

## India: State Profile of Jharkhand 2010



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**JHARKHAND – POLITICAL MAP**



## **JHARKHAND – A GENERAL OVERVIEW**

Jharkhand came into existence on 15 November 2000; it was bifurcated from the southern part of Bihar; the state is generously endowed with mineral wealth

Besides minerals, Jharkhand is gifted with adequate water resources, relatively moderate climate and a very fertile land providing tremendous scope for horticulture and floriculture

The state offers a large pool of trained manpower, good educational & technical institutions, research laboratories, favorable industrial climate and a good rail, road & telecommunication network

### **Physiography**

Jharkhand is characterized by the Chotanagpur Plateau consisting of a series of plateaus of different elevations – the most important ones being the Ranchi plateau, the Ramgarh plateau and the Hazaribag plateau

Tectonically, these regions have witnessed organic movements which are also responsible for the rich mineral deposits found in the state; Jharkhand has some of the richest deposits of iron and coal in the world apart from being part of one of the most industrialized regions in the country

Jharkhand is a land locked territory bound by the state of Bihar in the north, West Bengal on the east, Orissa in the south and Chattisgarh in the west

Rivers like Koel, Subarnrekha, Damodar, Barakar, Ajoji, Mor, Konar and Bokaro flow in the state and this explains the potential of hydel power in the state

The state comprises of 24 districts with the capital being Ranchi

### **Climate**

Climate of the state in general is tropical with hot summers and cold winters; maximum rainfall occurs from July to September accounting for more than 90% of total rainfall in the state

**JHARKHAND – BASIC FACTS**

<b>Total Geographical Area (Million Hectares)</b>	7.79
<b>Population (Million)</b>	27
Male Population (Million)	13.86
Female Population (Million)	13.04
<b>Per Capita Income (€)</b>	425
<b>Gross State Domestic Product (GSDP) (€Bn)</b>	13
<b>Literacy (%)</b>	54
<b>Density of Population (persons / Sq. Kilometers)</b>	338
<b>Number of Districts</b>	24
<b>National Highways (Km)</b>	1006
<b>Universities</b>	5
<b>Infant Mortality Rate</b>	46
<b>Sex Ratio</b>	941
<b>Cultivable Land (Million Hectares)</b>	3.8
<b>Forest Cover (%)</b>	30
<b>Languages</b>	Santhali , Mundari , Kurukh, Khortha Nagpuria, Sadri, Khariya, Panchparagnia Ho, Malto, Karmali, Hindi, Urdu & Bangla
<b>Governor</b>	MOH Farooq
<b>Chief Minister</b>	Arjun Munda
<b>Government</b>	Coalition

### **RANCHI – THE CAPITAL CITY**

- Ranchi is the capital city of the state of Jharkhand; the name comes from a local sacred bird "Rinchi" which was mostly found in the region
- Ranchi is located on the southern part of the Chota Nagpur plateau (a plateau in eastern India, which covers most of Jharkhand, parts of Orissa, West Bengal, Bihar and Chhattisgarh)
- The city has a hilly topography and its combination with dense tropical forests ensures that it enjoys a comparatively moderate climate compared to the rest of the state and this is the primary reason why Ranchi was once the summer capital of the undivided state of Bihar; the temperature ranges from a maximum of 42 °C to a minimum of 20 °C during summers and from 25 °C to 5°C during winters; the annual rainfall is about 56 inches
- Ranchi has a population of approximately 8.50 Million; males constitute 53% and females constitute 47% of the population; the city has an average literacy rate of 74%, higher than the national average; male literacy is 80% and female literacy is 68%
- The domestic airport of the city is connected with major cities like New Delhi, Mumbai, Kolkata, Jabalpur, Patna, Bhubaneswar, Bengaluru, Allepey and Jammu
- Ranchi is an important centre of trade and commerce and a traditional base for sericulture and the manufacture of shellac; villages around Ranchi have been described as the 'Vegetable Bowl' of Jharkhand and green vegetables are transported from the city to the neighbouring states
- A large number of mining and engineering industries in Ranchi provide employment opportunities to a major portion of the population

**GROSS STATE DOMESTIC PRODUCT (GSDP)**

**Composition (€ Mn)**

	<b>2006 – 07</b>	<b>2007 – 08</b>	<b>2008 – 09</b>
Agriculture & Animal Husbandry	910	929	949
Forestry & Logging	141	158	176
Fishing	35	40	47
Mining & Quarrying	1540	1240	1340
<b>Agriculture &amp; Allied Sectors</b>	<b>2626</b>	<b>2367</b>	<b>2512</b>
<b>Manufacturing</b>	<b>2950</b>	<b>3230</b>	<b>3540</b>
<b>Tertiary</b>	<b>3750</b>	<b>4170</b>	<b>4610</b>
<b>GSDP</b>	<b>10812</b>	<b>11842</b>	<b>12946</b>

*Source: Department of Statistics, Government of Jharkhand*

**Composition (%)**

	<b>2006 – 07</b>	<b>2007 – 08</b>	<b>2008 – 09</b>
Agriculture & Animal Husbandry	9.20	8.60	8.00
Forestry & Logging	1.44	1.47	1.48
Mining & Quarrying	11.62	11.47	11.34
<b>Primary</b>	<b>22.64</b>	<b>21.91</b>	<b>21.27</b>
<b>Manufacturing</b>	<b>30</b>	<b>30</b>	<b>30</b>
<b>Tertiary</b>	<b>47.36</b>	<b>48.09</b>	<b>48.73</b>

*Source: Department of Statistics, Government of Jharkhand*

**Composition–Percentage change**

	<b>2006 – 07</b>	<b>2007 – 08</b>	<b>2008 – 09</b>
Agriculture & Animal Husbandry	9.16	2.12	2.12
Forestry & Logging	33.05	11.33	11.33
Fishing	54.87	17.11	17.11
Mining & Quarrying	-0.69	8.10	8.10
<b>Agriculture &amp; Allied Sectors</b>	<b>5.47</b>	<b>6.01</b>	<b>6.12</b>
<b>Manufacturing</b>	<b>26.58</b>	<b>9.47</b>	<b>9.47</b>
<b>Tertiary</b>	<b>14.13</b>	<b>11.25</b>	<b>10.54</b>
<b>Gross State Domestic Product</b>	<b>15.22</b>	<b>9.53</b>	<b>9.32</b>

