

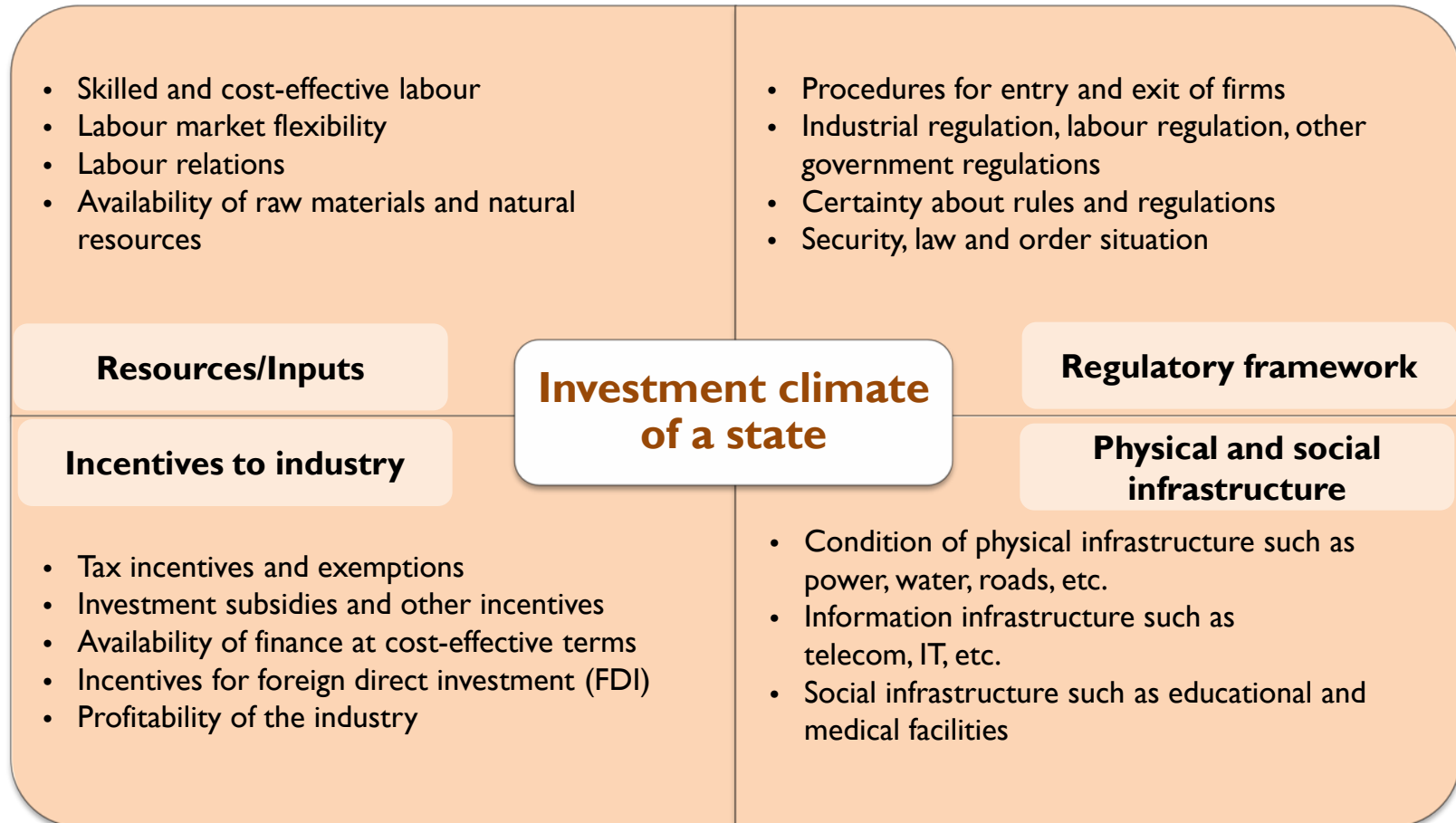


JHARKHAND

April 2010



Investment climate of a state is determined by a mix of factors

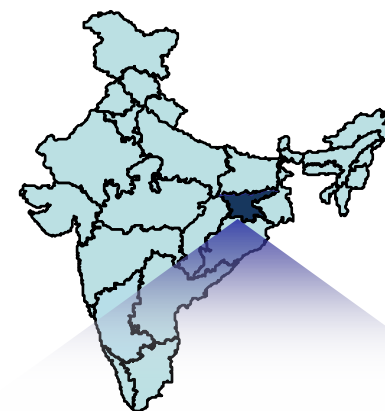


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- ❖ Advantage Jharkhand
- ❖ State economy and socio-economic profile
- ❖ Infrastructure status
- ❖ State policies and incentives
- ❖ Business opportunities
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Jharkhand – State profile

- Jharkhand is located in Eastern India and covers an area of 74,677 sq km. It was carved out of Southern Bihar in 2000 to form a separate state.
- Jharkhand has 24 administrative districts.
- Ranchi is the state capital and an industrial city. Jamshedpur, Dhanbad, Bokaro, Deoghar and Hazaribagh are some of the other major cities and industrial areas in the state.
- Forests and woodlands occupy more than 29 per cent of the state, making it one among the states with greater forest cover.
- Jharkhand has around 40 per cent of the country's mineral resources such as coal, iron ore, copper, uranium, mica, bauxite, granite, limestone, gold, silver, graphite, magnetite and dolomite.
- Commonly spoken languages of the state are Hindi and Santhali. Urdu and Bengali are also prevalent. English is the primary medium of education.



Source: Maps of India

Advantage Jharkhand ... (1/2)

Endowed with extensive mineral reserves

Jharkhand has around 40 per cent of the country's mineral wealth. The state is one of the largest producers of coal, mica and copper in India. Because of its large mineral reserves, mining and mineral extraction is the major industry in the state.

Policy and fiscal incentives

Jharkhand offers a wide range of fiscal and policy incentives to the industries, under the Industrial Policy, 2001. The state also has policies for IT and SEZ offering sector-specific incentives.



Source: Maps of India

Advantage Jharkhand ... (2/2)



Source: Maps of India

High economic growth

Jharkhand's economy has grown at about 12 per cent between 2000-01 and 2008-09. The state provides opportunities in sectors such as mining and metal, power, infrastructure, manufacturing and food processing to sustain growth.

Location advantage

The state's industries enjoy a unique location-specific advantage as it is close to the vast market of Eastern India; it is closer to the ports of Kolkata, Haldia and Paradip and has easy access to raw materials.

