



Government of Chhattisgarh

**Industrial Policy
(2004-2009)**

Commerce & Industries Department

Industrial Policy (2004-2009)

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Industrial Policy (2004-2009)

1. Preface

- 1.1 Chhattisgarh, endowed with abundant natural resources, is a 21st century state. The state contains rich forests and minor forest produce having more than 88 species of medicinal plants and is a store house of huge mineral deposits, including precious minerals. Due to easy availability of these resources, it has immense potential for industrial development.
- 1.2 It is the endeavour of the State Government to work towards rapid economic growth with regional balance so as to take the state to the category of "developed states". To bring about prosperity to the people of Chhattisgarh, it is necessary that the present rate of industrial growth increases substantially. Therefore, creation of a favourable investment environment for increasing industrial production and creating employment opportunities is one of the priority areas of the State Government.
- 1.3 The main objective of the new industrial policy is to add maximum value to state's abundant natural resources within the state itself, and create maximum employment opportunities by setting up industries in all its districts across the state. To attract industrial investment in the state, the policy attempts at providing necessary infrastructure for investment, reducing the cost of production for the investor and ensuring an investor friendly administration. Towards this end, special importance has been given to private sector participation.
- 1.4 Special effort has been made in the policy to see that, in addition to the industrially more developed areas, industries are set up in the state's industrially backward areas also, and that entrepreneurs from scheduled caste and scheduled tribe category also join the process of industrial development. Due attention has also been paid to investments by non-resident Indians, foreign direct investment, rehabilitation of closed and sick industries, development of skills for industrial employment, etc.
- 1.5 For finalising the draft of the industrial policy, industrial associations, industrialists, investors, representatives of financial institutions, subject experts, etc. were consulted and their valuable views and suggestions have been accepted. The State Government hopes that implementation of the "Industrial Policy (2004-2009)" will provide impetus to State's industrialisation and creation of employment opportunities.

2. Objectives

- 2.1 To create additional employment opportunities by accelerating the process of industrialisation in the state.
- 2.2 To create enabling environment for ensuring maximum value addition to the abundant, locally available mineral and forest based resources.
- 2.3 To ensure balanced regional development by attracting industries in the economically backward areas of the state.
- 2.4 To ensure participation of scheduled castes, scheduled tribes and other weaker sections in the development process.
- 2.5 To make industrial investments in the state competitive vis-a-vis other states in the country.
- 2.6 To promote private sector participation for creation of industrial infrastructure in the state.
- 2.7 To create an enabling environment for increasing industrial production, productivity and quality upgradation to face the challenge of competition emerging from economic liberalisation.

3. Strategy

- 3.1 To take measures for ensuring availability of necessary basic industrial infrastructure like rail-road, power, water, etc.
- 3.2 To encourage private sector for providing quality roads, developed land, water, etc. in the least possible time, and to encourage captive power generation for providing low cost power.
- 3.3 To establish new industrial areas, expand the existing industrial areas and to improve available services therein.
- 3.4 To set up special industrial parks to provide common infrastructure and services by adopting cluster approach for the development of industries which have not been developed inspite of availability of abundant resources.
- 3.5 To identify and promote such non-traditional industries for which good potential exists in the State due to availability of necessary resources.

- 3.6 To provide special directed incentives to encourage establishment of industries by the weaker classes and in the economically backward areas of the State.
- 3.7 To provide special incentives to small scale and cottage industries to create employment opportunities in the industrial sector in the least possible time throughout the State.
- 3.8 To provide incentives to industrial units for technology upgradation and modernisation to enable them to face the challenges of global competition.
- 3.9 To make arrangements for skill improvement, training and guidance of younger sections to enable them to seek maximum possible employment.
- 3.10 To provide special package necessary for rehabilitation of sick and closed industrial units.
- 3.11 To establish an effective system of "single point contact" and "time bound clearance" for providing requisite facilities, services and statutory clearances for investment.

4. Action Plan

4.1 Basic infrastructure

- 4.1.1 Special efforts will be made for the supply of uninterrupted and quality power to industries by the Chhattisgarh State Electricity Board / its successor power distribution undertaking(s). To meet the requirement of power of industries, incentives will be given for captive power generation.
- 4.1.2 An assessment of the availability of water for industrial use will be made and, apart from other measures to meet the water requirement of industries, a time bound programme of construction of anicuts in the rivers and nallahs in which summer water discharge is low, will be undertaken.
- 4.1.3 All necessary efforts will be made and steps taken for early commencement of work on Dalli-Rajhara-Raoghat-Jagdarpur rail line project.
- 4.1.4 The existing industrial areas, industrial parks, export zones, etc. and those to be set up in future, will be connected by excellent roads with the national / state highways and important railway stations.

4.1.5 Both domestic and foreign capital and public private partnership will be encouraged in the basic infrastructure projects. For this purpose, apart from the State Government implementing projects from its own resources, projects based on "B.O.T.", "B.O.O.T", etc. will be permitted.

4.2 Industrial infrastructure

4.2.1 For planning and development of basic infrastructure for new industries, initiative will be taken for preparation of an "Industrial Zoning Atlas".