*Source: Department of Statistics, Government of Jharkhand*

## **OVERVIEW OF SECTORS**

### ***Agriculture***

<b>Total land area</b> (Million Hectares)	7.79
<b>Cultivable Land</b> (Million Hectares)	3.80
<b>Irrigated Area</b> (Million Hectares)	0.16
<b>Total Food Grain Production</b> (Million Tonnes)	4.20
<b>Major Food Grains</b>	Rice Wheat Maize Chickpea
<b>Horticulture Production</b> (Million Tonnes)	4.05
<b>Vegetable Production</b> (Million Tonnes)	3.63
<b>Major Vegetables produced</b>	Brinjal Cabbage Cauliflower Ladies finger Onion Peas Potato Pumpkin Mushroom Capsicum Green chilly
<b>Fruit Production</b> (Million Tonnes)	0.40
<b>Major Fruits produced</b>	Mango Leechi Guava Banana Papaya Lemon Jackfruit
<b>Flower Production</b> (Million Tonnes)	1.73

*Source: Ministry of Agriculture, Government of India*

***Production of Major Crops***

<b>Crop</b>	<b>Production (Million Tonnes)</b>	<b>Yield (Kilograms / Hectare)</b>
Rice	2007 – 08: 0.39	2007 – 08: 2018
	2008 – 09: 0.33	2008 – 09: 2031
	2009 – 10: 0.24	2009 – 10: 1505
Wheat	2007 – 08: 0.14	2007 – 08: 1621
	2008 – 09 : 0.15	2008 – 09 : 1541
	2009 – 10 : 0.15	2009 – 10: 1550
Maize	2007 – 08: 0.36	2007 – 08: 1509
	2008 – 09: 0.30	2008 – 09: 1407
	2009 – 10: 0.28	2009 – 10: 1332
Pulses	2007 – 08: 0.30	2007 – 08: 736
	2008 – 09: 0.28	2008 – 09: 724
	2009 – 10: 0.28	2009 – 10: 734
Total Foodgrains	2007 – 08: 0.30	2007 – 08: 1709
	2008 – 09: 0.28	2008 – 09: 1720
	2009 – 10: 0.21	2009 – 10: 1320

*Source: Ministry of Agriculture, Government of India*



- Agriculture is the main stay for 80% of the rural population of the state and the primary income generating activity
- The agricultural economy of the state is characterized by dependence on nature, mono – cropping with paddy as the dominant crop and small and marginal land holdings
- The state is categorized as a plateau having red laterite soil
- Since the state receives a reasonable amount of rainfall and has an undulating topography, there are opportunities in water retention structures; this not only checks erosion of the surface soil but also increases the irrigation potential and the sub – surface moisture, which are essential for good agriculture
- Soil structure is poor with low fertility; almost 90% of the soils are acidic and deficiencies of zinc, molybdenum and boron are prevalent

*Initiatives of the Government*

- Encouraging shifting from the traditional mono – cropping to multiple cropping, horticulture, organic farming and diversified agriculture
- Better management of natural resources for sustainable agriculture and Post harvest management and processing
- Improvement of the soil texture and structure by soil amelioration programmes organized by the Department of Agriculture and the establishment of Soil Testing Laboratories to gauge the fertility status of the soil
- Establishment / Renovation of Seed Village to increase the Seed Replacement Rate (the percentage of area sown out of the total area of crop planted in the season by using certified / quality seeds)
- Control of pest and diseases through Integrated Pest Management techniques to get maximum productivity
- Increasing productivity by introducing intensive modern agricultural implements and minimizing cost of production

## ***Industry***

### ***Focus areas of the Government***

- Mining and Mineral Based Industries
- Agro Based Industries
  - Cattle food
  - Jute, hemp, sisal and other fabrics
  - Tea cultivation, processing and packaging
  - Paper
  - Floriculture
  - Horticulture
- Industries based on medicinal and aromatic plants
- Sericulture
- Forest based industry

### ***Attractiveness of sectors as perceived by Investors***

- Mining
- Heavy engineering
- Auto components
- Agro Industry
- Chemicals
- Information Technology (IT) & Electronics

### ***Industrial Policy***

#### Objectives

The Industrial Policy of the state aims at making Jharkhand one of the most preferred destinations for investment, both domestic and Foreign Direct Investment (FDI) and ensures an accelerated implementation of infrastructure related projects

#### Focus areas

- Rationalizing fiscal concessions
- Providing adequate quality infrastructural support at a reasonable cost
- Simplifying rules, regulations and procedures for the smooth functioning of the industrial sector
- Improving the quality of services to entrepreneurs
- Making the Single Window System more effective at the district, the industrial area and state level to increase the speed of providing clearances to projects
- Facilitating availability of technical and financial support for modernization through increased access to Research & Development facilities
- Encouraging the setting up of Fruit, Vegetable & Spice processing, horticulture and other food processing industries in the state by providing them special incentives and basic infrastructure
- Developing Industrial Parks for specialized activities in the field of Information Technology, Textile, Electronics, Plastic, Chemicals, Biotech and Food Processing
- Emphasising on small power generating units and developing Non – Conventional sources of energy through private participation



***Specific Provisions***

Land

- Land in growth centres and Industrial areas would be allotted to entrepreneurs for setting up their industrial units on a lease of 30 years
- The State Government will assist entrepreneurs in providing land and also in acquiring land for locating industrial units outside Industrial Areas / Growth Centres
- To expedite the process of allotting land, the number of inter departmental clearances would be reduced
- Social infrastructure in close proximity of Industrial areas / estates would be developed; the Government would encourage private sector participation in putting up residential facilities, residential / non – residential schools, hospitals etc.
- The State Government has formulated a plan to set up and promote 3 – Tier Growth Centres – namely at Mega, Mini and Micro

