

GOVERNMENT OF JHARKHAND
DEPARTMENT OF INDUSTRIES

NOTIFICATION

NO. 2460

Ranchi , the 02.08. 2003

Preamble:

Government of India have announced a Policy of Special Economic Zones (SEZs) during March 2000 with a view to augmenting infrastructure facilities for export production. Settings up of Special Economic Zones are permitted in the public, private, joint sector or by the State Governments. These SEZs are to be deemed foreign territory for tariff and trade operations. The concept of SEZ is expected to bring large dividends to the State in terms of economic and industrial development and the generation of new employment opportunities. The SEZs are expected to be engines for economic growth.

SEZs are specifically delineated enclaves treated as foreign territory for the purpose of industrial, service and trade operations, with relaxation in customs duties and a more liberal regime in respect of other levies, foreign investments and other transactions. Domestic restrictions and infrastructure inadequacies would be removed in the SEZs to create an internationally benchmarked environment for business transaction and operations. Government of India guidelines suggest that SEZs can be developed in the public-private or joint sector domains, or by State Government.

Special Economic Zone(s) development will primarily be led by Private Sector Investor and Developers to undertake international class and scale infrastructure developments. These developers (herein after referred to as SEZ Company) will act as SEZ Managers in Designing, Planning, Financing, Building, Operating and Marketing the Zones to investors. The SEZ Company would endeavour to provide world-class utilities, social and municipal services.

Government will facilitate creation of linkage and social infrastructure including telecom facilities, inter modal transport linkages (road, rail and air connectivity)

Jharkhand Government intends to exploit the SEZ concept for impacting the State's socio-economic fabric through enhanced job opportunities and industrial development.

With the background of GOI guidelines for SEZs, the State has decided to formulate the following SEZ Policy to provide a comprehensive framework for establishment operation and sustainability of the Special Economic Zone in the State.

This Policy will have overbearing power on existing state policies on above issues. For issues and areas not covered by the SEZ Frameworks, the prevailing State Framework & legislation will be deemed to be in force.

Policy Framework

1. Industries Department

- 1.1 The department of Industries will be the nodal department of Government of Jharkhand (GOJ) for SEZ.
- 1.2 Single Window Clearance : The Special Economic Zone will provide for a Single Window Clearance for approvals and clearance for investors. This will be targeted for timely clearance using electronic formats on Electronic Data Interchange (EDI) platform.
 - a. Each Special Economic Zone will designate a Development Commissioner (DC). Who would be the Designated Authority representing State and Central Government and their agencies for all investments by SEZ Units for the Specific SEZ.
 - b. Single Window for all agencies of Government of Jharkhand (GOJ) including Power, Water, Commercial Tax Department (Sales Tax, Entertainment Tax), Food & Drug Administration. Jharkhand State Pollution Control Board (JSPCB), Industries & Commerce Department. Industry Dev. Commissioner/Director, Industries, Chief Inspector of Factories, State Labour Officer, Employment Exchange Officer, District Fire Officer, Police Dept. (Foreigners registration cell) will be available at SEZ. Such facility will also be available for items and agencies included from time to time by GOJ. Wherever possible the state government would delegate the power to grant approvals and clearances to DC of the SEZ. However, if required, officials of above state departments and agencies will be nominated to DC's office to assist the DC on a need basis, at the discretion of the DC.
- 1.3 Simplified Business Working Environment: All procedures will have pre-laid guidelines and time line for disposing off cases as well as approval with certification fees.
 - a. Self-certification will be enabled for all industries using empanelled private sector inspection agencies.
 - b. To the extent possible regulation and governance on the SEZ shall rest with the DC. Physical inspections would be undertaken in accordance with schedule in consultation with DC.
 - c. Exemption, for small scale industries and IT industries from registration.
 - d. SEZ Company will provide necessary infrastructure (building, office space and equipment) for DC and pay equitable amounts as salary and prerequisites to the DC's office staff through suitable banking facility.
- 1.4 Development Authority
 - a. The Development Commissioner is deemed to be appropriate authority for the Industrial Development Area for the notified SEZ areas.
 - b. Role of Development Commissioner:
 - Regulation: To provide clearance under various statutes and regulation of Government of India and State Government.
 - Facilitation: to facilitate clearance not granted within the SEZ and advise Government on issues requiring Framework, amendments or clarifications.
 - Promoter: To undertake marketing of the zones along with private promoter.

2. Revenue Department

- 2.1 50% exemption will be allowed on Stamp Duty and Registration Fee on transfer of lands meant for Industrial use in the Special Economic Zone area.
- 2.2 Complete exemption of stamp duty and registration fee for loan agreements, credit deeds, mortgages and hypothecation deeds executed by the SEZ Units for assets in the SEZ in favour of banks or financial institutions.
- 2.3 With due regard to the National Uniform floor rate policy and exemptions given to SEZs throughout the Country, the State Government proposes to extend the following exemptions to SEZ to be set-up within the state.

Other state taxes including sales tax, VAT, luxury tax and entertainment tax and state duties on transactions within SEZ. Sale tax and other State Taxes on inputs (goods and services) made to SEZ units from suppliers within the State.

3. Energy Department

- 3.1 The State exempts Power in SEZ from Electricity Duty and Tax.
- 3.2 Captive Power will be allowed in SEZ. Government will take a view as to whether SEZ units will be given exemptions from wheeling charges wherever possible and grid protection charges levied on Captive Power.
- 3.3 The Jharkhand State Electricity Board (JSEB) will take necessary steps to make arrangement in respect of transmission, distribution and collection of bills.