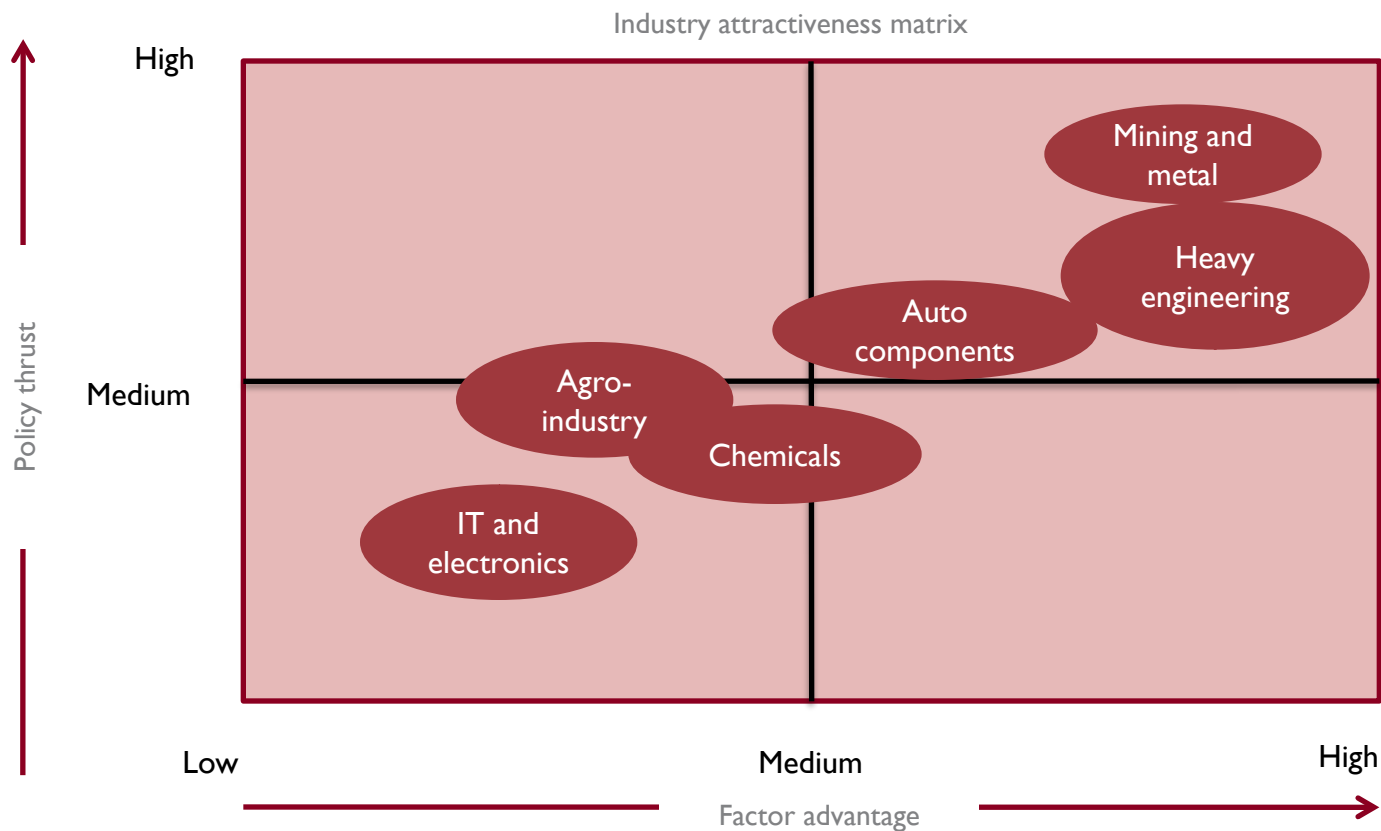
Jharkhand in figures

Parameter	Jharkhand	All-states	Source
Economy			
GSDP as a percentage of all states' GSDP	2.0	100.0	CMIE, 2007-08, current prices
Average GSDP growth rate (%)	11.2	7.5	CMIE, 1999-2000 to 2007-08
Per capita GSDP (US\$)	574.1	998.1	CMIE, 2007-08
Physical infrastructure			
Installed power capacity (MW)	1,754.1	98,996.4	Central Electricity Authority, as of March 2009
Broadband subscribers (No)	63,305*	4,981,976	As of October 2008
National highway length (km)	1,805	70,548	Ministry of Road Transport & Highways, 2007-08
Airports (No)	1	133	Industry sources
Social indicators			
Literacy rate (%)	53.6	64.8	Census of India, 2001
Birth rate (per 1,000 population)	26.1	23.3	Central Bureau of Health Intelligence, 2007
Ease of doing business			
Outstanding investments (US\$ billion)	99.3	1,709.7	CMIE, as of December 2008
Industrial infrastructure			
PPP projects (No)	6	460	www.pppindiaatabase.com
SEZ (No)	1	347	Notified as of April 2009, www.sezindia.nic.in

*Includes Bihar

PPP: public private partnership, SEZ: special economic zone

Key industries with policy thrust and factor advantages



*Factor advantages include benefits due to geographical location and availability of factors such as talent pool, natural resources and capital

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Socio-economic snapshot of Jharkhand

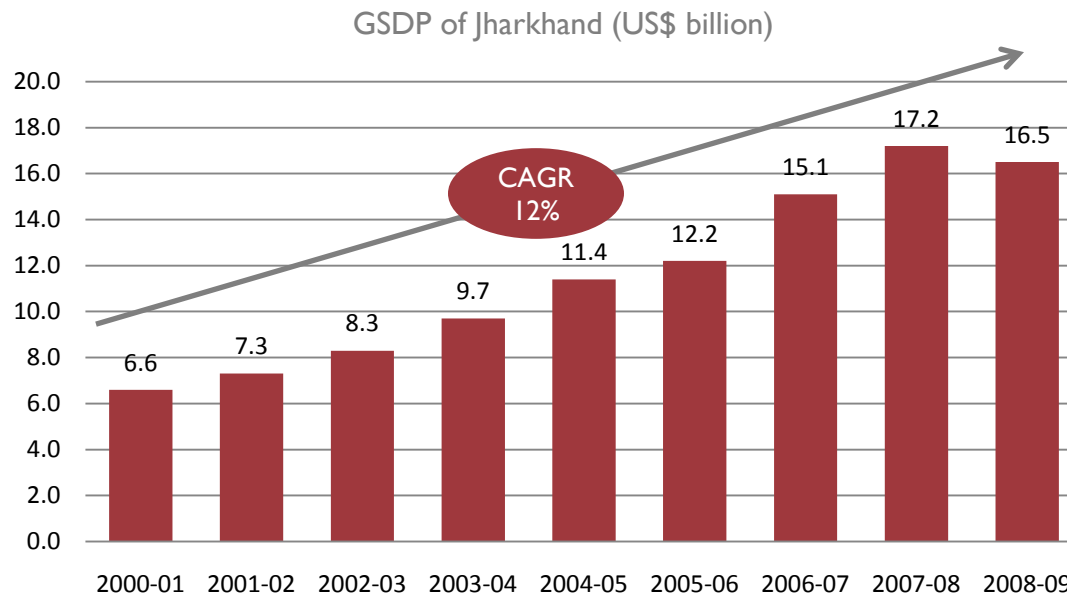
Parameters	Jharkhand
Capital	Ranchi
Geographical area (sq km)	74,677
Administrative districts (No)	24
Population density (persons per sq km)	360
Total population (million)*	26.9
Male population (million)	13.8
Female population (million)	13.1
Decadal population growth rate (%)	23.4
Sex ratio (females per 1,000 males)*	940
Literacy rate (%)*	53.6
Male (%)	67.3
Female (%)	38.9
Average life expectancy (years)	
Male*	62.9
Female*	62.3

Sources: Jharkhand Government (www.jharkhand.nic.in), Central Bureau of Health Intelligence, CMIE

*Census 2001

Jharkhand's GSDP

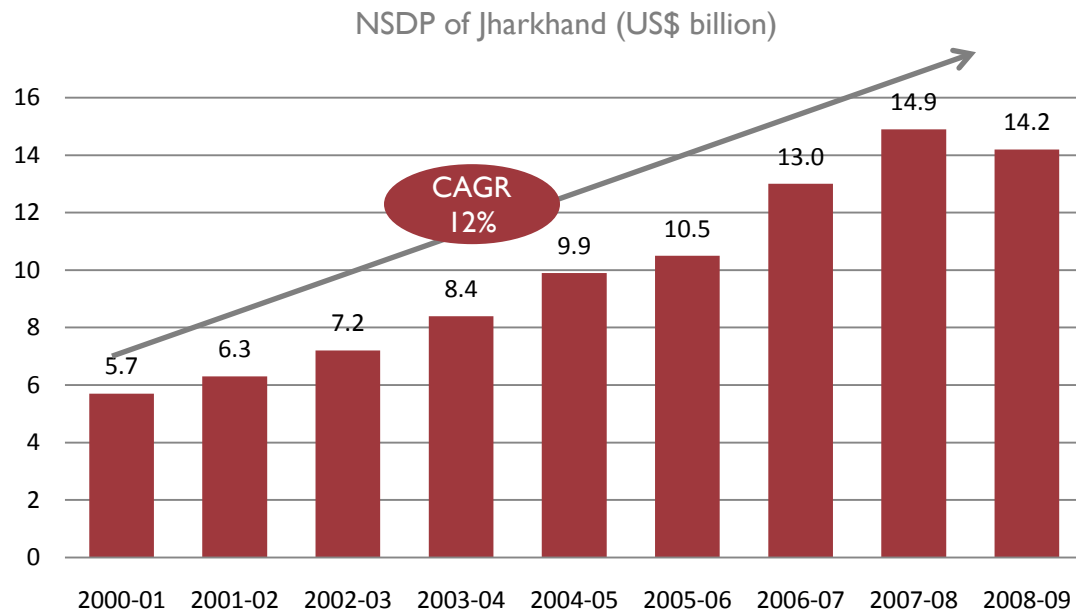
- At current prices, the Gross State Domestic Product (GSDP) in 2008-09 was US\$ 16.5 billion.
- Between 2000-01 and 2008-09, the average annual GSDP growth was 12 per cent.



Source: CMIE

Jharkhand's NSDP

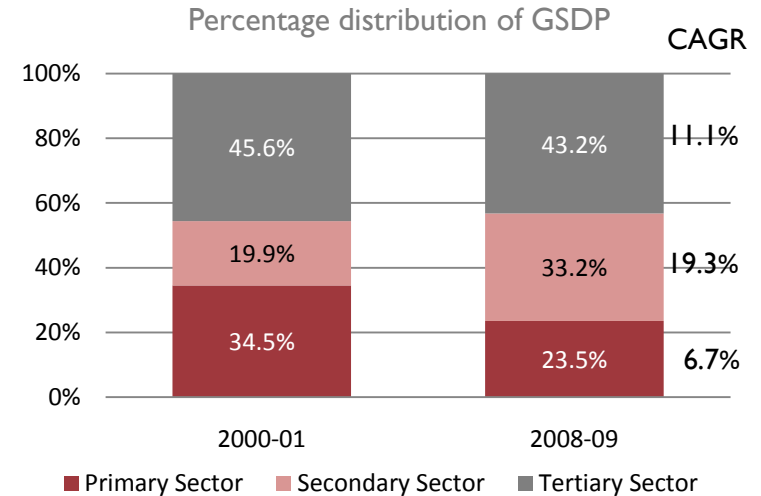
- The Net State Domestic Product (NSDP) of Jharkhand was about US\$ 14.2 billion, in 2008-09.
- The average NSDP growth rate between 2000-01 and 2008-09 was about 12 per cent.