***Fiscal Incentives***

<b>Scheme</b>	
Capital Investment Incentive	<p>Maximum Incentive (%): 15 – 25 Financial Limit (€): 25000 – 40000</p> <p>In Priority Areas: Additional 5% incentive over and above with a cap of € 8000</p> <p>For Export Oriented Units: 100%</p>
Interest Subsidy	<p>Incentive (%): 25 – 60</p> <p>Maximum subsidy: € 156000 per annum</p>
Stamp Duty and Registration Fee	Incentive: 50% of Stamp Duty & Registration fee paid for registration of documents
Feasibility Study – Project report Cost Reimbursement Subsidy	<p>Incentive: 50% of the cost incurred</p> <p>Maximum subsidy: € 800</p>
Pollution Control Equipment Subsidy	<p>20% of the cost of the pollution control and monitoring equipment</p> <p>Maximum subsidy: € 35000</p>
Incentive for Quality Certification	<p>Reimbursement of charges for acquiring ISO-9000 (or its equivalent) certification</p> <p>Maximum Subsidy:€ 1300</p>
Mega units	Special Packages shall be formulated for the new projects with an investment of more than € 8.50 Mn

*(Priority Areas are regions where the Government wants to promote industrialization on a priority basis)*

### ***Consultancy Services***

To provide low cost consultancy services to entrepreneurs, the state envisages setting up of a Technical Consultancy Organisation, which shall be known as Jharkhand Technical Consultancy Organisation (JTCO)

### ***Research and Development***

The Government shall strengthen the interface between Reserch & Development (R&D) institutions and the private sector by acting as a facilitator

### ***Industrial Areas***

- Jharkhand has 3 Industrial Area Development Authorities at Adityapur, Bokaro and Ranchi; these are responsible for acquisition of land and development of infrastructure facilities within their jurisdiction
- The State Government would endeavour to identify new industrial areas so as to ensure each district has at least two industrial areas which would facilitate balanced growth

### ***Industrial Promotion Agencies***

#### ***Adityapur Industrial Area (AIDA)***

- The Adityapur Industrial Area Development Authority (AIADA) is an Industrial Authority which has common facilities for units located and caters to their respective needs
- The total controlled area under the Authority is about 53 square miles spread over 83 villages
- The Authority is easily accessible from the Railway station and the Airport
- The facilities offered in the Authority include Industrial, Residential and Commercial amenities
- The following Industries are present in the AIADA:
  - Heavy / light Engineering (Machining / Fabrication / Press shop)
  - Plastic & Rubber
  - Mineral Based
  - Ferro Casting
  - Chemical
  - Food & Beverages



- Auto Body Building / Automobiles Services Center
  - Electrical Industries
  - Forging
  - Pharmaceuticals
  - Sponge Iron
  - Liquefied Petroleum Gas Bottling Plant
- The total investment in the AIADA is to the tune of € 520 Million, and is increasing every year
  - There is no dearth of technical expertise in and around the Industrial Area due to the presence of well equipped centres of training like the National Metallurgical Laboratory (NML) Indo Danish Tool Room & Training Centre (IDTR), National Institute of Technology, Xavier Labour Relations Institute (XLRI), Polytechnics and numerous private training outfits providing vocational courses

#### ***Ranchi Industrial Area Development Authority (RIADA)***

- The Ranchi Industrial Area Development Authority has been playing an increasing role in the Industrial development of the 7 Tribal Districts of Jharkhand
- RIADA has been entrusted with the task of establishing industrial areas and has also taken up the responsibility of providing assistance to the units which have been established in these industrial areas; RIADA provides assistance at a single point to entrepreneurs for activities like selection of the project, location, providing land, arranging term loans and bank finance, providing power and water supply, technical know how, market tie-up and disbursement of incentives offered by the State Government
- Abundant manpower and excellent industrial relations, premier technical, management and educational institutions, good transport and communication facilities and improving power position in Industrial Areas makes the RIADA region attractive for entrepreneurs

#### **Important projects initiated by RIADA**

- A Mega Industrial Growth Centre is being set up at Hazaribagh (North Bihar) for providing modern infrastructural facilities; the Growth Centre envisages an investment of € 513000 and shall provide quality infrastructural inputs like land, water, power, communication etc.
- A Software Technology Park is being set up in the Industrial Area
- An Indo – Danish Mini Tool Room and Training Centre is also being set up; the Tool Room will have state of art infrastructure in the field of Hi – tech & sophisticated Tools & Dies making facilities



- A Food Park is being set up with the help of the Ministry of Food Processing Industries, Government of India and Department of Industries, Government of Jharkhand at Hazaribagh to promote Agro based & Food Processing industries with all necessary infrastructural facilities
  
- The following Industries are present in the Authority
  - Engineering (Machining Fabrication)
  - Mines & Mineral Based
  - Plastics & Rubber
  - Refractory
  - Chemical Industries
  - Food and Beverages
  - Pharmaceuticals
  - Electrical & Electronics
  - Iron and Steel (Casting & Rolling)
  - LPG Bottling Plant
  - Paper, Printing & Packaging
  - Metallurgy (Foundry & Forge)

## **Mining**

*Mining as a Percentage of GSDP (€ million)*

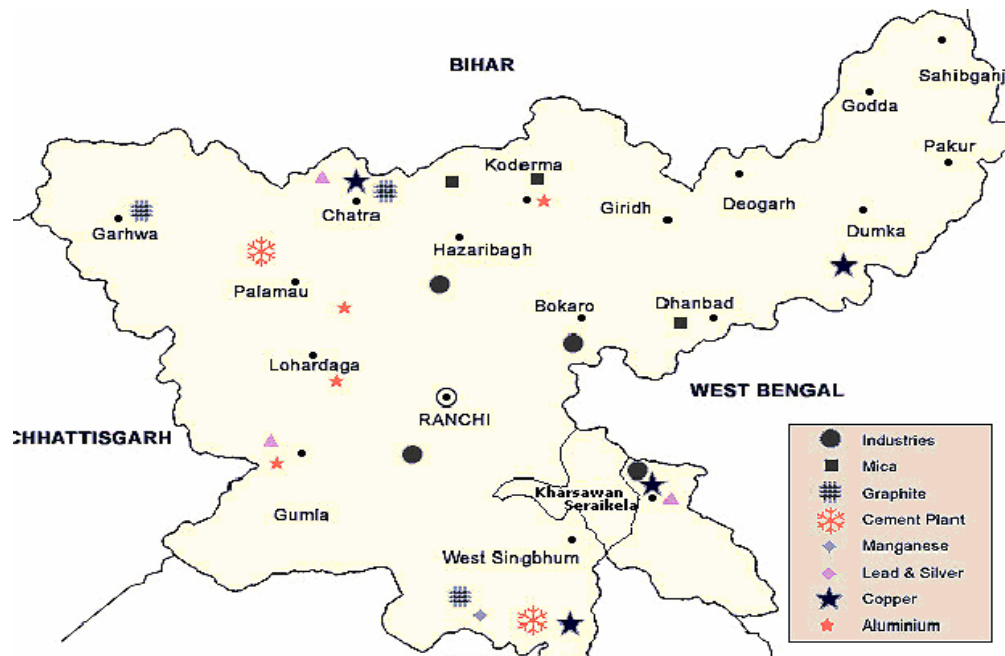
	<b>2007 – 08</b>	<b>2008 – 09</b>	<b>2009 – 10</b>
<b>Ammount</b>	1540	1240	1340
<b>As a percentage of GSDP</b>	11.62	11.47	11.34
<b>Percentage change</b>	-0.69	8.10	8.10

