

Gujarat Infrastructure Development Board

Study of Saurashtra Coastal Corridor of Gujarat

Section 3 - Policy Benchmarking

Final Report – February 2006

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1 POLICY REVIEW

Introduction

- 1.1 The policy review module aims at comparing the policies of Gujarat government in the benchmarked industries with those in select states. The purpose of this exercise is to understand any gaps and to provide a direction in giving a stimulus to the priority sectors.
- 1.2 We do understand that there would be a number of policies, government orders, government regulations, etc that may have a bearing on a particular sector. However, while approaching sectoral policy review, we have confined ourselves to the latest available policy for a particular sector.¹ We have gathered these policy documents through secondary research.
- 1.3 The stakeholder consultations highlight specific issues that have been detailed below. It would be important to focus on these issues through various policies.

- Since Saurashtra is a backward region, it should be given specific incentives.
- Regional level marketing should be promoted with special events on the lines of Vibrant Gujarat say “Vibrant Rajkot” so as to highlight the advantages of specific regions within Gujarat.
- Policy focus should be on attracting large corporate investment should into locations such as Rajkot that will lead to all round development of Saurashtra.

Stakeholder Consultations

- 1.4 In the subsequent sections, we have benchmarked the following policies of Gujarat with other states: Mining, Tourism and Industrial. We initially present a brief summary of our findings. This is followed by detailed benchmarking.

Key Policy Features

- 1.5 In this section, we discuss in brief the findings of our policy benchmarking exercise. This would facilitate in identifying the key interventions for promoting a particular sector.

Mining Policy

- 1.6 For the mining policy benchmarking exercise, we have reviewed the policies of Rajasthan, Chattisgarh, Jharkhand and Andhra Pradesh in relation to that of Gujarat.

¹ Policy review has been carried out with the primary purpose of identifying the key interventions to facilitate industrial investments in the region. Based on the identified areas, we have held discussions with relevant stakeholders about any existing policies, government orders, government regulations, etc apart from the sector policy that address the areas identified earlier.

1.7 The key findings of benchmarking are:

- (a) Gujarat policy is forward-looking with several laudable initiatives that set it apart from others including: Accreditation of private laboratories, focus on HRD by proposing new courses specific for the area.
- (b) Andhra Pradesh has developed a separate fund for undertaking studies on mineral exploration. It has also proposed a fund called “Development of Mineral Resources and Technology Upgradation fund”.
- (c) Rajasthan has requested Central Government permission for giving larger area for reconnaissance permits. It has also proposed development of a “Land Bank” for compensatory afforestation.
- (d) Chattisgarh and Rajasthan propose to introduce self-assessment of royalty by lessee.
- (e) In AP, the entire minor mineral revenue is being allocated to local bodies.
- (f) None of the states mention any region-specific policy initiatives within the state. However, considering Saurashtra’s development vis-à-vis other regions of Gujarat e.g. Central and South Gujarat, it might need to be re-looked.
- (g) For infrastructure development, AP mining policy proposes allocation of 35% of the minor mineral revenue for infrastructure development in the mining areas. Rajasthan government policy lays specific focus on developing the approach roads to mines and quarries. The state could consider the AP model for infrastructure development in mining areas.
- (h) In terms of timeframes for clearances, Gujarat policy proposes 3-6 month timeframe for minor minerals and upto 12 months for major minerals. However, other states propose lesser timeframes, e.g. Chasttisgarh proposes a timeframe of 3 months and Jharkhand and AP propose timeframes of 2 months each.
- (i) In order to facilitate investments, AP policy proposes to appoint Escort Executives to pursue the projects for expeditious implementation.

Tourism Policy

1.8 For the tourism policy benchmarking exercise, we have compared the policies of Rajasthan, Kerala, Orissa and Maharashtra.

1.9 The key findings of the benchmarking exercise are:

- (a) Rajasthan tourism policy offers a number of incentives for setting up hotels. Maharashtra policy offers incentives for hotels to convert into star category.
- (b) In Orissa, land is given at concessional rate. IIDCO is the nodal agency for land acquisition. Gujarat has displayed similar intent in the policy, which is a welcome step.

- (c) Kerala and Maharashtra offer region-specific incentives. For example, Maharashtra has divided the state into four categories: A, B, C and D, wherein different incentives are offered subject to meeting minimum investment requirements.
- (d) Kerala, Orissa and Maharashtra have a number of policy measures for marketing and promotion. The state government could consider similar measures to realize its tourism potential. This includes incentives for brochure preparation, creation of a separate marketing fund and setting up of a promotional agency.
- (e) In terms of manpower development, Gujarat's policy envisages setting up of Institute of Hotel Management and Food Crafts Institute. However, the policy could also include initiatives such as those in Rajasthan and Kerala where the respective policies propose training for guides and training in foreign languages to promote tourism. Similarly, Kerala policy envisages training programs for people from various walks of life such as cab drivers, customs and immigration officers, policemen and bus conductors.
- (f) A variant of the organization setup in Rajasthan could be considered in Gujarat. For instance, Rajasthan policy provides for a State Tourism Advisory Board and District Tourism Promotion Committees. Such structures could provide a much needed focus for tourism development in Gujarat.
- (g) Suitable measures should be undertaken to give a safe environment for tourists. With no publicity as critical as word-of-mouth publicity, it would be important to ensure that all tourist facilities and associated trade is suitably regulated. Rajasthan has enacted a Tourist Trade Regulation Act. Similarly, as per Kerala's policy, it has a Tourism Registration Act, which is strictly enforced. Kerala also proposes an Insurance Scheme for visiting tourists.

