case of Air Consignment the subsidy shall be valid from Indian port (air) of landing (Delhi or Mumbai) to Ranchi or the Air Cargo Complex in Jharkhand.

4. Incentives:

4.1. Total Limit of incentives:

The total fiscal incentives paid to an ESDM unit in Jharkhand under this ESDM Policy shall not exceed 20% of the capital cost of the project excluding the cost of Land, Transfer fee and Registration charges.

4.2. Non Fiscal Incentives:

- a) Common facility Centre at Incubation Hub/Cluster at Ranchi
A Test facility shall be established with complete testing of Hardware to meet the international quality requirements such as EMC, Safety Testing, RF, Microwave Testing, Environmental Testing, and Endurance Testing & Other Functional testings' etc.
- b) IT, ITeS and Communication industry as Continuous Process industry:
The IT, ITeS, ESDM and Communication industry units shall be treated as essential industry and continuous process industry.
- c) Land Banks
The State of Jharkhand shall create land banks in selected districts by acquiring a minimum of 200-500 acres of land and demarcating them as IT Parks/ IT SEZs with provision of basic IT infrastructure and connectivity.
- d) Allotment of Government land:
 - i Allotment of Government land in Jharkhand to the IT Industry shall be made subject to availability, fulfilment of eligibility criteria by the applicant IT/ITES, ESDM company and on payment of land cost & development cost, as determined from time to time by the allotment agency, and the concerned local Statutory/ development Authority.
 - ii Export oriented units will be preferred in land allotment by the State.
- e) Power:
IT industry shall be classified as industrial unit for the purpose of levying the industrial power tariff category. Industrial Power Certificate shall accorded to all the IT/ITeS Connections (Power Meter), and exclusively used by the IT industry and Communications industry companies/units (as per Gol definitions) for their operations, even in multiple locations/meters. The effective date of application of the incentive of Industrial Power Category tariff, is from the date of issue of the said Certificate by the Govt. of Jharkhand.
- f) Electricity Duty
New IT / ITES/ESDM units registered with the Directorate of

Industries will be exempt from payment of Electricity Duty from the date of commencement of production / activity for a period of 10 years for units in IT parks (including IT hardware and Telecom hardware manufacturing units). The Electricity Duty would also be exempt for IT parks developed by IT companies for their own use. 100 % exporting IT/ITES/ESDM units under registration of STPI or other designated competent authority shall be exempted from paying Electricity Duty.

g) Local preference:

All software and Hardware to be purchased by the Government shall have a local preference clause. Price preference of an amount determined by the IT and e-Gov department from time to time, shall be given to locally produced S/W and H/W and accessories and peripherals in all contracts provided the rest of terms and quality of goods remain same.

h) Single Window Assistance:

The Government of Jharkhand may provide a person from Single Window system, dedicated to investment assistance to the company executing IT, ITeS, ESDM and e-Gov projects in order to expedite the investment process.

i) Fixed Time approvals:

- i Procedural Reforms will be undertaken to provide timely approvals to the industry/ investors within two calendar months of filing requests acceptable to the government. This will involve-
 - a. All applications formats regarding starting of a new IT, ITeS and communication unit or extension of existing unit shall be made available free of cost through internet at the departmental web site. Hard copies shall be made available at "Single Window Assistance booth" at Nepal House, Ranchi. All forms shall also be made available at offices of Resident Commissioners at various National and State headquarters.
 - b. A Common Integrated Application for all permissions shall be designed and used.
- ii Red Flagging and Escalation of delayed issues at various levels and regular monitoring of the same shall be done by 'Single Window Assistance'.

j) Exemption from inspections:

IT industry shall be exempt from inspections under the Acts and the Rules as under, barring inspections made for verification of specific

complaints. The IT units are permitted to file self-certifications, in the prescribed formats for:

- a) The Factories Act, 1948
- b) The Maternity Benefit Act, 1961
- c) The Jharkhand Shops & Establishments Act, 1953
- d) The Contract Labour (Regulations & Abolition) Act, 1970
- e) Act, 1970
- f) The Payment of Wages Act, 1936
- g) The Minimum Wages Act, 1948
- h) The Employment Exchanges (Customary Notification of Vacancies) Act, 1959

k) Late Shifts for women:

- i) Permission shall be available for 3 shift operations with women working in the night shifts also for IT / ITES Units / ESDM Units/ Companies, subject to the provision that the IT/ITeS/Communication units self-certifying the precautions being taken in respect of safety and security of employees. The certificate (on a required format) regarding employee women working in shifts after the General shift shall be submitted to the government every year.
- ii) The company employing women after general shift shall be responsible for escorting the employee women to and fro the workplace by armed security guards.

l) Air Cargo Complex:

Setting up of an Air Cargo Complex is proposed in the State, near the hardware production centre preferably. This would give the desired impetus to the export of Software and Hardware etc.

m) Exemption from Pollution control inspection

IT, ITeS, Communication and associated entities and non-hazardous electronic hardware manufacturing entities shall be exempt from the inspection of the Jharkhand Pollution Control Act on consumption on or below 10 KW, barring inspections made for verification of specific complaints.

n) Digitisation of Land Record

The State shall digitise the land records and make them available to the landowners within 2 years. The State shall also start a program for utilization of lands locked under non-productive uses including sick units.

4.3. Fiscal Incentives available to all units:

a) Income Tax Relaxation:

Income Tax for all ESDM units started new within 5 calendar years of the Cabinet Approval of this ESDM Policy shall be reimbursed to the unit by the State. This reimbursement shall not be covered or be considered under the total cap placed on incentives at 20%.

b) Registration:

100% reimbursement of stamp duty, transfer duty and Registration fee paid by IT/ITeS and Communication technology industry including ESDM (as per GoI definition) companies on sale/lease deeds on the first transaction only. This incentive shall not be provided in case of Government land.

c) Patent Filing:

- i The State shall reward an amount of INR 30 lacs for each Triadic patent filed by a company and issued by EPO, USPTO and JPO where the research on the patent has been done in Jharkhand and the company filing the patent is a resident of Jharkhand. (Triadic patents are a series of corresponding patents filed at the European Patent Office (EPO), the United States Patent and Trademark Office (USPTO) and the Japan Patent Office (JPO), for the same invention, by the same applicant or inventor).
- ii The Government of Jharkhand wishes to encourage the filing of patents by companies/institutions located within the State. The Government therefore proposes to create a pool of resources for successfully filing of patents. Colleges in the State of Jharkhand starting courses for Patent Filers shall be reimbursed the cost of INR 25,000 per candidate passing out subject to a maximum of 20 candidates per year. This subsidy shall be available to the first 5 colleges applying for the subsidy only.

d) Recruitment Assistance:

Recruitment Assistance at the rate of INR 10,000 per employee for a minimum annual recruitment of 10 new IT/ITES professionals from the colleges located in physical limits of Jharkhand.

e) Employment Rebate on cost of land purchased:

A rebate on the cost of the land will be provided at the rate of INR. 30,000 per employee who is a resident of Jharkhand and has done above class 10th standard studies from Jharkhand, for IT projects other than Mega IT projects. The payment will be subject to a minimum of 10 employees and also subject to maximum of 80% of the land cost as determined by the circle rate of the area. Prescribed guaranties/securities would be taken from the sponsors of the

project for the rebate. The rebate will not be available for land allotted by a government agency.

f) FAR Relaxation:

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

g) Entry Tax

IT / ITES units registered with the Director of Industries shall be exempt from octroi / entry tax / escort tax or other cess or any tax levied in lieu of these for the import of capital goods and raw material for own consumption by the unit. Necessary advisory to the local bodies to give this benefit to the IT / ITES units shall be issued by department of IT and e-Gov, Jharkhand.

h) Transport Subsidy-

A transport subsidy of 50% of the Commercial Tax/VAT applicable in the State will be provided to importers of ESDM raw material for value addition from abroad. The subsidy will be provided from port of landing in India to the ESDM hub at Ranchi, Jamshedpur or Dhanbad.

i) Power at Industrial rates-

The Government shall ensure uninterrupted supply of electricity at industrial rates.