- The region is generously endowed with mineral wealth and the State Government is committed to creating an environment conducive to the growth of Mining and Mineral based Industries in the state
- The principal export destinations for these minerals are Bangladesh, Nepal, South Africa and Saudi Arabia.
- The Industrial Policy covers the following clauses relevant to the Mining and Mineral sector:
  - Simplify procedures and expedite granting of mining leases
  - Provide relief to make mining activities easier
  - Encourage use of modern exploration techniques
  - Set up a resource inventory of various minerals in the state
  - Encourage Joint Venture projects with the State Mineral Development Corporation
  - Clear mining lease applications and project report within 60 days
  - Encourage foreign investment and technological collaboration

*Presence of Minerals (Million Tonnes)*

<b>Mineral</b>	<b>Reserves</b>
Copper	10.87
Kyanite	0.90
Quartzite	21.98
Mica (crude)	1.35
Asbestos	4.03
Apatite	0.31
Coal	72200
Fireclay	5.05
Chinaclay (Processed)	45.33
Bauxite	6.81
Iron Ore	3700
Limestone	511.10
Manganese Ore	0.24

*Source: State Mining Development Corporation*



### *Mineral Policy 2006*

To facilitate the systematic, scientific and planned utilization of mineral resources and to accelerate the mineral based development of the state, a Mineral Policy has been formulated; the objectives of the policy are to ensure the optimal utilization of available mineral resources, development of vast mineral potential and generation revenues for socio-economic development

### *Coal*

- The State of Jharkhand is endowed with 72.2 Billion Tonnes of coal of all categories distributed between 12 major coalfields; Jharkhand is the only state which has prime coking coal which with or without washing can be directly fed to the Coke oven for making metallurgical coke
- The Jharkhand State Mineral Development Corporation Ltd. (JSMDC Ltd.) and 4 major companies like the Central Coalfields Limited, Bharat Coking Coal Ltd., Eastern Coalfields Limited and Central Mine Planning & Design Institute Ltd. are contributing to the production of coal

- There is vast scope for establishing washeries both for Coking coal and Non-coking coal in the state; coal is required for the supply of 25% ash coal to Sponge Iron plants, which are being set up on large scale in the state; the state has deep – seated coal deposits which are being tapped for Coal Bed Methane; technologies like coal liquefaction are also on the anvil

#### *Iron Ore*

- Proven iron ore reserves in Jharkhand are estimated at 3.7 billion tonnes, a quarter of India's total reserves
- The state is endowed with deposits of Iron Ores of both, Hematite & Magnetite; the Hematite deposits have been explored only in pockets by industrial houses; there is good scope of enlarging the resource base by further exploration
- Factoring only the proven Indian iron ore reserves, Jharkhand is equipped to sustain steel – making capacity of 65 million tones per annum for 25 years; Iron ore is a crucial factor that could influence India's ability to achieve and sustain steel capacity of 100 million tones per annum by the year 2020

#### *Alumina & Aluminium*

- Jharkhand holds a very large potential of bauxite amounting to a reserve of 68.1 Million Tonnes
- Though most of the mined bauxite is targeted for the extraction of metal aluminium, it has variety of uses in industries such as Abrasive, Alloy – steel, Aluminium, Cement, Ceramic, Chemical, Ferro – alloys, Iron and Steel, Petroleum refining and Refractory, creating opportunities for various industries in the Small, Medium and Large scale

#### *Limestone*

- Limestone mining in India takes its place next to coal mining
- It is mainly utilized for the manufacture of cement; next to the cement industry, its potential consumers are the chemical and Iron & Steel industries
- The total reserve of Limestone in Jharkhand is 511.104 Million Tonnes

### *Mineral Based sectors*

#### *Steel*

- Due to Jharkhand being a mineral – rich state, investment of more than \$25 billion have been confirmed from the steel sector; companies are interested in tapping into its huge iron ore, copper and coal deposits, raw material for the production of steel; it has the country's two biggest steel plants at Bokaro and Jamshedpur
- At present, India produces 65 Million Tonnes steel per annum, out of which the major portion is produced in Jharkhand

#### *Cement*

With reserves of cement grade limestone, the region is suited for creating additional cement capacities

#### *Refractory*

- The state is a major producer of refractories and alumina bricks, taking advantage of substantial reserves of refractory material and fireclay available in and around the cities of Dhanbad, Hazaribagh, Latehar and Giridih
- The demand for refractories in the country is expected to increase due to the anticipated increase in demand of steel
- The development of new refractory plants, technology upgradation, modernization and expansion of existing plants may be planned in advance to cater the requirement of the steel plants

#### *Graphite*

- Graphite is a valuable mineral and the state has plants for producing both the flaky and amorphous varieties; presently, only graphite crucibles are being manufactured
- There is ample scope to set up graphite based units for manufacturing graphite electrodes for electric arc furnaces



*Precious & Semi precious and Ornamental Stones*

- The Mica Pegmatite veins in and around the northern parts of the state are a very good source for a number of precious and semi precious stones; there is a tremendous scope for setting up lapidary, cutting and polishing units
- With the development of infrastructure and a port facility, the volume of trade in granite would increase

*Opportunities for Investors*

- Mineral Exploration:
  - Modern and advance geological techniques and systems to investigate the presence of minerals
  - Remote Sensing
  - Consultancy Services
- Growth of the metals sector provides a cascading effect on related industries; sectors like Engineering, Plastics and Rubber, Chemicals, Electrical, Cement, Metallurgy and Automobile and Automobile components provide opportunities
- Equipments for Heavy Engineering companies