4.2.2 To ensure balanced regional development in the State, industrial areas will be developed at suitable sites near each district headquarter for small scale and medium industries.

4.2.3 Development of private industrial areas will be encouraged.

4.2.4 Cluster approach will be adopted for setting up of new industries and suitable areas will be identified for development of herbal park, food park, aluminium park, metal park, cycle complex, apparel park, IT park, gem and jewelery park, etc.

4.2.5 In the industrial areas and parks, State Government will ensure availability of essential common facilities like laboratory, quality certification, cold storage, etc.

4.2.6 Provision of roads, water supply, power supply and other common facilities, their up-gradation and maintenance will be taken up from the State's own resources and through special purpose vehicles to be set up under the industrial infrastructure up-gradation scheme of the Government of India.

4.2.7 To promote exports from the State, efforts will be made to set up "special economic zone", "agro export zone" and "air cargo complex", and for upgradation of facilities in the existing "inland container depot".

4.2.8 For setting up industries, particularly large and mega industrial units, outside the industrial areas and parks, government revenue land and private land will be acquired and made available to investors through Chhattisgarh State Industrial Development Corporation.

4.2.9 Initiatives will be taken for setting up residential facilities close to the industrial areas through the State Housing Board and other agencies in the government and private sector.

4.3 Administrative and legal reforms

- 4.3.1 The system of "single point contact" for according approvals and clearances for investment will be put in place. For this purpose, an administrative complex will be built in the State capital Raipur to house all the agencies connected with industrial investment promotion.
- 4.3.2 With a view to create enabling environment for promotion of industrial investment, an institutional arrangement will be put in place by constituting a State Level Industry Advisory Board headed by the Chief Minister for periodic consultation and interaction with industrial associations, investors, subject experts, etc.
- 4.3.3 District Investment Promotion Committees and the State Industrial Promotion Board constituted under the Chhattisgarh Industrial Investment Promotion Act, 2002 will be strengthened for effectiveness. The system of deemed approvals in cases of failure of concerned government agencies to accord investment clearances within the specified time limit, will be put in place.
- 4.3.4 For giving various statutory and administrative clearances to investors, state and district level nodal agencies will be put in place to work as "single point of investor contact" who will be responsible for facilitating all necessary clearances.
- 4.3.5 Necessary steps will be taken for simplification of labour laws.

4.4 Directed Incentives

- 4.4.1 Directed Incentives will be provided for industrial investment in the State in the form of interest subsidy, infrastructure development / capital investment subsidy, exemption from electricity duty, exemption from stamp duty, exemption from entry tax, allotment of plots at concessional premium in industrial areas, exemption from land diversion fee, reimbursement of project report expenses, quality certification subsidy, technology patent subsidy, interest subsidy for technology up-gradation, etc.
- 4.4.2 For providing directed incentives, various districts of the State have been divided in the following two categories:-
- (i) **General area** - All districts except those mentioned in clause (ii) below;
 - (ii) **Most backward scheduled tribe dominant areas** - Areas comprising South Bastar (Dantewara), Bastar, North Bastar (Kanker), Korla, Surguja and Jashpur districts.

4.4.3 Investors have been classified in the following three categories:-

- (i) Investors from scheduled castes / scheduled tribes;
- (ii) Non-Resident Indians and investors bringing 100 percent FDI; and
- (iii) General category investors - All other investors except (i) and (ii) above.

4.4.4 On the basis of size of investment, industries have been classified in the following four categories:-

- (i) **Small scale industries** - As defined by the Government of India from time to time;
- (ii) **Medium-Large industries** - Industries with total capital investment up to Rs. 100 crore except the small scale industries;
- (iii) **Mega projects** - Large industries with total capital investment between Rs. 100 crore and Rs. 1000 crore; and
- (iv) Very large industries with total capital investment of over Rs. 1000 crore.

4.4.5 From the angle of importance of industry, industries have been classified in the following three categories:-

- (i) **Negative list industries** - Industries included in Annexure-2, which will not be entitled for any directed incentives;
- (ii) **Special thrust industries** - Industries shown in Annexure-3, which will be entitled for additional directed incentives; and
- (iii) **General industries** - All industries except those included in the negative list and special thrust industries.

4.4.6 Directed incentives provided in this policy will be available to the following industrial undertakings:-

- (i) **New industrial projects** - All such industrial units, which commence commercial production between 1st November, 2004 and 31st October, 2009.
- (ii) **Expansion projects of existing industrial units in production** - Such industrial units in production on 1st November 2004, which expand their production capacity (installed capacity or three years' actual average production immediately prior to the date of implementation of expansion project, whichever is higher) by at least 25% with a minimum investment of Rs. 25 crore and commence production from the expansion project before 31st October 2009.

In the case of capacity expansion projects, exemptions / concessions will be limited to the additional production capacity / additional investment. For the purpose of exemptions / concessions to be given on the basis of additional production, entitlement of exemptions / concessions will be determined by apportioning the total production after expansion in the ratio of original capacity to the additional capacity. Exemptions / concessions on raw material consumption will also be determined in the same manner.