Source: CMIE

The secondary and tertiary sectors drive Jharkhand's economy

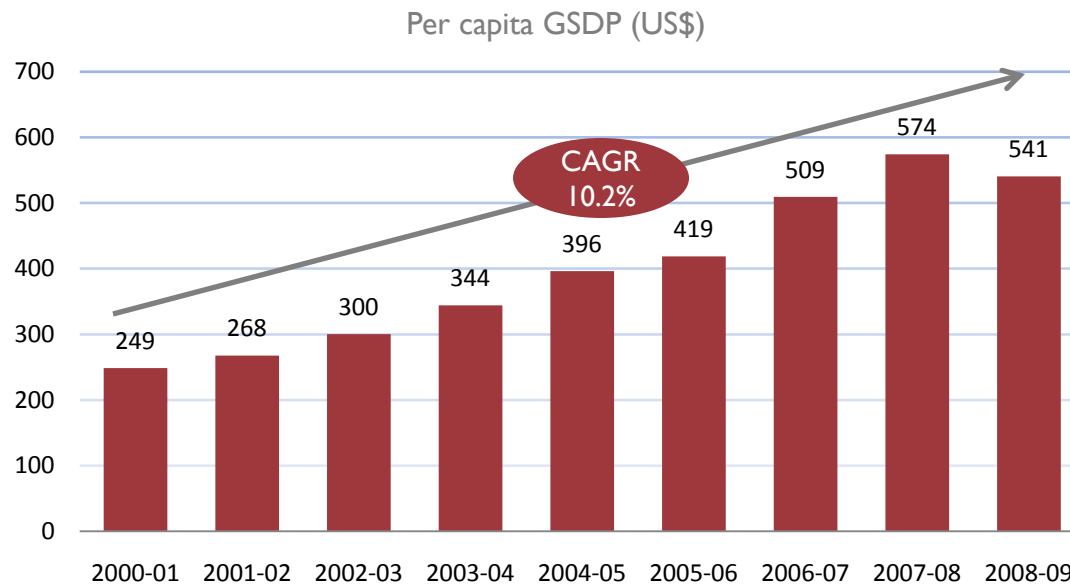
- In 2008-09, the tertiary sector's share in GSDP was 43.2 per cent (US\$ 6.4 billion). It was followed by the secondary sector's contribution of 33.2 per cent (US\$ 4.9 billion).
- The secondary sector has been the fastest growing with an average growth rate of 19.3 per cent. The growth has primarily been driven by manufacturing.
- The tertiary sector has had an average growth rate of 11.1 per cent, driven by services.
- The primary sector's contribution has fallen after the separation of Jharkhand from Bihar, which resulted in the state retaining a bulk of the combined industrial units, but losing the fertile Gangetic plains that became a part of the parent state (Bihar).
- However, Jharkhand retains the minerals and mining areas, which are the key contributors to the primary sector.



Source: CMIE

Per capita GSDP

- The per capita GSDP of Jharkhand almost doubled from US\$ 249 in 2000-01 to US\$ 541 in 2008-09.
- The robust growth in the secondary sector has helped Jharkhand increase its average per capita GSDP at a CAGR of 10.2 per cent between 2000-01 and 2008-09.

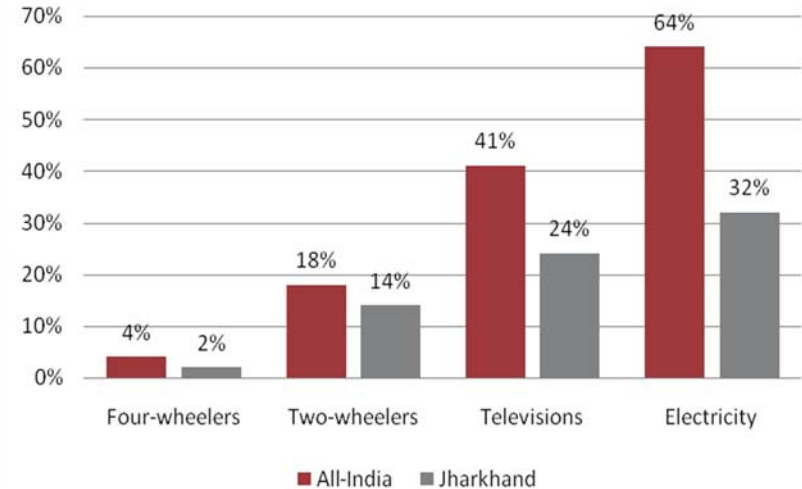


Source: CMIE

Distribution of households by income ... (1/2)

- The per capita income of Jharkhand was US\$ 574.1 in 2007-08.
- A comparison of asset ownership by households in Jharkhand vis-à-vis all-India shows that there is a great deal of scope of market expansion as the state moves towards economic development.

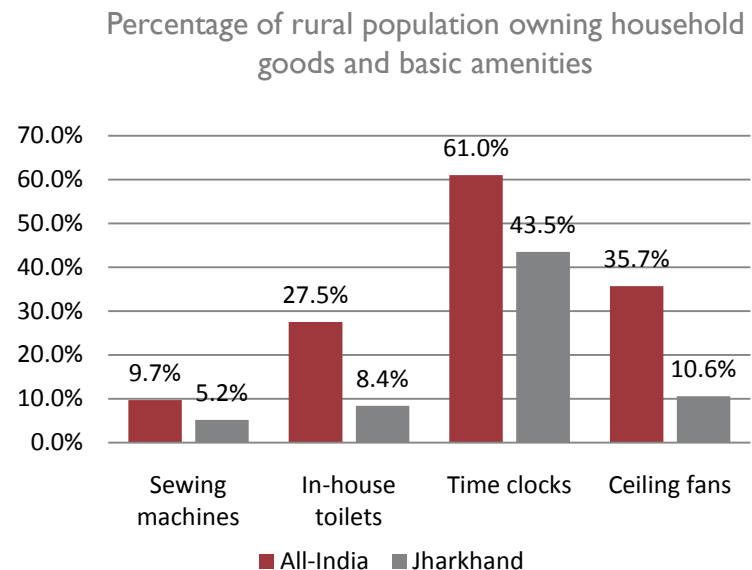
Percentage ownership of household goods, vehicles and electricity consumption



Source: The Market Skyline of India 2006 by Indicus Analytics

Distribution of households by income ... (2/2)

- A comparison of ownership of assets and facilities such as sewing machines, in-house toilets, clocks and ceiling fans by households in rural Jharkhand shows that there is a great deal of scope for market expansion as the state moves towards economic development.



Source: BW Marketing Whitebook 2009-10

Industries are based on state's natural resources

- The natural resources, policy incentives and location-specific advantages of Jharkhand support investments in sectors such as mining and metal extraction, engineering, iron and steel, and chemicals.
- Since Jharkhand has around 40 per cent of the country's mineral wealth, its extensive mineral resources make mining, metals and related sectors, a naturally strong sector of the state.

Key industries in Jharkhand

- Mining and mineral extraction
- Engineering
- Iron and steel
- Chemicals
- Metallurgy
- Handloom
- Food and beverages
- Plastics and rubber
- Printing and packaging
- Tourism

Major minerals of Jharkhand

- Coal
- Iron ore
- Copper
- Aluminium
- Graphite
- Mica
- Manganese
- Uranium

Rice, maize and wheat are the major crops of Jharkhand

- Around 30 per cent of the total land in Jharkhand is used for agriculture.
- The major crops produced in Jharkhand are rice, maize, wheat and arhar.
- In 2006-07, the total production of the major crops of the state was over 3.4 million tonnes.
- Besides rice, maize, wheat and arhar, pulses and oilseeds are also grown in the state.
- In 2008-09, programmes have been executed for productivity and quality enhancement, introduction of tissue culture as a new technology and farm mechanisation for sugarcane.
- The state's soil and climatic conditions also support the cultivation of ornamental plants, mushrooms, spices and tea.