**Infrastructure**

*Power*

**Power as a percentage of GSDP**

	<b>2007 – 08</b>	<b>2008 – 09</b>	<b>2009 – 10</b>
<b>Ammount (€Million)</b>	155	160.67	166.08
<b>As a percentage of GSDP</b>	1.43	1.35	1.28
<b>Percentage change</b>	44.24	33.63	12.82

**Installed capacity of power in Jharkhand (Megawatts – MW)**

<b>Hydel</b>	130
<b>Thermal</b>	1260
<b>Total Installed Capacity</b>	1390

- At the time of creation of state in the year 2000, the demand for power was approximately 700 – 750 MW which has increased to 1100 MW and it is estimated that by 2011 – 12, the peak load would be between 1500 MW and 1978 MW
- The Government of Jharkhand is committed to open its power sector for private investment and extend all facilities and incentives to investors
- An investor friendly industrial Policy has been adopted that will ensure all cooperation to an investor; some of the salient features are:
  - Help in organizing project reports
  - Help in dealing with Departments of the Government
  - Expeditious disposal of proposal related matters
  - Help in identifying local agencies for association with the project
- The private sector would be able to sell power to the State Electricity Board or to supply directly to bulk consumers; it shall also be able to sell power to any grid or export power outside the state with the concurrence of the State Electricity Board



- The Government would encourage private sector in setting up of Captive Power Generation Plants of any capacity to meet the existing as well future demand for power of industrial units; for setting up such power generation unit, no permission from the State Electricity Board shall be required; the surplus power generated by such plant could also be purchased by the State Electricity Board on mutually agreed terms
- Apart from Thermal, there is immense potential for setting up Hydel, Atomic and Methane & Gas based power plants in Jharkhand; a number of mini and micro hydel power plants can also be set up at various identified places, each of which will provide 1 MW to 10 MW power to the adjacent areas
- The private sector will be encouraged to develop Non – Conventional sources of energy for power generation such as Geo – thermal energy, Biomass based power, Solar power and Wind power; Industrial status will be accorded to these units by the State Government; sales tax would be exempted on a wide range of equipments operated by the sector
- Thermal projects of more than € 85 Million to be treated as Mega Projects and Hydel Projects of more than € 17 Million would be treated as Mega Projects
- The Jharkhand Renewable Energy Development Agency (JREDA) is the nodal agency for promoting the use of renewable energy sources in the state; it is working for the implementation of fiscal and financial incentives made available by the Central Government to develop the sector



### *Physical Infrastructure*

- Jharkhand has National Highways measuring 1,805 Kms and State Highways measuring more than 4,662 Kms
- The participation of the private sector is being encouraged in the construction of highways
- A domestic airport is located at the state capital Ranchi
- Direct links are available from Ranchi to prominent cities in the country, such as New Delhi, Patna, Kolkata and Mumbai
- Airstrips are present at Jamshedpur, Dumka, Bokaro, Giridih, Deoghar, Hazaribagh, Daltonganj and Noamundi
- The total railway route length in Jharkhand is 1,955 Kms; the rail density in Jharkhand is 24.4 km per 1,000 sq Km against the country's average rail density of 21 Kms
- The state has extensive Goods – Handling facilities available at Ranchi, Bokaro, Dhanbad and Jamshedpur

### *Infrastructure planned*

- The Central Government's proposed Dedicated Freight Corridor will pass through the state; the eastern corridor would pass through the states of West Bengal, Bihar, Jharkhand, Uttar Pradesh, Delhi, Haryana, Punjab and Rajasthan and is expected to be immensely beneficial for industries in the state; it would immensely help in the transport of finished products in lesser amount of time thereby bringing in more efficiency
- New railway links to be established within the state
- Inland Container Depot (ICD) at Tatanagar to facilitate export efforts
- The port of Paradeep in the eastern state of Orissa would be linked to Jharkhand by trains to speed up the transport of goods in an efficient manner
- To improve and upgrade the existing road network and provide new road linkages with overbridges to facilitate quick and efficient movement of men, materials and finished goods
- The Ranchi Airport would be upgraded to the status of an International Airport



- To set up Air Cargo Complex at Ranchi to provide a boost to export oriented industries
- Construction of new airstrips in 12 districts of the state for better and fast connectivity within the state thus facilitating landing of Boeing and other bigger aircrafts
- Strengthening and extension of existing 7 airstrips in the state

**Projects in the Manufacturing sector**

<b>Name of Investor</b>	<b>Sector</b>	<b>Investment (€Million)</b>
Monnet Ispat Ltd	Sponge Iron Steel Power	41
Vallabh Steel Ltd.	Sponge Iron Pig Iron Steel Power	8
Aadhunic Alloys & Power Ltd.	Sponge Iron Steel Pelletisation Power	161
Nilanchal Iron & Power Ltd.	Sponge Iron Power Steel	7
Pawanjai Steel & Power Ltd.	Sponge Iron Steel Power	6
Chattisgarh Electricity Co. Ltd.	Sponge Iron Steel Power	29
Narbhey Ram Gaspoint Pvt. Ltd.	Sponge Iron Steel Power	3
Jharkhand Ispat Pvt. Ltd.	Sponge Iron Steel Power	12
Balajee Metal & Sponge Ltd.	Sponge Iron Steel	5



<b>Name of Investor</b>	<b>Sector</b>	<b>Investment (€Million)</b>
Aadhunic Alloys & Power Ltd.	Sponge Iron Steel Power Pelletisation	161
Nilanchal Iron & Power Ltd.	Sponge Iron Power Steel	7
Abhijeet Infrastructure Pvt. Ltd.	Sponge Iron Steel	9
R. G Steel Pvt.Ltd.	Sponge Iron Steel Power	6
Corporate Ispat Alloys Ltd.	Sponge Iron Steel Power	9
Prasad Group Ressource Pvt Ltd.	Sponge Iron Steel Power	12
Horizon Eximp Ltd.	Sponge Iron	2
Prakash Ispat	Pig Iron	2
Spectrum Mercantile Pvt. Ltd.	Sponge Iron	2
AML Steel & Power Ltd.	Sponge Iron Steel Power	57
Chaibasa Steel Pvt. Ltd.	Sponge Iron	2