4. Water Supply

The SEZ Company will ensure the provision of adequate water supply within the SEZ.

5. Labour Department

- 5.1 The State Govt. delegates power of Labour Commissioner to the DC.
- 5.2 State Govt. will also place an officer of Labour Department under the DC.
- 5.3 The State Govt. approves simplified submissions of reports by SEZ Units and create a Consolidated Annual Reporting System. Self-Certification is also approved.
- 5.4 Appropriate officials with DC will be designated as Inspectors, Conciliation Officers and Registration Officers under the labour laws to provide Single Window service.
- 5.5 For inspections relating to workers' health and safety, the State Government permits units to undertake inspection by accredited agencies notified by DC.
- 5.6 Labour Department will issue notification to implement proposed changes under different labour related Acts.

6. Environment Departments and Jharkhand State Pollution Control Board

- 6.1 Development Commissioner will be notified as the appropriate authority to represent the Jharkhand State Pollution Control Board (JSPCB) with regard to clearance for all SEZ Units. In respect of inspections pertaining to pollution control, these would be taken up by the Pollution Control Staff deputed to the Development Commissioner of SEZ.
- 6.2 SEZ does not require Environment Impact Assessment (EIA) approval.
- 6.3 Industrial Approvals
- 6.3(a) Non-Polluting Units : Approval will be based on SEZ, EIA Master plan. DC will provide Consent for Establishment and Operations.
- 6.3(b) Polluting Units : SEZ Level Empowered Committee (with experts nominated by JPCB) will assist DC in speedy approvals to polluting units. Such Units will approach Ministry of Environment and Forests, GOI and receive consent on EIA within 45 days.
- 6.4 Operating Frameworks for Industries:
- a. Periodic Self Certification for all industries in the SEZ assisted by private certification agencies. Random sampling monitoring by DC of Units for environmental management.
 - b. Afforestation: SEZ Level Empowered Committee may grant approvals for development on specific pockets based on compensatory afforestation in line with guidelines established by SEZ Town Planning Authority.
 - c. No Development Zone: Government will consider establishing a no industrial development zone around the SEZ periphery, to extent possible as a green belt in order to avoid unplanned development.

7. Urban Development Department and Panchayati Raj Department

- 7.1 The State Government will declare the SEZ as local authority, which shall replace the existing Panchayats. Such local authority will be vested with all powers and shall carry out all functions in the existing provisions. The State Government may further declare this local authority as a Municipality.
- 7.2 SEZ land will be notified in line with the SEZ Master plan approved by DC. The SEZ Master plan will be undertaken in accordance with international best practice in town planning and Environment and Social Management Planning norms. Town Planning Authority (with nominees from State and SEZ Company) will be established for regulating land usages in SEZ.

8. Home Department:

The State Govt. will process requirement of extra State Police, Fire Services and Home Guard structure for SEZ(s) for the maintenance of Law & Order and provide the same.

9. Law Department:

Special territorial jurisdiction will be accorded to Special Courts as necessary in the SEZ in consonance with High Court approvals. Prescribed court fee and suitable service fees may be notified for such Courts.

10. Education Framework:

The State Govt. will facilitate development and augmentation of education & training facilities through suitable formats including private sector formats. The education policy for SEZ aims to proactively create highly skilled and managerial human resource bases in line with needs and dynamics of international markets.

11. Other Policies:

All other Policies of the State would remain in force for the SEZs unless they are amended by the appropriate authority

Committee for Review and Development for SEZs

Following Committee is hereby constituted to resolve various issues pertaining to the promotion, development and functioning of SEZs in the State.

Chief Secretary	Chairman
Secretary, Industries	Member
Secretary, Finance	Member
Secretary, Commercial Taxes	Member
Secretary, Energy	Member
Secretary, Forest & Environment	Member
Secretary, Revenue	Member
Secretary, Labour	Member
Development Commissioner, SEZ	Member
Chairman, JSEB	Member
Director, Industries	Member Secretary

12. Power to amend :

12.1 Not with standing any thing contained in any of the provisions of the SEZ policy. The State Government may at any time –

- (a) Make any amendment to this policy.
- (b) May issue instructions and guidelines to facilitate implementations, to remove anomalies and to clarify the interpretations of the provisions of this policy.

By the Order of the Governor,

sd/-
(Vimal Kirti Singh)
Secretary
Industries Department
Jharkhand , Ranchi

Memo No : 2460_____ /Ranchi, Dated 2.8.2003

Copy forwarded to the Superintendent, Government Press, Hinoo, Ranchi for publication in the next issue of extra ordinary Gazette.

It is requested that please make available 300 copies of the said published Gazette to this department.

sd/-
Secretary
Industries Department
Jharkhand, Ranchi

Memo No : 2460_____ /Ranchi, Dated 2.8.2003

Copy forwarded to All Government Departments/All Heads of the Government Departments / Chairman, Jharkhand State Electricity Board, Ranchi / Commissioners Commercial Taxes, Jharkhand / All Divisional Commissioners / All District Industries Centres / All Industrial Area Development Authoritied / Director, SISI, Ranchi / Convener, SLBC, Ranchi All Industries Association of Jharkhand for informations and necessary actions.

Sd/-
Secretary
Industries Department
Jharkhand, Ranchi.