Crop	Annual production* ('000 tonnes)
Rice	2,970.0
Maize	300.0
Wheat	130.0
Arhar	60.0

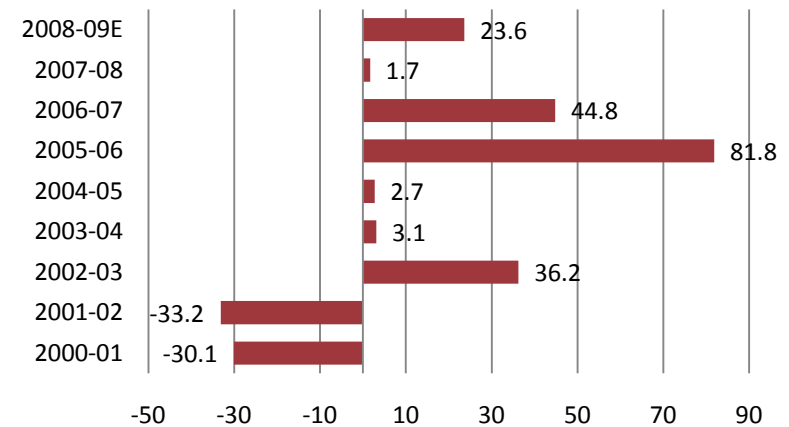
*As of 2006-07

Source: CMIE

Jharkhand's exports trends

- Jharkhand's exports increased at a CAGR of about 15.6 per cent between 2000-01 and 2008-09.
- The state's major exports are engineering goods and services, auto-components and chemicals.

Annual exports growth trends (%)

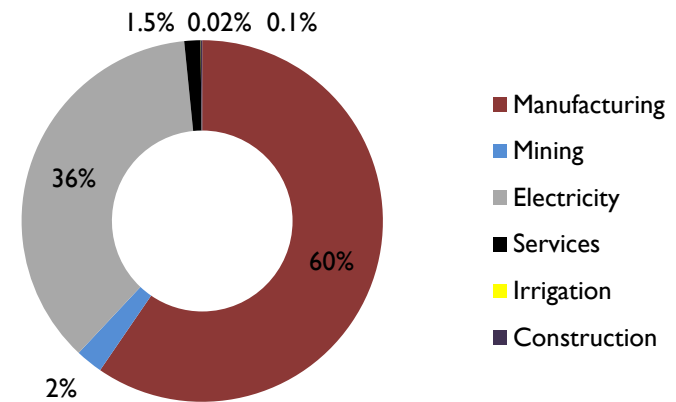


Source: Capital Markets

Investments

- As of December 2008, the total outstanding investments in Jharkhand were US\$ 99.3 billion.
- The manufacturing industry accounted for the largest share of investments (59.6 per cent), followed by electricity (36.4 per cent).

Break-up of investment by sector



Source: CMIE

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Road network

- Jharkhand has 12 National Highways (NH)* running through it and covering 1,805 km. The length of State Highways is over 4,662 km.
- Industrial activity in the state is primarily concentrated in an area Southwest of NH-2, which connects Kolkata with Delhi via Jharkhand.
- In order to provide good road-transport network in other parts of the state, the Asian Development Bank (ADB) has sanctioned a project of US\$ 200 million in December 2009.

*National highways running through Jharkhand: NH-2, NH-6, NH-23, NH-31, NH-32, NH-33, NH-75, NH-78, NH-80, NH-98, NH-99 and NH-100



Source: Maps of India

Railway network

- The total railway route length in Jharkhand is 1,955 km. The rail density is 26.7 km per 1,000 sq km.
- The state has extensive goods-handling facilities available at Ranchi, Bokaro, Dhanbad and Jamshedpur stations.
- The proposed dedicated freight corridor (Eastern corridor-extension to Kolkata; under the Dedicated Freight Corridor Corporation of India) will pass through the state and is expected to benefit the industry significantly.



Source: Maps of India

Airports

- A domestic airport is located in the state capital, Ranchi. Direct links are available from Ranchi to prominent cities such as Delhi, Patna, Kolkata and Mumbai.
- Jamshedpur, Dumka, Bokaro, Giridih, Deoghar, Hazaribagh, Daltonganj and Noamundi also have airstrips.
- The State Government plans to allow air taxi/cargo service operators to use these air strips, and concessions on landing facilities are likely to be provided.



Domestic airport

Telecom

- Jharkhand had 492 telephone exchanges and 1.26 million telephone connections (including both wire-line and mobile phones) as of March 2009.
- There are about 420,000 wire-line telephone connections in the state and 840,000 mobile phones.
- Jharkhand has a tele-density of 4.1 connections per 100 population as compared to the national average of around 37.
- Over 92 per cent of the villages of the state have telephone connections through exchanges or public call operators. Jharkhand has 3,124 post offices.

Major telecom companies in Jharkhand	
Bharat Sanchar Nigam Limited (BSNL)	Idea Cellular
Vodafone Essar	Tata Teleservices
Reliance Communications	Bharti Airtel

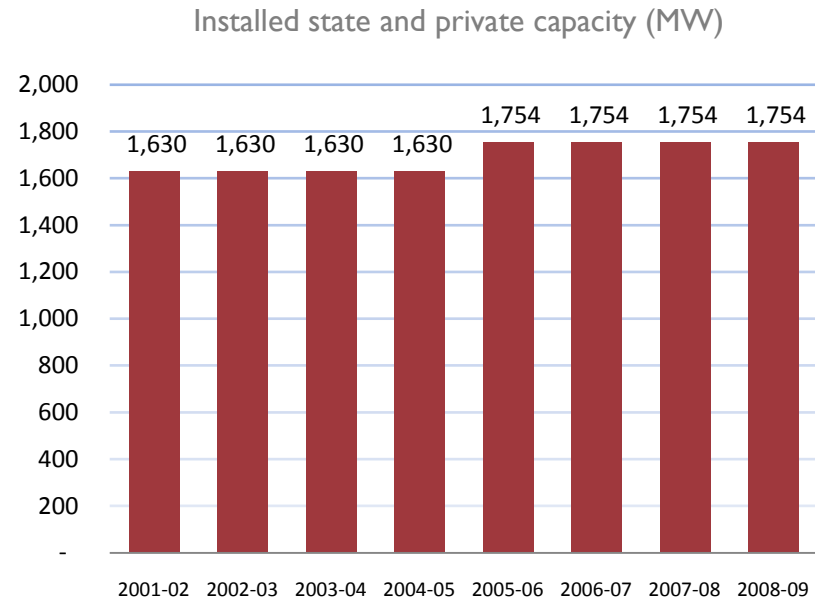
Source: Company websites

Telecom infrastructure in Jharkhand	
Telephone exchanges	492
Telephone connections (million)	1.26
Wire-line connections (million)	0.42
Mobile phones (million)	0.84
Tele-density (per 100 population)	4.1

Source: Department of Telecommunication, Government of India

Power

- As of March 2009, Jharkhand had a total installed power generation capacity of 1,754.1 MW, which comprised 1,394.1 MW under state utilities and 360.0 MW under the private sector.
- The capacity owned by state utilities comprised about 90 per cent of coal-based power plants and the balance was, primarily, hydro-power.
- The entire private sector controlled capacity is of coal-based power plants.
- In 2009, the Central Government handed over the construction of the 4,000 MW, ultra-mega power project (UMPP) at Talaiyya to the Anil Dhirubhai Ambani Group after completing the competitive bidding process.



Source: Central Electricity Authority

Urban infrastructure

- Under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM), four projects costing US\$165 million have been sanctioned for the urban centres such as Ranchi and Dhanbad.
- The key areas of development are solid-waste management system and water supply.

City	Water supply	Solid-waste management system
Ranchi	<ul style="list-style-type: none"> • In 2006, the demand for water was 227 million litres per day (mlpd); it is expected to increase to 440 mlpd by 2021. • Around US\$ 64 million of investment has been envisaged up to 2013. 	<ul style="list-style-type: none"> • Solid -waste generation is expected to increase from 255 tonnes per day (tpd) in 2006 to 602 tpd in 2026. • Around US\$ 24 million of investment has been envisaged up to 2013.
Dhanbad	<ul style="list-style-type: none"> • In 2006, the demand for water was 254 mlpd; it is expected to increase to 408 mlpd by 2026. • Around US\$ 83 million of investment has been envisaged up to 2013. 	<ul style="list-style-type: none"> • Solid-waste generation is expected to increase from 440 tpd in 2006 to 776 tpd in 2026. • Around US\$ 12 million of investment has been envisaged up to 2013.