<b>Name of Investor</b>	<b>Sector</b>	<b>Investment (€Million)</b>
Annpurna Global Ltd.	Sponge Iron Steel Power	15
Electro Steel Integrated Ltd.	Sponge Iron Steel Power	239
Balajee Industrial Products Ltd.	Sponge Iron	2
Rungta Mines Ltd.	Sponge Iron Power	15
Raj Refractories (P) Ltd.	Sponge Iron Steel Power	2
Sunflag Iron & Steel Co. Ltd.	Sponge Iron Steel	27
Essar Steel Jharkhand Ltd.	Pellet Sponge Iron Steel Power	290
Anindita Trades & Investment Ltd.	Sponge Iron Power	17
BMW Industries Ltd.	Sponge Iron Steel Pig Iron	101
Goel Sponge Pvt.Ltd.	Sponge Iron Steel Power	11
Hindalco Industries Ltd.	Aluminium Captive Power	1334



<b>Name of Investor</b>	<b>Sector</b>	<b>Investment (€Million)</b>
Tech AI Corporation	Aluminum	1112
Jindal Steel & Power Ltd.	Pellet Sponge Iron Steel Power	1967
Contisteeel Ltd.	Sponge iron Steel Liquid steel Power	267
Kohinoor Steel Pvt. Ltd.	Sponge Iron Pig Iron Coal washery Power	70
Bhushan Power & Steel Limited	Sponge Iron Steel Power Plant	1796
Kalyani Steel Ltd.	Sponge Iron Steel Power	315
Tata Steel Ltd.	Steel	7182
Tata Steel Ltd.	Steel	1881
V.S. Dempo & Company Pvt. Ltd.	Steel	174
Arcelor Mittal Ltd.	Steel	6840
JSW Steel Ltd.	Steel	5985
Ranchi Integrated Steel Ltd.	Steel	932

<b>Name of Investor</b>	<b>Sector</b>	<b>Investment (€Million)</b>
Burnpur Cement Ltd.	Cement	86
Jupiter Cement Industries	Cement	15
VST Tillers Tractors Ltd.	Power Tiller	11
ESSEL Mining & Industries Ltd.	Steel	325
Sesa Goa Ltd.	Steel	212
Mukand Steel	Steel	741
Cement Manufacturing Company Ltd.	Cement	77
Feegrade & Company Pvt. Ltd.	Steel	118
Bonai Industrial Company Ltd.	Steel	140
Rungta Mines Ltd.	Steel Power	1936
Rungta Mines Ltd.	Cement	224
Vini Iron & Steel Udyog Ltd.	Steel	151
Narsingh Ispat Ltd.	Steel	104
Core Steel & Power Ltd.	Steel	564
Ispat Industry Ltd.	Steel	1154
Ma Chandi Durga Ispat Ltd.	Steel Power	257



<b>Name of Investor</b>	<b>Sector</b>	<b>Investment (€Million)</b>
Jagdamba Fiscal Services Ltd.	Steel	257
Brahmi Impex Ltd.	Steel Power	257
Adhunik Corporation Ltd.	Steel Power	257
Traingle Trading Pvt. Ltd.	Steel Power	51
Premier Ferro Alloys & Securities Ltd.	Steel	313
Pushp Steels & Mining (P) Ltd.	Steel	62
Sarthak Industries Ltd.	Steel	1077
Pushp Steels & Mining (P) Ltd.	Steel	62
Jindal Steel & Power Ltd.	Steel	3174
Swati Udyog Pvt. Ltd.	Cement Grinding	16
Bhushan Steel Ltd.	Steel Power	1197
Ma Chhinmastika Sponge Iron Ltd.	Steel Power	315
Maa Chhinmastika Cement & Ispat Pvt. Ltd.	Steel Power	60



<b>Name of Investor</b>	<b>Sector</b>	<b>Investment (€Million)</b>
V.M. Salgaocar & Brothers Pvt. Ltd.	Steel Power	154
Ramgarh Sponge Iron Pvt.	Steel	134
S.K.S. Ispat & Power Ltd.	Steel	543
Jupiter Iron Industries Pvt. Ltd.	Steel	114
V.M. Salgaocar & Brothers Pvt. Ltd.	Steel Power	145
G S Auto International Ltd.	Auto component	5.13
Tata Steel	Steel	9063
Steel Authority of India Ltd (SAIL)	Steel	6000
Joint Venture between Posco & Steel Authority of India Ltd. (SAIL)	Steel	2565
Joint Venture between Tata Steel & Nippon Steel	Auto grade Steel	2565
Sahara India Power Corporation Limited	Coal Based Power	1400
National Thermal Power Corporation (NTPC)	Coal Mining	550

### ***Auto Components***

- Jharkhand is an ideal hub for auto components manufacturing; advantages like abundant availability of raw materials like iron ore, coal and bauxite and its locational advantage make it suitable for the auto and auto components industry; as the state houses some important steel plants and mines, there is a distinct advantage with respect to freight in sourcing Cold Rolled sheets; auto grade steel plants are being set up
- Jharkhand's automotive industry produces a wide range of products from simple nuts and bolts to complex items like shafts, radiators and axles
- In order to promote the Auto and Auto components industry, the State Government selected the Adityapur Industrial Area for setting up a product-specific Special Economic Zone (SEZ) – the Adityapur Auto Cluster
- There are close to 1000 small, medium and large auto component manufacturers in the SEZ that supply components to the Indian automobile company, Tata Motors; the purpose of the Auto Cluster is to develop infrastructure for the companies inside the SEZ like:
  - A Hazardous Waste Management Facility
  - Information and Communications Technology (ICT)
  - Infrastructure Design support required for computer aided manufacturing
  - Hi –Tech Laboratory
  - Business needs for meeting clients
  - Common Effluent Treatment Plant