- 4.4.7 Investors belonging to different categories, setting up small scale, medium-large and mega industrial projects in different areas of the State will be entitled to directed incentives given in **Annexure-4**.
- 4.4.8 Non-Resident Indians and investors bringing 100 percent FDI will be entitled to 5 percent extra incentives over and above the directed incentives available to general category investors in the same area.
- 4.4.9 Entitlement of directed incentives to expansion projects of the existing producing industrial units will be equivalent to the directed incentives available, as the case may be, to medium-large or mega industry in the general area.
- 4.4.10 Entitlement of directed incentives to industrial projects in Rs. 1000 crore plus capital investment category will be equivalent to the maximum available directed incentives to mega projects in most backward scheduled tribes predominant areas.
- 4.4.11 Directed incentives (exemptions / concessions) will be available only to those industrial undertakings which employ, in the case of unskilled labour at least 90 percent, in the case of skilled workers at least 50 percent, and in the case administrative posts at least 1/3rd persons domiciled in the State.
- 4.4.12 The investors, who had taken effective steps for setting up their industrial units prior to 1st November 2004, but commercial production had not commenced up to the appointed day, will have the option to avail of the benefit of the package of exemptions / concessions provided for in the Industrial Policy 2001- 2006.
- 4.4.13 Public sector undertakings of the Government of India or any State Government (except their joint ventures with private companies) will not be entitled to directed incentives (exemptions / concessions) under this policy.

4.5 Private sector participation

- 4.5.1 Private sector investment will be encouraged in the areas of basic infrastructure and industrial infrastructure and an enabling environment will be created for this purpose.
- 4.5.2 Public sector undertakings will be encouraged to form joint ventures, particularly in the area of mining, with the private companies making investments for value-addition within the State.
- 4.5.3 Private sector participation in infrastructure building will be encouraged, particularly in the following areas:-
- (i) Basic infrastructure like roads, power, water supply, housing;
 - (ii) Industrial infrastructure such as development of industrial areas and parks, cluster development;
 - (iii) Logistics infrastructure like air-cargo complex, inland container depot, ware housing, logistics hub; and
 - (iv) Social infrastructure like health, education, tourism.

4.6 Foreign capital investment / export promotion

- 4.6.1 Assessment / survey of State's export potential will be undertaken through a national level institute / agency.
- 4.6.2 An action plan will be prepared for promotion of export oriented units, to be implemented by availing of the benefit of various export promotion schemes of the Government of India.
- 4.6.3 Initiatives will be taken for creation of infrastructure necessary for promotion of exports.
- 4.6.4 To attract investment by non-resident Indians, arrangements will be made for inviting them individually, and in groups, and organising their meetings / dialogue with the local entrepreneurs.
- 4.6.5 With a view to familiarise entrepreneurs with the export laws and regulations, workshops, seminars and training programmes will be organised with the help and co-operation of exporters and export related institutions.
- 4.6.6 Financial incentives will be made available to industrial units to encourage technology up-gradation, patent registration and research and development.
- 4.6.7 Additional financial incentives will be provided for investment by non-resident Indians and for foreign direct investment.

4.7 Rehabilitation of sick and closed industrial units

- 4.7.1 A simplified system will be developed for identification of sick industrial units, systematic information will be collected about industries moving towards sickness and appropriate measures will be taken to make them viable.

4.7.2 Industry category wise rehabilitation schemes, with the provision of financial and non financial exemptions / concessions, will be prepared for closed and sick small scale industries. For closed / sick medium and large industries, special rehabilitation package will be prepared as per the need.

4.8 Promotion of small scale and village industries

4.8.1 Having regard to the fact that maximum employment opportunities are generated in the small scale and rural industries sector, incentives for establishment of these industries have been rationalised and improved in this policy.

4.8.2 For development and promotion of handloom and handicrafts, the existing institutional arrangements for the training and marketing will be strengthened.

4.8.3 In addition to increasing the production and productivity of tusser, measures will be taken for strengthening the tusser based industries and the existing marketing facilities for tusser products.

4.8.4 Presently available 10 percent price preference and up to 10 percent purchase preference to small scale units in purchases by / for government departments and undertakings will be continued.

4.9 Human Resource Development

4.9.1 An assessment will be made of the existing training facilities and the future requirement of skilled man power in the State, and measures will be taken to meet the gap between the requirement and the actual availability.

4.9.2 To ensure that skilled youths become available to the industries in the state, State Government will provide incentives to increase the presently available specialties in the training institutions, both in the private and government sector.

4.9.3 Efforts will be made to inspire / persuade the private sector and the owners of existing industrial units to set up new technical institutions. For this purpose, in addition to concessional land, other necessary assistance will also be provided.

4.10 Monitoring of implementation of Industrial Policy

Monitoring of implementation of this Industrial Policy will be done by the State Industrial Investment Promotion Board and its high powered inter-departmental committee, in which representatives of the industry will be specially invited as per the need.