4.3.1 Focus areas for specific incentives & facilitation

Apart from the above stated incentives that are available for IT companies from the ESDM industry, the Government of Jharkhand has focussed on areas for which additional incentives are available. These include:

- a. Mega project
- b. Tier II locations
- c. MSMEs & Mid-Scale companies

4.3.2 Mega Projects:

Specially/tailor made package of incentives, shall be offered for establishing mega projects in Jharkhand. The incentives shall be available to units duly approved by the State cabinet, for existing and new IT/ITES/ESDM companies / ESDM clusters/ IT Park / IT SEZ developers within the State.

1. Tailor made package of incentives shall be made available to leading -Edge - Technology Projects which will cover all the incentives to be provided to that particular unit to the exclusion of incentives available to other Mega Projects under this policy.
2. Power Generation: Mega projects shall be allowed to operate and maintain a captive power generation plant (only new and renewable energy as defined by Govt. of India), and a power distribution system for supplying electricity for running its operations. The Mega Projects shall be allowed to sell power on Power Exchange and also earn Carbon Credits.
3. Solar Power: The Mega Project shall be provided a 15% capital subsidy or INR 25 lacs, whichever is lower, on installation of solar power generation unit (of greater than 100KW) by existing as well as new IT/ESDM company or IT infrastructure developer (exclusively for use of IT facility and its support services). The Capital Subsidy will be given only once to the developer/company, this will be in addition to subsidy provided by the Central Government for setting up solar captive power. Solar Power generation units will also enjoy 50% exemption from electricity duty for a period of 5 years.
4. Rebate on cost of land allotted: A rebate on the cost of the land will be provided @ INR. 10,000 per employee to the Mega IT Projects (defined elsewhere), subject to maximum of 80% of the land cost as determined by the allotment agency. Prescribed guaranties/securities would be taken from the sponsors of the project for the rebate.
5. The Government of Jharkhand will provide Single Window dedicated to investment assistance to the company executing mega project in order to expedite the investment process. The offices of a dedicated officer may also be considered in case of company executing project with capital investment of more than INR. 500 crores.
6. Capital/Investment Subsidy: 10% of total investment by the unit in building, plant, machinery, testing equipment, tools and jigs etc., subject to a maximum of INR Ten crores.

4.3.3 Tier-II Locations:

Tier II Locations are towns as classified by the State and which have good connectivity with State and National capital, lesser cost of living, lesser operations cost, availability of skilled human resources at lower cost, low commuting time, less costly commuting, but a good standard of living etc. As a matter of fact most possess first class living standards. These locations account for a substantial saving as compared to large cities. To promote Tier II locations and to motivate IT, ITeS

and Communication industry to set up their operations in Tier II cities, the following specific incentives are offered:

1. 50% Exhibition stall rental cost or INR. 50,000, whichever is lower, will be reimbursed for participating in the notified national/international exhibitions limited to 9 sq.mts. of space.
2. A subsidy of INR. 20 Lakhs to the first 5 anchor units employing more than 150 persons for IT or ESDM unit one in each district.
3. ESDM units shall be eligible for reimbursement of 75% of NET VAT paid per annum up to a maximum of 75% of the total fixed capital investment for different duration depending on the location of the unit as shown in the table below

Sl. No.	Location of industry in Town	Duration Years
1.	A	5
2.	B	7
3.	C	9

(Location of the Towns/Townships shall be determined by State Government rules governing gradation of towns for purposes of travelling allowances and other allowances of Government of Jharkhand).