### ***Agro & Food Processing Industry***

- One of the strategies for the development of Jharkhand is to ensure sustainable agricultural and rural development
- Water, rich soil and favourable agro – climatic conditions create ideal conditions for promoting a wide range of agricultural activities, particularly horticulture; there is tremendous scope for boosting production of a range of farm products as with the rise in incomes, the increased level of demand for processed fruits and vegetables is on the increase; this creates conducive conditions for investment in the Agri – business and food processing sector; the encouraging feature of vegetable production has been the high productivity levels which are either at par with the national level or even better as far as few crops are concerned; special emphasis is being laid on technological aspects, ensuring new, cheap and timely availability of inputs
- The State Government's pro – farm policies currently help boost cultivation of fruits such as mango on a large – scale; about 30,000 hectares have been added to the cultivation of fruits which assures a huge production base; the state offers hassle – free, single–window clearances with the added advantage of tax incentives and concessions for the sector
- The demand for milk, dairy products, meat and poultry products is expanding, given the food preferences of the tribal people of the state; the supply gap can be filled by entrepreneurial initiatives in setting up processing activities and establishing backward linkages
- Horticultural development has a vast potential not only in terms of meeting the local requirements of fruits, vegetables, flowers, medicinal and aromatic plants but also in terms of exploiting the opportunities for exports
- The specific focus area of the Government is Horticulture; production and processing of fruits and vegetables to service the vast hinterland is seen holding immense potential; Floriculture too is an emerging business opportunity
- The other Agro Industries include Cattle feed production, fibre–based industries such as Jute, Hemp, Sisal, Silk, Paper and Horticulture–based industries like medicinal and aromatic plants production

### ***Areas of Opportunities***

- Grain holding and storage
- Producing Juices, Pulps, Extracts of fruits and vegetables and Canned fruits and vegetables



- Brined, pickled and pasteurized vegetables
- A €20 Million Mega Food Park project would be built and would be situated on the outskirts of the capital, Ranchi; the Park would host a Central Processing Unit, 12 Primary Processing Centres and 59 Field Collection Centres; 40 processing units are expected to operate with an investment of €35 Million and a turnover of around €80 Million annually
- There is an Agriculture Export Zone (AEZ) in Ranchi dedicated to vegetables; AEZs look at a particular produce / product located in an area for the purpose of developing and sourcing raw materials, processing / packaging and exports; the objective is the strengthening of backward linkages with a market oriented approach; the main uses of AEZs are value addition to basic agricultural produce, bringing down cost of production through economy of scale, better price realization for agricultural produce, improvement in product quality and packaging and the promotion of trade related Research & Development
- Joint venture possibilities with Jharkhand State Agriculture Marketing Board and Department of Industries, Jharkhand
- Contract farming involving agreement between companies and farmers directly

### **Tourism**

- Tourism contributes to about 11% of the world work force and 10.2% to the Global Gross Domestic Product; the dynamic growth of this industry is evident from the fact that a new job is added to this sector every 2.5 seconds
- Tourist Arrivals in Jharkhand

<b>2001</b>	<b>2008</b>	<b>2009</b>
450000	6000000	5000000

- In Jharkhand, tourism is one of the important industries owing to the state's rich natural beauty; the state offers Wildlife, Religious & Heritage, Adventure, Tribal, Cruise and Mining tourism

### *Tourism Policy – Salient Features*

- The Policy aims at making Jharkhand one of the most preferred destinations for tourists, both domestic and foreign by ensuring the accelerated development of tourism related infrastructure
- Position every place of tourist interest as an exclusive tourist centre
- Promote private sector participation in the development of tourism
- To attract high end tourists and to increase their stay in the state
- To position Jharkhand as a one stop destination for all adventure related tourism activities, comprising of air, land and water based adventure facilities

### *Various forms of Tourism to be promoted*

- Eco Tourism: The vast ecological resources of nature in the state like forests, perennial water falls, wild life and rich bio – diversity would be used as a backdrop to promote tourism
- Mining Tourism: The Department of Tourism would educate tourists regarding various mining processes and provide various recreational facilities around places where mines are located; closed mining areas of copper, coal would also be used
- Rural Tourism: Rural areas in the state are very rich ethnically and culturally; certain villages would be develop to provide basic facilities to tourists to see the customs, traditions and folk art of the region



- Heritage Tourism: Places of religious and historical significance, palaces and old forts and few other places of heritage importance in the state would be developed to showcase the history and cultural heritage of the state

*Role of the Government*

- Act as a facilitator / catalyst by providing support infrastructure facilities
- Set up of minimum standards for tourism units and introduce an incentive scheme to facilitate private sector participation for tourism infrastructure development and promotion
- Have strategic Joint Ventures with private tour operators for setting up tourist services
- Introduce Single window clearances for projects
- Ensure security for tourists by introducing a Tourist Friendly Security Force

## **Exports**

- In the age of liberalisation and globalisation of the economy, the importance of exports for economic development cannot be ignored. Various measures are being proposed to boost export of various commodities from the state which include Flowers, Metals, Silk, Handicrafts, Automobiles, Computer Hardware etc.
- The Government of Jharkhand has constituted a "State Level Export Promotion Council", headed by the Chief Secretary with wide representation from Industry and Commerce; the council would direct, promote and ensure monitoring of export related activities in the state
- The Government shall set up an Air Cargo Complex at Ranchi, which would give the desired impetus to the export of flowers, vegetables and other relevant commodities
- In order to realise maximum potential of exports for Value Added and manufactured goods from the state, the Government has taken steps to establish a Container Depot and an Inland Container Depot (ICD) at Jamshedpur
- An Export Promotion Industrial Park (EPIP) is proposed to be set up at Dhanbad
- The State Government has formulated an ambitious plan to set up Export Oriented Knowledge Parks
- Special Economic Zones (SEZs) are delineated enclaves treated as foreign territory for the purpose of industrial, service and trade operations with relaxation in customs duties and a more liberal regime with respect to levies and foreign investments

Following would be the facilities offered at the SEZ:

- Single Window Clearance: The Special Economic Zone will provide for a Single Window Clearance for approvals and clearance for investors
- Self-certification will be enabled for all industries using empanelled private sector inspection agencies
- Exemption for small scale and IT industries from registration
- 50% exemption will be allowed on Stamp Duty and Registration Fee on transfer of land meant for Industrial use in the Special Economic Zone
- SEZ does not require Environment Impact Assessment (EIA) approval