DEFINITIONS

1. “**Appointed Day**” means first day of November 2004,
- 2.1 - “**General Area**” means the areas of Raipur, Dhamtari, Mahasamund, Durg, Rajnandgaon, Kabirdham, Bilaspur, Janjgir-Champa, Korba and Raigarh, districts of the State,
- 2.2 - “**Most Backward Scheduled Tribe Dominant Area**” means the areas of North Bastar (Kanker), Bastar, South Bastar (Dantewada), Surguja, Korea and Jashpur districts of the State,
3. “**Industrial Area**” means and includes an existing industrial area, industrial estate, semi-urban industrial estate / rural work-shed, industrial growth centre, industrial area established under joint sector, industrial park established in private sector approved by the State Government, integrated infrastructure development centre, land bank in the possession of State Government / Chhattisgarh State Industrial Development Corporation and industrial park, special economic zone maintained by the State Government / Chhattisgarh State Industrial Development Corporation,
4. “**New Industrial Unit**” means an industrial unit which has commenced commercial production on or after the first day of November, 2004 and holds, as the case may be, permanent small industry registration certificate or commercial production certificate issued by a competent authority to that effect,
5. “**Existing Industrial Unit**” means an industrial unit which has commenced commercial production prior to the appointed day of Industrial Policy 2004 –09,
6. “**Expansion of the Existing Industrial Unit**” means an industrial unit which, after signing a Memorandum of Understanding with the State Government after the appointed day, invests a minimum of Rupees 25 crore towards fixed capital and expands its production capacity by more than 25% of its originally installed capacity or three year's average production, whichever is higher,
7. “**Small Industrial Unit**” means an industrial unit which is defined as such by the Government of India from time to time and holds a valid registration certificate of the District Trade & Industry Centre,
8. “**Medium / Large Industrial Unit**” means an industrial unit whose total fixed capital investment is more than the capital investment prescribed by the Government of India for a small scale industry, but less than Rupees 100 crore, has obtained, as the case may be, industrial entrepreneur memorandum certificate, industrial licence or letter of intent from Government of India and holds a production certificate issued by the competent authority,
9. “**Mega Project**” means an industrial unit, which has fixed capital investment of more than Rupees 100 crore, has obtained, as the case may be, industrial entrepreneur memorandum certificate, industrial licence or letter of intent from Government of India and holds a production certificate issued by State's Directorate of Industries,

10. **“Special Thrust Sector Industry”** means an industry included in **Annexure- 3**,
11. **“Ineligible Industry”** means an industry included in **Annexure –2**,
12. **“Total Capital Cost”** means and includes the total infrastructure cost and the fixed capital investment necessary for the industry, made at the premises of industrial establishment,
13. **“Infrastructure Cost”** means the investment made by an industrial undertaking on land, land development, approach road, power supply and water supply necessary for the establishment of a new unit, or for expansion of an existing industrial unit,
14. **“Land”** means the land purchased or taken on lease required for the establishment of industrial undertaking, and “land expenses” include the actual purchase price / premium of the land and the stamp duty and the registration fee paid,
15. **“Land Development”** means and includes land leveling, excavation and construction of drainage,

Note: Investment made on the land development will be limited up to a maximum of 10 percent of the eligible fixed capital investment.
16. **“Approach Road”** means a road constructed to connect the factory premises of an industrial undertaking with the nearest public road after obtaining requisite permission(s) from the concerned government department(s) / local body(ies), provided that no approach road of any government department / enterprise is available up to factory premises,
17. **“Power Supply Investment”** means the amount paid to the Chhattisgarh State Electricity Board / its successor undertaking(s) for power connection and the amount spent on related infrastructure to arrange power supply for commencing production in a new industrial unit or in the expanded unit of an existing industry,

Note: (1) Security deposit and the amount paid towards old bills of the Chhattisgarh State Electricity Board will not be included in the eligible amount.

(2) If captive power plant is installed only for meeting the power requirement of the industrial undertaking, the investment made thereon will be eligible towards “power supply expenses” for which certificate of the electrical inspector will be necessary.
18. **“Water Supply Investment”** means the amount (excluding the amount of security and old bills of the concerned departments) spent to arrange water supply required for the establishment of a new industrial undertaking / expansion of an existing industrial unit, provided that the water supply arrangements have been made after obtaining permission(s) from the concerned administrative department(s) of the government,
19. **“Fixed Capital Investment”** means investment made by an industrial unit at its premises in the fixed assets in the form of factory building, shed, plant & machinery and railway siding, for establishment of a new industry or the expansion of an existing industrial unit,

20. **“Shed–Building”** mean and includes factory building, shed, laboratory building, research building, administrative building, canteen, labour rest room, cycle / scooter stand, security post, godown constructed at the premises of industrial establishment,

21. **“Plant & Machinery”** means and includes plant & machinery, pollution control laboratory, plant and equipment for research etc. installed at the premises of factory establishment,

Note: Investment on such leasehold plant, machinery and equipment, obtained for a minimum period of 10 years, which is directly connected with the production of registered product, will also be considered towards investment in the plant & machinery and its valuation will be done according to the “Accounting Standard (A.S.) 19, Lease Procedure and Measurement” published by the Institute of Chartered Accountants of India;

22. **“Railway Siding”** means a railway line laid from the premises of the industrial unit up to the existing railway line and related facilities constructed,