Source: JNNURM, Ministry of Urban Development

Key public-private partnership projects

Project name	Sector	PPP type	Project cost (US\$ million)	Stage
Adityapur water supply project, Phase-I	Urban development	Management contract	32.6	EOI
Birsa bus stand-cum-commercial complex	Urban development	BOOT	16.5	EOI
City Centre, Adityapur	Urban development	BOT - Annuity	32.6	EOI
Jaipal Singh stadium, sports and commercial complex	Urban development	BOT - Annuity	-	EOI
National Games housing complex, Ranchi	Urban development	Lease	54.3	Construction
Second Adityapur toll-bridge on the river, Kharkali	Roads	BOT-Toll	11.9	Construction

Source: pppindiadatabases.com

BOT: Build-operate-transfer, BOOT: Build-own-operate-transfer, EOI: Expression of interest

Education sector

- Jharkhand had a literacy rate of 53.6 per cent in 2001. The literacy rate among male was 67.3 per cent, while literacy rate among female was 38.9 per cent.
- The state has 44,058 government or government-aided schools, six universities, two law colleges, five engineering institutes and 10 medical colleges.
- Since March 2009, Central University of Jharkhand has started offering courses in mass communication, business administration, mathematics and English. The University Grants Commission (UGC) granted recognition to the Kolhan University (Chaibasa) in 2009-10.
- The Birla Institute of Technology (Ranchi), National Institute of Technology (Jamshedpur) and the Indian School of Mines (Dhanbad) are among the well-known engineering colleges of the country. The Xavier Labour Relations Institutes in Jamshedpur is one of the premier business schools in India.
- The state has five research institutes of repute. They are involved in research in fields of iron and steel, mining and metallurgy.

Health infrastructure

- Jharkhand has 330 primary health centres (PHCs), 3,958 sub-centres, 24 district-level hospitals, 10 sub-division hospitals and three medical college hospitals.
- The broad objectives of the state’s health department include enhancing maternal- and child-healthcare, stabilising population growth and improving nutritional status.
- The state stresses upon the empowerment of women and inclusion of non-profit organisations in order to achieve its objectives. The State Government has drafted a policy for establishment of super-speciality hospitals, medical and nursing colleges, and paramedical institutes.

Health indicators of Jharkhand	
Birth rate*	26.1
Death rate*	7.1
Infant mortality rate**	46.0
Life expectancy at birth (male)	62.9
Life expectancy at birth (female)	62.3

*Per thousand persons

** Per thousand live births

Source: SRS 2008, Ministry of Health and Family Welfare,

Cultural infrastructure

- The culture of Jharkhand encompasses its languages, dance, drama, music and painting and is characterised by the distinct tribal or folk form. The state has around 30 indigenous tribes, including nine primitive ones.
- The State Government has established Chhau dance (a form of folk dance) centre at Saraikela and Bharatiya Nritya Kala Mandir at Ranchi and Dumka.
- The state has historic and pre-historic sites such as Maluti temple, Palamu fort, Tanginath temple, Haradih temple, which are being conserved by the Archaeological Survey of India. There are two museums in the state, one each at Ranchi and Dumka. Building a new state museum has been proposed.
- There are six sports training centres: three for hockey, two for athletics and one for football, located at Ranchi, Gumla and Latehar. Ranchi also has an 18-hole golf course, while another one has been proposed for construction.

Industrial infrastructure ... (1/2)

- Jamshedpur is the original industrial town in the state where the Tata Group set up their first steel plant, more than 100 years ago. It is a privately run township and now has several types of industrial units including automotive, metals, chemicals, electrical and electronic goods.
- Several other industrial areas have been developed in the state based on the location of mineral reserves and related down-stream industries.
- An SEZ has been notified at Adityapur (adjoining Jamshedpur) for the automotive industry.
- Appreciating the requirement of advanced tool-room for manufacturing industries, an Indo-Danish tool room and training centre has been set up in Jamshedpur.
- Besides, the State Government plans to set up and promote three-tier growth centres at the mega, mini and micro levels.

Industrial areas
Palamu-Garhwa industrial area
Loharadagga industrial area
Koderma-Hazaribagh industrial area
Ranchi industrial area
Dhanbad-Bokaro industrial area
Singbhum industrial area
Ghatshila industrial area
Deoghar industrial area

Growth areas	
Mega-growth areas	Barhi, Hazaribagh
Mini-growth areas	Food park (Ranchi) Apparel park (Chaibasa)
Micro-growth centres	At the block-level to boost village-based industries

Industrial infrastructure ... (2/2)

- Jharkhand has three industrial area development authorities with headquarters at Adityapur, Bokaro and Ranchi. Another such development authority is being formed at Santhal Pargana.
- These authorities are responsible for acquisition of land and development of infrastructure facilities such as road, drainage, park, water supply and public utilities, within their jurisdiction.

Parameters	Adityapur Industrial Area Development Authority (AIADA)	Ranchi Industrial Area Development Authority (RIADA)
Controlled area	33,970	1,524
Allotted plots (No)	1,365	682
Allotted sheds (No)	142	284
Units established (No)	893	540
Major industries	Heavy and light engineering , ferro-casting, chemicals, plastic and rubber, forging and mineral-based units.	Engineering (machining fabrication), mines- and mineral-based units, chemicals, electrical and electronics, metallurgy (foundry and forge), casting and rolling, plastics and rubber.

Sources: www.aiada.in, www.riada.in

Infrastructure investment

- As of December 2008, investments in Jharkhand's infrastructure sector were over US\$ 10 billion.
- Around 93 per cent of the investments in infrastructure were in the area of power generation and distribution.
- The other sectors attracting investments were railways and roads.

Infrastructure type	Investments (US\$ million)
Power*	9,451.3
Roads	148.2
Railway	519.6
Total	10,119.1

*Generation and distribution
Source: CMIE

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Sector-specific policies ... (1/6)

Industrial Policy, 2001

Objectives: To develop infrastructure, reduce the number of regulations and enable speedy-clearances of new projects.

Key goals:

- To rationalise fiscal concessions and provide adequate infrastructural support at a reasonable cost for an effective industrial sector.
- To simplify rules, regulations and procedures for smooth functioning of the industrial sector.
- To introduce latest, scientific data-collection systems to make the planning process more realistic.
- To make the single-window clearance system more effective.
- To ensure timely and adequate flow of credit to industries, especially, in the SSI sector.
- To diagnose incipient sickness and initiate timely measures for revival of sick units.
- To develop 'craft villages' and organise 'craft bazaars' to facilitate adequate access to market for artisans and craftsmen.
- To encourage horticulture, fruit-, vegetable- and spice-processing industries by providing special incentives and basic infrastructure to these industries.
- To develop industrial parks – for specialised activities in sectors such as IT, tussar and mulberry silk, electronics, plastic, chemicals, biotechnology, herbs, exports and food-processing – with adequate power, water, communication, transport and other common facilities.
- To emphasise on small power generation units and develop non-conventional sources of energy through private participation.

Sector-specific policies ... (2/6)

Industrial Policy, 2001 (continued)

Incentives:

- Land/sheds in growth centres, industrial areas, etc., would be allotted to entrepreneurs, for setting up their industrial units, on 30 year annual lease with renewal facility.
- Assistance to the entrepreneurs in acquiring land for locating industrial units outside industrial areas and growth centres.
- Capital investment incentives of 15 to 25 per cent to be given to small- and medium-scale industries respectively, subject to a limit of US\$ 50,000.
- Captive power generation incentive to be provided in the range of 15 to 25 per cent, subject to a limit of US\$ 8,000.
- Interest subsidy to be given in the range 25 to 60 per cent, subject to a limit of US\$ 220,000 or 2 per cent of sales in Jharkhand.
- Exemption from payment of 50 per cent of stamp duty and registration fee for eligible industrial units, irrespective of their location.
- Partial reimbursement of cost of project report for feasibility study-project, cost incurred on installation of pollution control equipment and cost of obtaining quality certification.
- Special packages for new projects with an investment of more than US\$ 10.9 million, on case-to-case basis, through direct negotiation with prospective investors.

Sector-specific policies ... (3/6)

IT Policy, 2004

Objectives: To improve communications and IT infrastructure; focus on developing educational and human resources for effective governance.

Goals and initiatives:

- JharNet, a state-wide high-speed, reliable and scalable communication link, to be set up by the State Government.
- Internet connectivity across the state.
- Seamless connectivity among various government organisations.
- Setting up of IT parks.
- Spreading education to achieve 10 per cent computer literacy in 10 years and 30 per cent in 20 years.

Sector-specific policies ... (4/6)

IT Policy, 2004

Key incentives:

- Preferential allotment of land for IT Industry by development authorities.
- Continuous and uninterrupted power supply for IT industries by providing a dedicated feeder for IT parks.
- Allowing self-certification to IT companies under the Payment of Wages Act, Minimum Wages Act, Contract Labour Act, Workmen's Compensation Act, Employees State Insurance Act, Shops and Commercial Establishments Act, Payment of Gratuity Act, Employees Provident Fund and Miscellaneous Provisions Act, Maternity Benefits Act and Water and Air Pollution Act.
- The single-window system set up for private investment proposals shall be applicable on IT proposals.
- The rate of sales tax on computer software and hardware shall not exceed the uniform floor rate announced by the State Government.
- IT products produced in the state will be provided quantity and price preference.
- Units in IT parks and software technology parks (STP) will be charged the same power tariff as an SSI unit.
- Special package of incentives for IT industries, involving an investment of US\$10.9 million or more.
- Complete exemption from the provisions of Pollution Control Act, both for air and water pollution.