4.3.4 MSME and other Mid-Scale Units, Scheduled Caste Scheduled Tribe, Women entrepreneurs and Underprivileged or Differently abled (Divyang) persons:

The following incentives are available to such units which fall under the definition of MSME of Government of India and SC/ST beneficiaries, women entrepreneurs and Divyangs:

- 1) Rent Subsidy: A subsidy of 50% on lease rentals for the plug and play built up office space taken by the start-ups / MSMEs/ first-generation technocrat entrepreneurs, SC, ST& Women Entrepreneurs either in STPI, IT/Multi-purpose SEZs/IT Parks or in any notified private area/location, for a period of 5 years.
- 2) Training Assistance: A reimbursement assistance @ INR. 10000 per IT Professional employed within a period of two years of establishing the unit, and employed by that unit for a minimum period of 3 years.
- 3) Bandwidth Subsidy: A Subsidy on Bandwidth for Connectivity to the tune of 20% paid to Internet Service Provider (ISP) shall be available on duly self-certified bills of the start-ups/ MSMEs/ first-generation technocrat entrepreneurs, SC, ST& Women Entrepreneurs.
- 4) A three year moratorium on payment of all municipal duties.
- 5) Schemes like ASIDE, Credit Guarantee Fund Trust Scheme, Cluster Development Programme for MSMEs, Credit Linked Capital Subsidy Scheme, Technology Up gradation Scheme being operated by Govt. of India and various

other Promotional Schemes of different Ministries of Govt. of India are proposed to be suitably dovetailed for the benefit of MSM Enterprises of the State. Efforts will also be made to suitably complement these schemes enabling the entrepreneurs to avail maximum advantage of these schemes. Other schemes for SC/ST beneficiaries and Women entrepreneurs etc., shall be leveraged.

- 6) ESDM units shall be eligible for reimbursement of 75% of NET VAT paid per annum up to a maximum of 75% of the total fixed capital investment for different duration depending on the location of the unit as shown in the table below

Sl. No.	Location of industry in Town	Duration Years
1.	A	5
2.	B	7
3.	C	9

(Location of the Towns/Townships shall be determined by State Government rules governing gradation of towns for purposes of travelling allowances and other allowances of Government of Jharkhand).

- 7) A subsidy of INR 15,000 per person shall be provided to the ESDM unit employing Divyang (specially abled persons). A Training subsidy of INR. 2,000/month/person for 3 months shall also be provided.

4.4. Only one group of fiscal incentives available to a unit:

Only one group of fiscal incentives will be available to a unit from Jharkhand government. In case the unit opts for obtaining fiscal incentives available in the Jharkhand IT and ITeS Policy 2016, similar incentives available under the Jharkhand ESDM Policy 2016 or any other independent policy by Jharkhand government shall not be available to the unit, or vice versa. The unit shall be penalised in case of default.

5. Notified Electronics Manufacturing Clusters for the purpose of M-SIPS:

The Government of Jharkhand will support the ESDM industry in the State to avail the Central Government subsidy under Modified Special Incentive Package Scheme (MSIPS) notified on 27th July 2012. The State shall make efforts to get more areas notified as ESDM clusters under Brownfield Scheme of Government of India.

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6. Environment, health , safety & green initiative:

The Government of Jharkhand will encourage Eco friendly and Green initiative in the existing and new industry. As Jharkhand is a naturally less polluted greener State, it is imperative for the State to be kept in a near pristine state as possible. Eco-friendly transportation modes will be encouraged, public transport within the IT Parks shall be adopted using CNG or Electric vehicles, CNG fuelling stations/ Recharging Stations for Electric Vehicles will be built within State and IT Parks. The Jharkhand Government will launch Initiatives to attract and channelize substantive investments in green and clean industries into the State.

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7. Trade secrets and IPR:

The State shall enact legislations to strengthen safeguards and increase penalties to protect trade secrets and other forms of Intellectual Property and make it legally enforceable. Requirements for criminal penalties for trade secret theft, including via means of cyber theft, and strengthened procedures to protect trade secrets, are a priority for the State and shall be legally enforced.

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8. Breach of conditions

The applicant availing benefits under the policy shall comply with all statutory laws and regulations of the State of Jharkhand applicable to the BPO / BPM centres. In case of breach of any of the conditions mentioned anywhere in the Policy, the benefits availed under the Policy, shall be withdrawn and recovered along with interest @ 18% per annum from the date from which the benefits have been availed.

The applicant availing benefits under the Policy shall be subject to the conditions, procedures, instructions, clarifications or amendments issued, from time to time, under the policy.

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