Note: Fixed capital investment will be computed as under –

- (a) In the case of small industry, fixed capital invested at the premises of the undertaking from the date of commencement of project work up to the date of commencement of commercial production plus the fixed capital invested within the period of six months from the date of commencement of commercial production,
- (b) In case of large / medium industry, fixed capital invested at the premises of the undertaking from the date of commencement of project work up to the date of commencement of commercial production plus the fixed capital invested within the period of three years from the date of commencement of commercial production,
- (c) In case of mega project, fixed capital invested at the premises of the undertaking from the date of commencement of project work up to the date of commencement of commercial production plus the fixed capital invested within the period of five years from the date of commencement of commercial production,

23. **“Date of Commencement of Commercial Production”** means-

- (a) in the case of a small industry, the date following the thirty days period from the date of commencement of trial production by the industrial unit, or the date certified to be the date of commercial production by the District Trade and Industry Centre, whichever is earlier,
- (b) in the case of an industrial unit having fixed capital investment of up to Rupees 10 crore, the date following the period of one hundred and twenty days from the date of commencement of trial production by the industrial unit, or the date certified to be the date of commercial production by the District Trade and Industry Centre, whichever is earlier,
- (c) in the case of an industrial unit having fixed capital investment between Rupees 10 crore to Rupees 100 crore, the date following the period of one hundred and eighty days from the date of commencement of trial production by the industrial unit, or the date certified to be the date of commercial production by the District Trade and Industry Centre, whichever is earlier,

- (d) in case of an industrial unit having fixed capital investment between Rupees 100 crore to 500 crore, the date following the period of two hundred and seventy days from the date of commencement of trial production by the industrial unit, or the date certified to be the date of commercial production by the State Directorate of Industries, whichever is earlier,
- (e) in case of an industrial unit having fixed capital investment of more than Rupees 500 crore, the date following the one year period from the date of commencement of trial production by the industrial unit, or the date certified to be the date of commercial production by the State Directorate of Industries, whichever is earlier,

Note: In case any dispute arises regarding the date of commencement of commercial production, the decision of the Commerce & Industries Department shall be final.

- 24. **“Scheduled Caste / Scheduled Tribe”** means a scheduled caste / scheduled tribe notified as such by the Government of India from time to time,
- 25. **“Industry Proposed / Established by Scheduled Caste / Scheduled Tribe Category”** means such industrial unit which has been established or is proposed to be established by the entrepreneurs belonging to the scheduled castes / scheduled tribes notified for the State of Chhattisgarh, and all partners of the firm in the case of a partnership firm, all share holders of the company in the case of a company constituted under the Indian Companies Act, all members of the co-operative society in the case of a co-operative society and all members of the society in the case of a society constituted under an Act pertaining to registration of societies, are from the scheduled castes / scheduled tribes domiciled in Chhattisgarh,
- 26. **“Effective Steps”** means completion of the following actions –
 - (a) The unit has obtained valid possession of the land,
 - (b) The unit has commenced construction of shed and buildings as per the project report, and
 - (c) The unit has placed firm orders for purchase of plant & machinery as per the project report.

NEGATIVE LIST OF INDUSTRIES UNITS INELIGIBLE FOR EXEMPTION / CONCESSION

- (1) Ice factory, manufacturing of ice cream, ice candy and Ice fruit
- (2) Confectionery, biscuit and bakery products (excluding certified packaged and branded products obtained from mechanised process)
- (3) Manufacturing of sweets, gazak and rewadi
- (4) Manufacturing of namkin, purification of edible salt (excluding standardised packaged and branded products)
- (5) Grinding of masala and chillies, manufacturing of papad (excluding standardised packaged and branded products)
- (6) Flour mill (excluding Roller flour mill)
- (7) Huller mill
- (8) Book binding, manufacturing of envelopes, paper bags, playing cards and paper cone
- (9) Saw mill, all types of wooden items, carpentry, wooden furniture (excluding wooden handicraft)
- (10) Cloth / paper printing press (excluding handicraft printing and offset printing)
- (11) Manufacturing of bricks, ridges (excluding fly ash bricks, fire bricks and brick manufacturing from mechanised process)
- (12) Tyre rethreading (job work)
- (13) Stone crusher , manufacturing of ballast (gitti)
- (14) Coal briquette, coke and coal screening , coal fuel
- (15) Powdering of mineral (excluding standardised branded products)
- (16) Manufacturing of lime powder, lime chips, dolomite powder, mineral powder and Lime
- (17) Lamination (excluding lamination of jute bag)
- (18) Electrical job work
- (19) Soda / mineral / distilled water (excluding standardised branded products)
- (20) Preparation of pan masala, supari, tobacco gutkha
- (21) Manufacturing of crackers, Aatishbaji
- (22) Repacking of goods
- (23) Blending and packing of Tea (excluding standardised branded products)
- (24) Photo laboratories
- (25) Soap and Detergent (excluding standardised branded products)

- (26) All types of Coolers
- (27) Photocopying and Stenciling
- (28) Rubber stamp making
- (29) Bardana repairing
- (30) Polythene bags (excluding H.D.P.E.)
- (31) Leather tannery
- (32) Public undertakings of Government of India or any State Government (excluding joint undertakings with private companies)
- (33) Such other industries as notified by the State Government