### ***Information Technology***

- Jharkhand recognizes the strategic importance of Information, Communication & Technology (ICT) as key components of its agenda for development
- The vision of the State Government for the IT sector is embodied in the statement; “To ensure large scale socio-economic development, sustained growth, transparency in Government policies and decisions and enhanced service delivery by effective use of Information Technology”
- The state has developed an IT policy keeping in mind the enhanced opportunities that IT will unleash over the next decade; these opportunities will allow companies to create value, provide significant opportunities to talent development and employment and enhance efficiencies in governance and providing Citizen-centric services
- Implement a state-wide high speed communication backbone ensuring voice & data connectivity
- Computerise all major departments of the Government over the next 5 years and ensure that information and services are delivered through the electronic media
- Provide strong basic Internet infrastructural support to increase Internet penetration in the state of Jharkhand
- A Satellite Township or IT Park will be setup; the township will have facilities like Office Complex, Residential Blocks, Schools, Hospitals, Recreation Centers and will be well connected to the main city for other services
- A single window service will be provided from the State Government to all agencies willing to invest in infrastructure initiatives
- JAPIT (Jharkhand Agency for Promotion of IT) the agency of the Department of IT would play an effective role as the implementing agency for the IT Sector



*Investment Promotion & Incentives*

- The State Government proposes to provide incentives necessary to foster the rapid growth the IT industry; incentives will be provided to ensure conditions conducive to its establishment and sustained growth
- For creating an investor friendly environment in the state, the Government will ensure the following:
  - Preferential allotment of land to the IT Industry
  - Strengthening the legal environment by taking action against persons compromising with the security of Government databases and supporting aggrieved companies in initiating proceedings in similar offences
  - Set up an Anti – Piracy Cell to review serious cases of piracy and initiating appropriate action

**CONTACT DETAILS & FUNCTIONS OF SOME DEPARTMENTS & AGENCIES OF  
THE GOVERNMENT OF JHARKHAND**

<b>Departments / Agencies</b>	<b>Functions</b>
<p><b>Secretary</b> Department of Industries Government of Jharkhand Nepal House, Doranda Ranchi 834 002 Phone: +91 651 2491844 Fax: +91 651 2491884 Email: jhr-doi@nic.in Website: www.jharkhandindustry.gov.in</p>	<p>Facilitating investment in Industry &amp; Infrastructure</p> <p>Supporting small and rural industries, artisans and craftsman</p>
<p><b>Managing Director</b> Ranchi Industrial Area Development Authority RIADA Bhawan Main Road Ranchi 834 001 Phone: +91 651 2330407 / 2330817 Fax: 91 651 2208407 Website: www.riada.in</p>	<p>Industrial development of 7 Tribal Districts of Jharkhand</p>
<p><b>Managing Director</b> Adityapur Industrial Area Development Authority (AIADA) NS-5, Adityapur Jamshedpur Phone:+91 657 2371693/2371691 Fax: +91 657 2371693 Email: md@aidaonline.com</p>	<p>Industrial development of the Adityapur area of the state</p>
<p><b>Secretary</b> Department of Energy Government of Jharkhand Nepal House, Doranda Ranchi 834 002 Phone: +91 651 2490053 Fax: +91 651 2491002</p>	<p>Development of the power sector in the state</p>

Departments / Agencies	Functions
<p align="center"><b>Secretary</b> Department of Mines &amp; Geology Government of Jharkhand Nepal House, Doranda Ranchi 834 002 Phone: +91 651 2490170 Fax: +91 651 2490641 Website: <a href="http://www.jharkhand.gov.in/new_depts/mines/mines_fr.html">http://www.jharkhand.gov.in/new_depts/mines/mines_fr.html</a></p>	<p align="center">Regulate and administer Mines and Minerals</p> <p align="center">Development of Mines, establishment of mineral – based industries Mineral Conservation and Mine closure</p>
<p align="center"><b>Secretary</b> Department of Information Technology Government of Jharkhand Project Building Room 307 Mantralaya, 3rd Floor PO Dhurwa Ranchi 834 004 Phone: +91 651 2400001 Fax: +91 651 2400956 Email: <a href="mailto:it.secy@jharkhand.gov.in">it.secy@jharkhand.gov.in</a></p>	<p align="center">Devise and implement the IT Policy</p> <p align="center">Provide IT connectivity to the various departments of the state</p> <p align="center">Apply IT to help citizens in their day – to – day interface with the various departments of the Government</p>
<p align="center"><b>Project Director</b> Adityapur Auto Cluster Vikash Bhawan, Main Road Adityapur Telefax : +91 657 2370975 Cell : +91 9234603805, +91 9334611489 Email : <a href="mailto:info@autoclusteradityapur.com">info@autoclusteradityapur.com</a> <a href="mailto:adityapurcluster@gmail.com">adityapurcluster@gmail.com</a></p>	<p align="center">Provides infrastructural facilities for the auto component sector in the Adityapur area</p>
<p align="center"><b>Director</b> Jharkhand Renewable Energy Development Agency 328/B, Road No. – 4, Ashok Nagar Ranchi 834002 Phone No. +91 651 2246970 Fax No. +91 651 2240665 Email : <a href="mailto:info@jreda.com">info@jreda.com</a> Website:<a href="http://www.jreda.com">www.jreda.com</a></p>	<p align="center">Formulate plans and policies leading to the development of the Non – Conventional energy sources</p>



Departments / Agencies	Functions
<p style="text-align: center;"><b>Secretary</b>                      Department of Tourism                      Government of Jharkhand                      Project Building Room 307                      Mantralaya, 3rd Floor, PO Dhurwa                      Ranchi 834 004                      Phone: +91 651 2400981                      Email: :info@jharkhandtourism.in                      Website:www.jharkhandtourism.in</p>	<p style="text-align: center;">Improving the existing                      Tourism Infrastructure</p> <p style="text-align: center;">Developing sustained and                      effective marketing plans                      and programmes to attract                      tourists</p>
<p style="text-align: center;"><b>Secretary</b>                      Department of Civil Aviation                      Project Building, Dhurwa                      Ranchi 834 004                      Phone: +91 651 2401427                      Website:  <a href="http://jharkhand.gov.in/New_Depts/civil/civil_fr.html">http://jharkhand.gov.in/New_Depts/civil/civil_fr.html</a></p>	<p style="text-align: center;">Develop and maintain Civil                      Aviation infrastructure like                      Airport and Helipads in the                      state</p> <p style="text-align: center;">Develop &amp; modernize                      Aviation standards that                      comply with safety                      requirements</p>