Sector-specific policies ... (5/6)

Special Economic Zone (SEZ) Policy, 2003

Aim: To provide a comprehensive framework for the operation and sustainability of SEZs in the state.

Key features:

- Department of Industries is the nodal department of the State Government for development of SEZ.
- Investors in SEZ are given single-window clearance.
- Business processes and working environment are simplified.
- Each SEZ designates a development commissioner who act as labour commissioner and regulates, facilitates, promotes SEZs.
- A committee comprising secretaries of relevant departments to oversee promotion, development and functioning of SEZ.

Key incentives:

- Part exemption on stamp duty and registration fee payments for transfer of land.
- Exemption from state taxes including sales tax, value added tax (VAT), luxury tax and entertainment tax and state duties on transactions within SEZ.
- Exemption from electricity duty and tax.
- SEZs will not require Environment Impact Assessment (EIA) approval.
- The State Government will process the requirement of extra state police, fire services and home guard structure for SEZ(s) for the maintenance of law and order.

Sector-specific policies ... (6/6)

Purchase Policy, 2007

Aim: To ensure that all purchases meant for store requirements by state government departments and institutions are made from within the state.

Key initiatives:

- To ensure that all administrative departments and agencies under the control of the State Government – heads of departments and offices subordinate to them, boards, corporations, development authorities and municipalities, notified area committees, cooperative bodies and institutions aided by the State Government and companies in which the Government's share is 50 per cent or more – procure their requirement of store items from within the state.
- To make purchases from the exclusive vendor list identified by the State Government.
- For specific items not included in the exclusive list and manufactured by a local enterprise, separate rate contracts to be executed.
- Purchases to be made on open tender. All purchases to be made exclusively from dealers/suppliers registered under the Jharkhand Value Added Tax (VAT) Act, 2005

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Logos used in this section are registered trade marks of the respective companies

Mining and metals industry

- Jharkhand is a mineral-rich state; about 40 per cent of India's mineral reserves are available in the state.
- Jharkhand's mineral reserves include iron ore, coal, mica, copper, bauxite, uranium and limestone.
- The principal export destinations for Jharkhand's minerals are Bangladesh, Nepal, South Africa and Saudi Arabia.
- Mica belts of the state are located in the Koderma reserve forest area, Chatkri, Dhab, Jhumri Tilaiya and Giridih town.
- Copper deposits are mostly concentrated in the Rakha, Kendadih, Surda, Pathargora and Mosaboni areas of the East Singhbhum district.

Key players





- Hindustan Copper Limited
- Tata Steel
- Steel Authority of India Limited
- Hindalco Industries Limited
- Jindal Steel & Power Limited
- Coal India Limited
- Usha Martin Limited
- Ramkrishna Forging Limited

Key minerals





District location

Key minerals	District location
Mica	Dhanbad, Koderma
Graphite	West Singhbhum, Chatna, Garhwa
Manganese	West Singhbhum
Lead and silver	Saraikela Kharsawan, Gumla
Copper	Saraikela Kharsawan, East Singhbhum, Dumka
Aluminium	Lohardaga, Gumla, Palamau, Koderma

Mining and metals industry – company profiles ... (1/2)

<p>Hindustan Copper Limited</p> 	<ul style="list-style-type: none"> • Hindustan Copper Limited was incorporated in 1967 to take over plants and mines in Rajasthan and Jharkhand from the National Mineral Development Corporation Limited. • The company is engaged in activities ranging from mining, beneficiation, smelting, refining and production of cathodes, wire bars and continuous cast rods. • It operates the Indian Copper Complex with capacity of 19,000 tonnes per annum (TPA) at Ghatsila in Jharkhand.
<p>Tata Steel</p> 	<ul style="list-style-type: none"> • Established in 1907, Tata Steel is Asia's first and India's largest private sector steel company. • It has captive raw material resources and a state-of-the-art plant in Jamshedpur with a capacity of 5.84 million tonnes per annum (MTPA). • In 2008-09, the company produced 5.37 million tonnes of saleable steel.
<p>Steel Authority of India Limited (SAIL)</p> 	<ul style="list-style-type: none"> • SAIL is one of the leading steel-making company in India and owned by the Government of India. • The company operates a steel plant at Bokaro in Jharkhand where the production capacity is being increased from 4.5 MTPA to 7.4 MTPA. • SAIL has a well-equipped Research and Development Centre for Iron and Steel (RDCIS) as well as an in-house centre for engineering and technology, a management training institute and a safety organisation at Ranchi.
<p>Hindalco Industries Limited (HIL)</p> 	<ul style="list-style-type: none"> • HIL, a part of the Aditya Birla Group, is one of the largest producers of primary aluminium and copper in Asia. • Hindalco's alumina refinery with 450,000 TPA capacity is located at Muri. It has the distinction of being the first alumina refinery in India . The company also has a 30 mega watt captive power plant.

Mining and metals industry – company profiles ... (2/2)

<p>Jindal Steel & Power Limited (JSPL)</p> 	<ul style="list-style-type: none"> • JSPL is a leading player in steel, power, mining, oil and gas and infrastructure ,with an annual turnover of over US\$ 2.1 billion. • The company is setting up a 6.0 million tonnes per annum (MTPA) steel plant and 1,609 mega watt captive power plant at Patratu and it plans to set up a 5.0 MTPA steel plant and a 1,000 mega watt captive power plant at Asanboni, Jharkhand.
<p>Coal India Limited (CIL)</p> 	<ul style="list-style-type: none"> • CIL, a Government of India undertaking, contributes 85 per cent of the total coal production in India and has three subsidiaries in Jharkhand. • Central Coalfields Limited is headquartered in Ranchi and operates 63 mines. • Bharat Coking Coal Limited is headquartered in Dhanbad and operates 78 coal mines in Jharkhand. It meets 50 per cent of the total coking-coal requirement of the integrated steel sector in the country. • The Central Mine Planning and Design Institute is located in Ranchi and has been providing consulting services to the coal industry in India and abroad for 30 years.
<p>Usha Martin Limited</p> 	<ul style="list-style-type: none"> • Usha Martin Limited is the flagship company of the Usha Martin Group. • The group has three principal manufacturing divisions: wire and wire ropes, steel and cables. • It has a 350,000 tonnes per annum wire-rod rolling mill and a captive power plant at Jamshedpur.
<p>Ramkrishna Forging Limited</p> 	<ul style="list-style-type: none"> • Ramkrishna Forgings Limited was founded in 1981. The company produces screw couplings, draw gear assembly, snubber assembly, hanger, block hanger side frame key and various other forgings items for automobiles, railway coaches and wagon. • Some of its clients are Tata Motors, Ashok Leyland, Eicher, Audi, Hindustan Motors, Telcon, BEML, Indian Railways, TAFE, GE, Timken and BHEL.





Engineering industry

- The major growth drivers of engineering industry in Jharkhand are availability of raw material (iron and steel, aluminium, copper and other metals and non-metals), power, water and industrial labour.
- A number of heavy-engineering companies located in the state produce equipment and provide turn-key and consulting services to the existing metal and mining industry .




Key players

- Heavy Engineering Corporation
- McNally Bharat Engineering Company Limited
- TRF Limited
- Timken India Limited
- SNL Bearings
- Mecon Limited
- Tinplate Company of India Limited (TCIL)

Engineering industry – company profiles ... (1/2)




<p>Heavy Engineering Corporation (HEC)</p> 	<ul style="list-style-type: none"> • HEC was established as a public sector undertaking by the Government of India in 1958. • The company has a heavy machine building plant, a foundry forge plant and a heavy machine tools plant all at Hatia, Ranchi.
<p>McNally Bharat Engineering Company Limited (MBE)</p> 	<ul style="list-style-type: none"> • MBE is one of the leading engineering companies in India. It is engaged in providing turnkey solutions in the areas of power, steel, alumina and material handling. • Over 250 plants have been constructed on turnkey basis by MBE. • One of its heavy fabrication units and the machine shop facility is based at Kumardhubi in Jharkhand.
<p>TRF Limited</p> 	<ul style="list-style-type: none"> • TRF Limited, the erstwhile Tata Robins Fraser Limited, was incorporated in 1962 and is part of the Tata Group. • The company mainly produces material handling equipment and has a plant at Jamshedpur in the East Singhbhum district.
<p>Timken India Limited</p> 	<ul style="list-style-type: none"> • Timken India Limited is a subsidiary of The Timken Company, USA. • The company's principal activity is production of tapered roller bearings at its Jamshedpur plant. • Timken provides friction management solutions for a wide range of industry applications.