LIST OF SPECIAL THRUST INDUSTRIES

- (1) Processing of medicinal, aromatic and dye plants
- (2) Automobile, auto components, spares and cycle industries
- (3) Manufacturing of plant, machinery & engineering spares
- (4) Downstream products based on aluminium
- (5) Food processing industries (industries approved for subsidy / assistance from Government of India)
- (6) Milk chilling plant and branded dairy products
- (7) Pharmaceutical industry
- (8) White goods and Electronic consumer products
- (9) Power generation from non-conventional sources
- (10) Information technology, bio technology and advanced technology industry
- (11) Such other industry as may be notified by the State Government

Exemptions / Concessions for Promotion of Industrial Investment

1. Interest Subsidy

Interest Subsidy on term loan and working capital will be given to the small and medium–large industries as per the details given below. Interest subsidy will not be available to mega projects –

A. Small Industry

Region	General industry	Special thrust industry
Category A - General area	40 % of the total interest paid up to 5 years, maximum limit Rs. 5 lac per annum. in the case of an industry set-up by scheduled caste / tribe category, @ 10% per annum up to 5 years, without any maximum limit, with the condition that the investor bears minimum 1% annual interest	75 % of the total interest paid up to 5 years, maximum limit Rs. 10 lac per annum. in the case of an industry set-up by scheduled caste / tribe category, @ 10% per annum up to 5 years, without any maximum limit, with the condition that the investor bears minimum 1% annual interest
Category B - Most backward scheduled tribe dominant areas	75 % of the total interest paid up to 5 years, maximum limit Rs. 10 lac per annum. in the case of an industry set-up by scheduled caste / tribe category, @ 10% per annum up to 5 years, without any maximum limit, with the condition that the investor bears minimum 1% annual interest	75 % of the total interest paid up to 7 years, maximum limit Rs. 10 lac per annum. in the case of an industry set-up by scheduled caste / tribe category, @ 10% per annum up to 7 years, without any maximum limit, with the condition that the investor bears minimum 1% annual interest

B. Medium – Large Industry

Region	General industry	Special thrust industry
Category A - General area	<p>- Nil -</p> <p>in the case of an industry set-up by scheduled caste / tribe category, @ 10% per annum up to 5 years, maximum limit Rs. 20 lac per annum, with the condition that the investor bears minimum 1% annual interest</p>	<p>75 % of the total interest paid up to 5 years, maximum limit Rs. 20 lac per annum.</p> <p>in the case of an industry set-up by scheduled caste / tribe category, @ 10% per annum up to 5 years, maximum limit Rs. 30 lac per annum, with the condition that the investor bears minimum 1% annual interest</p>
Category B - Most backward scheduled tribe dominant areas	<p>75 % of the total interest paid up to 5 years, maximum limit Rs. 20 lac per annum.</p> <p>in the case of an industry set-up by scheduled caste / tribe category, @ 10% per annum up to 5 years, maximum limit Rs. 30 lac per annum, with the condition that the investor bears minimum 1% annual interest</p>	<p>75 % of the total interest paid up to 7 years, maximum limit Rs. 40 lac per annum.</p> <p>in the case of an industry set-up by scheduled caste / tribe category, @ 10% per annum up to 7 years, maximum limit Rs. 50 lac per annum, with the condition that the investor bears minimum 1% annual interest</p>

2. **Infrastructure cost / Fixed Capital Investment subsidy**

Infrastructure cost / fixed capital investment subsidy will be provided to the small, medium–large and mega industries as per the details given below:-

A. **Small Scale Industry**

Region	General industry	Special thrust industry
Category A - General area	25 % of fixed capital investment in the case of scheduled caste / tribe category investors only, 35% to the women investors of scheduled caste / tribe category, without any maximum limit	25 % of total capital cost, maximum Rs. 25 lac 25 % of total capital cost in the case of scheduled caste / tribe category investors only, 35% of the total capital cost to the women investors of scheduled caste / tribe category, without any maximum limit
Category B - Most backward scheduled tribe dominant areas	25 % of total capital cost, maximum Rs. 35 lac , in the case of scheduled caste / tribe category investors, 25% of total capital cost, 35% to the women investors of scheduled caste / tribe category, without any maximum limit	25 % of total capital cost, maximum Rs. 35 lac in the case of scheduled caste / tribe category investors, 25% of total capital cost, 35% of the fixed capital investment to the women investors of scheduled caste / tribe category, without any maximum limit

B. Medium – Large Industry

Region	General industry	Special thrust industry
Category A - General area	<p>25 % of the infrastructure cost for establishing industry outside industrial areas, maximum amount equivalent to the amount of commercial tax/ central sales tax paid in the state in 5 year period</p> <p>in the case of scheduled caste / tribe category investors, 25 % of total capital cost, 35 % to the women investors of scheduled caste / tribe category, maximum amount equivalent to the amount of commercial tax / central sales tax paid in the state in 5 year period</p>	<p>35 % of the total capital cost, maximum amount equivalent to the amount of commercial tax / central sales tax paid in the state in 7 year period</p>
Category B - Most backward scheduled tribe dominant areas	<p>35 % of the total capital cost, maximum amount equivalent to the amount of commercial tax / central sales tax paid in the state in 7 year period</p>	<p>45 % of the total capital cost, maximum amount equivalent to the amount of commercial tax / central sales tax paid in the state in 9 year period</p>

C. **Mega Project**

Region	General industry	Special thrust industry
Category A - General area	<p>25 % of the infrastructure cost for establishing industry outside the industrial areas, maximum amount equivalent to the amount of commercial tax / central sales tax paid in the state in 5 year period</p> <p>in the case of scheduled caste / tribe category investors, 25 % total capital cost, 35 % to the women investors of scheduled caste / tribe category, maximum amount equivalent to the amount of commercial tax / central sales tax paid in the state in 5 year period</p>	35 % of the total capital cost, maximum amount equivalent to the amount of commercial tax / central sales tax paid in the state in 7 year period
Category B - Most backward scheduled tribe dominant areas	35 % of the total capital cost, maximum amount equivalent to the amount of commercial tax / central sales tax paid in the state in 7 year period	45 % of the total capital cost, maximum amount equivalent to the amount of commercial tax / central sales tax paid in the state in 9 year period

NOTE : For determination of the maximum limit of subsidy, such amount of commercial tax / central sales tax paid, in respect of which adjustment / refund has been claimed under the VAT scheme, shall not be included.

3. **Electricity Duty Exemption**

Exemption from payment of electricity duty will be given only to the new industries, as per the details given below. Expansion projects of the existing industrial units will not be eligible for exemption from electricity duty-

A. **Small Industry**

Region	General industry	Special thrust industry
Category A - General area	1. Total exemption for a period of 10 years from the date of commencement of commercial production 2. Exemption for 15 years to the industries set-up by the scheduled caste / tribe category	Total exemption for a period of 15 years from the date of commencement of commercial production
Category B - Most backward scheduled tribe dominant areas	Total exemption for a period of 15 years from the date of commencement of commercial production	Total exemption for a period of 15 years from the date of commencement of commercial production

B. **Medium – Large Industry**

Region	General industry	Special thrust industry
Category A - General area	Total exemption for a period of 10 years from the date of commencement of commercial production	Total exemption for a period of 15 years from the date of commencement of commercial production
Category B - Most backward scheduled tribe dominant areas	Total exemption for a period of 15 years from the date of commencement of commercial production	Total exemption for a period of 15 years from the date of commencement of commercial production

C. **Mega Project**

Region	General industry	Special thrust industry
Category A - General area	Total exemption for a period of 15 years from the date of commencement of commercial production	Total exemption for a period of 15 years from the date of commencement of commercial production
Category B - Most backward scheduled tribe dominant areas	Total exemption for a period of 15 years from the date of commencement of commercial production	Total exemption for a period of 15 years from the date of commencement of commercial production

4. **Exemption from Stamp Duty**

Exemption from payment of stamp duty will be given to the industries shown in Annexure – 4A, as per the following –

- (1) Exemption on the deeds executed for purchase / lease of land, shed and buildings for setting up an industrial unit,
- (2) Exemption on execution of deeds relating to loans and advances to be taken by the industrial unit up to a period of 3 years from the date of registration of the unit.

5. **Exemption from Entry Tax**

Industries will be given exemption from payment of entry tax for the period given below, computed from the date of commencement of commercial production or the date of availing of exemption for the first time, whichever is earlier-

Small Scale Industry / Medium–Large Industry / Mega Project / Very Large Project

Region	General industry	Special thrust industry
Category A - General area	Exemption for a period of 5 years excluding the minerals obtained from captive quarry / mining lease in the State, Diesel and Petrol	Exemption for a period of 7 years excluding the minerals obtained from captive quarry / mining lease in the State, Diesel and Petrol
Category B - Most backward scheduled tribe dominant areas	Exemption for a period of 7 years excluding the minerals obtained from captive quarry / mining lease in the State, Diesel and Petrol	Exemption for a period of 9 years excluding the minerals obtained from captive quarry / mining lease in the State, Diesel and Petrol

6. Exemption / Concession in the Premium of Land allotted in Industrial Areas

Exemption will be given to investors in the premium of land allotted to them in the industrial areas, as per the details given below–

A. Small Scale / Medium–Large Industry

Region	General industry	Special thrust industry
Category A - General area	100 % exemption in land – premium for scheduled caste / tribe category investors	50 % exemption in land – premium 100 % exemption in land – premium for scheduled caste / tribe category investors
Category B - Most backward scheduled tribe dominant areas	50 % exemption in land – premium 100 % exemption in land – premium for scheduled caste / tribe category investors	50 % exemption in land – premium 100 % exemption in land – premium for scheduled caste / tribe category investors

B. Mega Project

Region	General industry	Special thrust industry
Category A - General area	50 % exemption in land – premium 100 % exemption in land – premium for the scheduled caste / tribe category	50 % exemption in land – premium 100 % exemption in land – premium for the scheduled caste / tribe category
Category B - Most backward scheduled tribe dominant areas	50 % exemption in land – premium 100 % exemption in land – premium for the scheduled caste / tribe category	50 % exemption in land – premium 100 % exemption in land – premium for the scheduled caste / tribe category

NOTE: To facilitate the free plot allotment to the members of the scheduled caste / tribe category, in industrial areas plots of land will be reserved for the members of these categories, up to 25 % in the General area and up to 50 % in the Most backward scheduled tribe dominant area.