Engineering industry – company profiles ... (2/2)

<p>SNL Bearings Limited (SNL)</p> 	<ul style="list-style-type: none"> • SNL is a major needle-bearings manufacturer. It was promoted as a joint venture between the Shriram Group and the INA Bearings Group of Germany. In June 2000, the company's name was changed to SNL Bearings Limited after it was acquired by NRB Bearings. • SNL is equipped with state-of-the-art technology because of its technical collaboration (from 1983 until 1997) with INA Germany. • The company has a plant for manufacturing needle bearings at Ranchi; the unit employs about 200 people. • SNL has successfully developed and introduced cage-guided drawn-cup needle bearings, connecting rod needle cages for piston-pin and crank-pin applications along with other types and ranges of needle bearings.
<p>Mecon Limited</p> 	<ul style="list-style-type: none"> • Mecon Limited is a public sector undertaking under the Ministry of Steel, Government of India, with interest in metals, power, oil and gas, and infrastructure sectors. • Mecon is an engineering, consultancy and contracting organisation and offers a range of services required for setting up of projects from concept to commissioning, including turnkey execution. • The company employs 1,250 engineers, scientists and technologists.
<p>Tinplate Company of India Limited (TCIL)</p> 	<ul style="list-style-type: none"> • TCIL is the largest indigenous producer of tin-coated and tin-free steel sheets in India. • The company has a manufacturing plant in Jamshedpur and has 12 office and 17 stocking points across India. • The company has established markets abroad such as in Southeast Asia, the Middle East and some developed countries in Europe.



Chemicals industry and company profiles

- The chemical industries in Jharkhand produce wide range of chemicals such as caustic soda, dye and pigments and industrial and medical gas. The industry has developed to serve other manufacturing units in the region and the markets of Eastern India.

<p>Aditya Birla Chemicals (India) Limited</p> 	<ul style="list-style-type: none"> • Aditya Birla Chemicals (India) Limited (formerly, known as Bihar Caustic and Chemicals Limited) is one of the leading chlor-alkali companies in India. • The plant was commissioned in 1984 and is located in the Palamau district of Jharkhand. • Its product range includes caustic soda lye, liquid chlorine, hydrochloric acid, sodium hypochlorite, compressed hydrogen gas, aluminium chloride and stable bleaching powder. • The company also has a state-of-the-art 30 mega watt captive power plant for uninterrupted power supply.
<p>Tata Pigments</p> 	<ul style="list-style-type: none"> • Formed in 1927, Tata Pigments Limited is one of the largest producers of synthetic iron oxide pigments in India. • The company has a manufacturing plant in Jamshedpur. In 2008-09, it produced 3,411 tonnes of oxides of iron in its Jharkhand plant. • The company has nine sales offices across the country.
<p>BOC India</p> 	<ul style="list-style-type: none"> • BOC India started operations in 1935 as Indian Oxygen and Acetylene Company and is presently a subsidiary of the Linde Group. • The company produces industrial gas, medical gas and specialty gas that it supplies across the country. The company also carries-out special projects. • One of the three separation units of the company is located in Jamshedpur. It is one of Asia's largest units with a capacity of 1,250 tonnes per day.




Cement industry and company profiles

- Jharkhand has around 5.1 million tonnes per annum (MTPA) of installed cement capacity.
- The total cement production in Jharkhand was 4.61 MTPA in 2009. Between 2001 and 2009, the industry in Jharkhand has grown by about 20 per cent, in terms of consumption.
- The major cement companies in Jharkhand are ACC and Lafarge.

<p>ACC Limited</p> 	<ul style="list-style-type: none"> • ACC Limited is one of the largest cement manufacturer in India with a country-wide network of factories and marketing offices. • The company has two plants in Jharkhand – one at Chaibasa with capacity of 870,000 tonnes per annum (TPA) and another at Sindri with a capacity of 910,000 TPA.
<p>Lafarge</p> 	<ul style="list-style-type: none"> • Lafarge India is a subsidiary of the French building materials major, Lafarge, which entered the Indian cement market in 1999 with the acquisition of cement business of Tata Steel. • Lafarge has three cement plants in India, of which one is located at Jharkhand with grinding capacity of 3.4 MTPA. • The plant serves the cement market in Eastern India.

Automotive industry and company profiles

- The automotive industry in Jharkhand includes original equipment manufacturers as well as auto component production units.
- The auto components produced range from simple items such as nuts and bolts to complex ones such as shafts, radiators, and axles.

<p>Tata Motors Limited</p> 	<ul style="list-style-type: none"> • Tata Motors Limited is one among India's largest automobile companies and has a global presence. • It is one of the leaders in the commercial vehicles and the passenger vehicles markets in India. • The company's manufacturing base is spread across India; it has a plant at Jamshedpur in Jharkhand. • In 2007, the company acquired two prestigious international brands (Jaguar and Range Rover) from Ford Motors and, in 2009, launched the cheapest passenger car in the world, the 'Nano'.
<p>Apex Auto Limited</p> 	<ul style="list-style-type: none"> • Apex Auto was incorporated in 1994 and manufactures excavator components. • Its manufacturing plant is located at Adityapur near Jamshedpur.
<p>JMT Auto Limited</p> 	<ul style="list-style-type: none"> • The company manufactures automobile ancillaries, ancillary gear boxes, axle components, gearboxes and excavator components. Its plant is located at Adityapur in Jharkhand. • JMT exports products to Europe and America, besides supplying to large industries such as Tata Motors, Telcon, TAFE, L&T, and Caterpillar in India.

Agro-based industry and company profiles

- Jharkhand has a varied agricultural product-base that support a host of agro-based industries.
- The state's soil and climatic conditions also support the cultivation of ornamental plants, mushrooms, spices and tea.
- The state also has a large sericulture base and accounts for 40 per cent of the country's production of tussar, a non-mulberry silk.

IVP Limited



- IVP Limited is a diversified company, engaged in the production of a variety of items such as *vanaspati* and vegetables oils, industrial chemicals (epoxy plasticizers and esters), foundry chemicals (alkyd resins, phenolic-resins, dressings and fluxes), advanced ceramics and spark plugs. One of IVP's manufacturing plants is located at Jamshedpur in Jharkhand.

We Group Mushroom

- Established in 2001, We Group is a food processing unit in the small-scale sector. It produces and distributes fresh mushrooms, mushroom seed and pickles.
- We Group has a plant in Dhanbad and an upcoming plant in Dugda, which is expected to be commissioned in 2010.
- The company produces 300 kg of mushrooms per day and has plans to expand capacity to metric tonne per day.

Major industrial projects being implemented ... (1/2)

Project	Sector	Promoter	Investment (US\$ million)	Location
Integrated steel (Jamshedpur) project -Phase II	Iron and steel	Tata Steel Limited	3,043.5	Jamshedpur
Kahalgaon-north Karanpura-Barh composite transmission line	Power distribution	Power Grid Corporation of India Limited	2,000.0	Kahalgaon, Barh, North Karanpura
Integrated steel (IISCO) project	Iron and steel	Steel Authority of India Limited	1,762.4	Burnpur, Chiria
Integrated steel (Bokaro) project	Finished steel	Electrosteel Integrated Limited	1,578.7	Siyaljori
Coal based power project	Power	Adhunik Power & Natural Resources Limited	1,087.0	Ramchandrapur
Bokaro steel plant - expansion	Finished steel	Steel Authority of India Limited	1,521.7	Bokaro Steel City

Major industrial projects being implemented ... (2/2)

Project	Sector	Promoter	Investment (US\$ million)	Location
Integrated aluminium project -Phase II	Aluminium	Hindalco Industries Limited	582.0	Muri
Coal bed methane (West Ranigunj and Jharia) project*	Hydrocarbons	Oil & Natural Gas Corporation Limited	326.1	Jharia
Rural electrification (Jharkhand) project - RGGVY	Power distribution	Damodar Valley Corporation	148.3	Jharkhand
Ranchi-Lohardaga-Tori railway line	Railways	South Eastern Railway	92.4	Tori
Sports complex (Hotwar)	Tourism and recreation	Government of Jharkhand	91.3	Hotwar
Gorhar-Barwa Adda NH-2 road project	Roadways	National Highways Authority of India	87.0	Gorhar, Barwa

Source: projectstoday.com

*Partly in Jharkhand

RGGVY: Rajiv Gandhi Gramin Vidyutikaran Yojana

Key industrial projects being planned

Project	Sector	Promoter	Investment (US\$ million)	Location
Tilaiya ultra-mega power project	Power	Jharkhand Integrated Power Limited	3478.3	Tilaiya
Integrated steel (Gumla) project	Finished steel	Mittal Steel Company N.V.	3260.9	Gumla
Coal-based power (Jharkhand) project	Power	Jindal Power Limited	2582.6	Jharkhand
Aluminium smelter (Sonahatu) project	Aluminium	Hindalco Industries Limited	1739.1	Sonahatu
Coal-based power (Govindpur-kara) project	Power	Ispat Industries Limited	1739.1	Govindpur-Kara, Khunti
Coal-based power project	Power	JSW Energy Limited	1725.6	Baranda
North Karanpura power project	Coal/lignite - based power	NTPC Limited	1564.5	North Karanpura
Coal mining (Magadh and Amrapali) projects	Coal	Central Coalfields Limited	652.2	North Karanpura
Pipeline (Paradip-new Sambalpur-Raipur-Ranchi) project*	Pipelines	Indian Oil Corporation Limited	389.9	Ranchi
Road up-gradation (Barwa adda-Panagarh NH-2) project*	Roadways	National Highways Authority of India	239.3	Barwa Adda
Railway wheels and axles project	Railway wagon and equipment	Heavy Engineering Corporation Limited	217.4	Ranchi

Source: projectstoday.com

*Partly in Jharkhand

Contents

- ❖ Advantage Jharkhand
- ❖ State economy and socio-economic profile
- ❖ Infrastructure status
- ❖ State policies and incentives
- ❖ Business opportunities
- ❖ **Doing business in Jharkhand**

Key approvals required

Approvals and clearances required	Department
Allotment of land/acquisition of land/change of land use	Department of Industries, Government of Jharkhand, and district collector
Approval of building plan	Industrial Area Development Authority and local bodies
Release of power connection and consent for setting up captive power plant	Jharkhand State Electricity Board (JSEB)
Release of water supply	State water supply board and industrial area authority
Registration as a factory	Chief inspector of factories
Sales tax registration	Revenue department, Government of Jharkhand
Registration under Trade Union Act	Labour department, Government of Jharkhand
Registration under Shops and Establishments Act	Labour department, Government of Jharkhand
Registration under Industrial Disputes Act	Labour department, Government of Jharkhand
Registration under Minimum Wages Act/State Employee Insurance Act	Labour department, Government of Jharkhand

Cost of doing business in Jharkhand

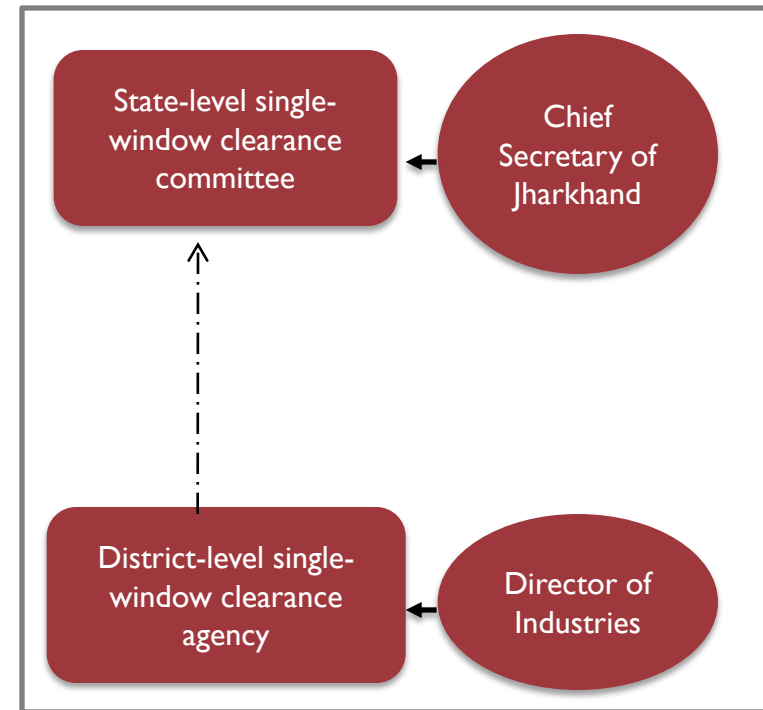
Cost parameter	Cost estimate	Source
Land (per sq ft)*	US\$ 11 to US\$ 23	Department of Industries
Labour cost (per man year)	US\$ 825 to US\$ 1,275	Labour Resources Department, Government of Bihar
Hotel costs (per room per night)	US\$ 45 to US\$ 110	Leading hotels in the state
Residential space (per sq ft)	US\$ 26 to US\$ 37	Property dealers
Power (HT energy charges)	US 8.2 cents per kWh	JSEB
Water (per 34,000 litres)	US\$ 3 per 34,000 litres	Department of Industries

*Ranchi and Jamshedpur

HT: high-tension

Single-window clearance mechanism ... (1/2)

- The Government of Jharkhand has implemented a single-window clearance system (SWS) for faster and one-point clearance of industrial projects, single-point dissemination of industrial project-related information and streamlining of inspection of industries by different agencies/authorities.
- At the state level, a committee has been formed under the chairmanship of the chief secretary, with secretaries from all departments concerned and representatives from banks and financial institutions as members, to facilitate speedy clearances for mega projects (investment above US\$ 11 million).



Single-window clearance mechanism ... (2/2)

- A similar committee has been constituted at the district level under the chairmanship of the director of industries to review the progress of all investment proposals received.
- Officers from various departments (industries, land and revenue, commercial tax, labour and employment, forest and environment, JSEB, Jharkhand State Pollution Control Board, and Damodar Valley Corporation) have been deputed to the SWS office to facilitate its smooth functioning.

Key nodal agencies in Jharkhand ... (1/2)

<p>Department of Industries</p>	<ul style="list-style-type: none"> • The objective of this department is to accelerate economic development by facilitating investments in industries and infrastructure, developing required human resources for industrial employment, and supporting small and rural industries, artisans and craftsmen.
<p>Department of Energy</p>	<ul style="list-style-type: none"> • The department formulates plans, policies, acts and rules, and undertakes developmental activities. • It is responsible for the expansion of generation, transmission and use of electricity. • The department has different corporations, authorities and undertakings such as Jharkhand State Electricity Board (JSEB), Tenughat Vidyut Nigam Limited, Jharkhand Renewable Energy Development Authority and the electricity licensing board, under its supervision.
<p>Adityapur Industrial Area Development Authority (AIADA)</p>	<ul style="list-style-type: none"> • The Adityapur Industrial Area is situated in the district of Seraikela Kharsawan, near Jamshedpur. • AIADA controls an area of about 53 sq miles. • It has so far developed 1,365 plots and 142 industrial sheds. • There are 893 operating units in the AIADA-controlled area, which provide employment to about 27,900 persons. Between 2003-04 and 2007-08, the investment on infrastructure in AIADA was about US\$ 8.4 million. • AIADA provides land, water, electricity and technical expertise to assist in the setting up of units in the industrial area.

Key nodal agencies in Jharkhand ... (2/2)

Bokaro Industrial Area Development Authority (BIADA)	<ul style="list-style-type: none"> • BIADA is located in Bokaro Steel City, which has several small-scale industrial (SSI) units. • BIADA provides most of the industrial supplies for SAIL's Bokaro steel plant, which is the catalyst for the industrial units in BIADA.
Ranchi Industrial Area Development Authority (RIADA)	<ul style="list-style-type: none"> • RIADA controls industrial areas spread over the nine districts of Ranchi, Hazaribagh, Koderma, Palamu, Garhwa, Lohardagga, Khunti, Ramgarh and Gumla. • Total 16 industrial estates, covering 1,524 acres have been developed by RIADA. It has over 177 acre area for further allocation. • RIADA has allocated 682 plots of which 540 are in operation and 92 are under construction. • RIADA provides land, water, electricity and technical expertise to assist in setting up industries.
Jharkhand State Electricity Board (JSEB)	<ul style="list-style-type: none"> • After the formation of Jharkhand in 2000, JSEB was formed as a separate entity from the Bihar State Electricity Board (BSEB). • Apart from generating electricity, JSEB is involved in transmission and distribution throughout the state.

Contact list

Agency	Contact information
Department of Industries, Government of Jharkhand	Nepal House, Doranda Ranchi - 834001, Jharkhand Phone: 91-651-2491 844 Fax: 91-651-2491 884 E-mail: contact@jharkhandindustry.in Website: http://jharkhandindustry.gov.in
Adityapur Industrial Area Development Authority (AIADA)	Vikas Bhawan Adityapur, Jamshedpur – 831013, Jharkhand Phone: 91-657-2371 646/460 E-mail: secy_inds@ap.gov.in Website: www.aiada.in
Ranchi industrial area development authority (RIADA)	RIADA Bhawan Main Road Ranchi - 834 001, Jharkhand Phone: 91-651-2208407 Fax: 91-651-2208407 Website: www.riada.in

Annexure

Exchange rates

Year	INR equivalent of one US\$
2000	46.6
2001	48.3
2002	48.0
2003	45.6
2004	43.7
2005	45.2
2006	45.0
2007	42.0
2008	40.2
2009	46.0

Average for the year

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