7. Project Report Subsidy

New industries will, after their establishment, be given subsidy for re-imbusement of expenses incurred on the project report, as per details given below–

Small Scale / Medium – Large / Mega Project

Region	All industries
Category A - General area	only for scheduled caste / tribe category investors, one percent of the project cost, maximum limit Rs. 1 lac
Category B - Most backward scheduled tribe dominant areas	For all investors, cent percent amount of the expenses incurred for preparation of project report, maximum limit Rs. 2 lac

8. Interest Subsidy for Technology Upgradation

Interest subsidy will be provided to the existing industrial units from the "Technology Upgradation Fund" on the term loan and working capital borrowed from financial institutions for technology upgradation, as per the details given below-

A. Small Scale Industry

Region	General industry	Special thrust industry
Category A - General area	40 % of the total interest paid for a period of 5 years, maximum limit Rs. 5 lac per annum	40 % of the total interest paid for a period of 5 years, maximum limit Rs. 12.5 lac per annum
Category B - Most backward scheduled tribe dominant areas	40 % of the total interest paid for a period of 5 years, maximum limit Rs. 10 lac per annum	40 % of the total interest paid for a period of 5 years, maximum limit Rs. 25 lac per annum

B. Medium – Large Industry

Region	General industry	Special thrust industry
Category A - General area	40 % of the total interest paid for a period of 5 years, maximum limit Rs. 12.5 lac per annum	40 % of the total interest paid for a period of 5 years, maximum limit Rs. 12.5 lac per annum.
Category B - Most backward scheduled tribe dominant areas	40 % of the total interest paid for a period of 5 years, maximum limit Rs. 25 lac per annum.	40 % of the total interest paid for a period of 5 years, maximum limit Rs. 25 lac per annum

C. Mega Project

Region	General industry	Special thrust industry
Category A - General area	--- Nil ---	--- Nil ---
Category B - Most backward scheduled tribe dominant areas	40 % of the total interest paid for a period of 5 years, maximum limit Rs. 25 lac per annum	40 % of the total interest paid for a period of 5 years, maximum limit Rs. 25 lac per annum

9. Exemption from Land Revenue on Land Diversion

New small scale industries will be given full exemption from payment of land revenue on diverted land up to a maximum of 5 acres.

10. Service Charges for Allotment of Land outside Industrial Areas

10 percent service charges payable to District Collector for acquisition of private land and the service charges payable for acquisition of private land / allotment of government land by the Chhattisgarh Industrial Development Corporation outside the industrial areas will be reduced as follows–

- A. Service charges for acquisition of private land will be payable to the district administration @ 5 percent of the amount of award,
- B. Service charges for allotment of the acquired private land / government land to industries outside industrial areas will be payable to the Chhattisgarh Industrial Development Corporation @ 10 percent of the land value

11. **Quality Certification Subsidy**

On receiving ISO 9000, ISO 14000 or any equivalent national / international certification, expenses incurred thereon will be reimbursed to the extent of 50% or Rs. 75,000, whichever is less, to all new industries established in the State.

12. **Technical Patent Subsidy**

On obtaining a patent, expenses incurred thereon will be reimbursed to the extent of 50% or Rs. 5 Lac, whichever is less, to all new industries established in the State.

LIST OF INDUSTRIES ELIGIBLE FOR EXEMPTION FROM STAMP DUTY

1. In the case of small scale industry, excluding the industries in Annexure-2, all industries will get the exemption.
2. Medium – Large Industry – Mega Project : Following industries will get the exemption –
 1. Herbal and medicinal plant processing industries
 2. Automobile, auto components, spares and cycle industries
 3. Manufacturing of plant / machinery / engineering spares
 4. Downstream products based on Aluminium
 5. Food processing (industries approved by the Government of India for subsidy / assistance)
 6. Milk chilling plant and branded dairy products
 7. Pharmaceutical industry
 8. White goods and electronic consumer products
 9. Power generation by non-conventional sources
 10. Information technology, bio technology and advanced technology
 11. Other thrust sector industries
 12. Forest produce based processing industries
 13. Iron and steel, and industries based thereon
 14. Cement and cement based industries
 15. Coal and chemical industries
 16. Precious stones and ornaments
 17. Granite based industries
 18. Road and urban infrastructure including development of new Raipur city
 19. Water supply
 20. Energy generation, transmission and distribution

21. Rice bran oil solvent extraction plant
22. Board and paper mill based on paddy waste
23. Cold storage
24. Lemon grass oil, menthol oil
25. Bamboo based paper industry
26. Flower based ayurvedic medicine manufacturing
27. Flower based scents and perfumes
28. Such other industries as may be notified by the State Government