Industrial Policy

- 1.10 For the industrial policy benchmarking exercise, we have compared the policies of Maharashtra, Andhra Pradesh, Chattisgarh and Himachal Pradesh.
- 1.11 Gujarat's Industrial Policy is one of the most forward – looking in the country. Barring states like Himachal Pradesh and Uttaranchal that offer specific incentives, Gujarat offers one of the most industrial friendly regimes in the country. The state government should therefore focus on implementing these proposed policy initiatives. Some of forward looking interventions in Gujarat's Industrial Policy includes setting up of Industrial Estate Development Fund (IEDF) for GIDC estates, incentives for R&D and technology upgradation, marketing & promotion and manpower development (including focus on industry – ITI linkage).
- 1.12 The salient features of the other states' policies that could potentially be adapted in Gujarat include:
 - (a) AP Policy proposes setting up of Industrial Infrastructure Development Fund (IIDF) of Rs. 100 crores. Further, AP policy states that whenever industries are located in places other than Industrial Areas (isolated areas), the Government will share the cost of infrastructure up to 25% or Rs.100 Lakhs whichever is less, if such a location

is otherwise justified. It also proposes to reserve upto 10% water from existing projects and new projects for industrial purposes including existing industrial units.

- (b) Mostly all states offer region-specific incentives. The industrial policy of Gujarat doesn't highlight the same except for a special package for Kutch. The state government could consider a special package for Saurashtra region, at least for a limited period of 5 years.
- (c) The policy initiatives of Himachal Pradesh and Uttranchal could be considered and the Government of Gujarat could make representations to Central Government for extending similar incentives for specific areas of Saurashtra.
- (d) Presented herewith is the detailed comparison of the state government's policies in Mining, Tourism and Industrial with those of select states.

Mining Policy Benchmarking

	Gujarat	Rajasthan	Chattisgarh	Jharkhand	AP
	Mineral Policy 2003	Policy specified in 1994	Mineral Policy 2001	Mentioned as part of Industrial Policy, 2001	Mineral Policy
Thrust Areas (Important Minerals)	<ul style="list-style-type: none"> ■ Lignite exploration, limestone, chalk, china clay, bentonite, and dimension stone like marble, granite etc 		<ul style="list-style-type: none"> ■ Gemstones, cement grade limestone, granite, gold 		
Mineral Exploration	<ul style="list-style-type: none"> ■ Priority exploration for certain minerals ■ Seeking pvt sector participation ■ Preparation of Mineral Atlas and Data Bank 	<ul style="list-style-type: none"> ■ Detailed prospecting for minor minerals in addition to major minerals ■ Emphasis would be given on investigation of limestone (cement grade as well SMS grade), lignite, base metals, noble metals, fertiliser minerals and diamond amongst major minerals and granite, marble, flaggy limestone and 	<ul style="list-style-type: none"> ■ Seek pvt participation ■ Special cell in the Directorate of Geology and Mining will be established to provide escort services. ■ Preparation of inventory, maps 	<ul style="list-style-type: none"> ■ Concerted efforts to expedite / undertake survey / exploration of mining resources. ■ To set up the resource inventory of various minerals. ■ Encourage participation of reputed private parties, multinationals and Central and State agencies in this exercise. 	<ul style="list-style-type: none"> ■ Separate fund for undertaking studies ■ Preparation of database

	Gujarat	Rajasthan	Chattisgarh	Jharkhand	AP
		<p>other dimensional and decorative stones amongst minor minerals</p> <ul style="list-style-type: none"> ■ Seek pvt participation ■ Central Government would be requested to introduce a system of reconnaissance permits for larger areas in the mineral legislation 			
Leasing Policy	<ul style="list-style-type: none"> ■ In Jamnagar, bauxite-mining lease are being granted for value addition and captive consumption only. ■ Mining leases are being granted after obtaining prior approval from the Central Government. 	<ul style="list-style-type: none"> ■ Prescribed minimum size of lease areas will be reviewed ■ Adjoining minor mineral leases of small size granted under RMMCR, 1986 will be allowed to be amalgamated into a single lease provided the total area of all such leases does not exceed 5 	<ul style="list-style-type: none"> ■ Preference in sanction of lease for minor minerals ■ Transfer of quarry leases will be allowed on payment of transfer premium. ■ Adjoining granite lease of small sizes will be amalgamated to promote cluster mining in forest areas. 		

	Gujarat	Rajasthan	Chattisgarh	Jharkhand	AP
		hectares <ul style="list-style-type: none"> ■ Leases would be allowed to be mortgaged in favour of the financial institutions ■ Priority will be given grant of mining leases to such entrepreneurs who are willing to install processing/benefit units. ■ Extended period of lease & renewed leases ■ Preferential treatment for weaker sections ■ Surrender of a part area of a mining lease is proposed to be allowed ■ Simplified procedures for transfer of lease 			

	Gujarat	Rajasthan	Chattisgarh	Jharkhand	AP
Policy Initiatives	<ul style="list-style-type: none"> ■ A system to mark mineral-bearing areas in village form 7/12 of revenue records will be developed in consultation with the Revenue Department. ■ A system will be introduced to ensure that mineral-rich areas are not transferred for any purposes other than mining, without a No Objection Certificate from the office of the Commissioner. ■ Simplify the procedures for leaseholders, and to maintain a balance between the demand and supply of minor minerals. 	<ul style="list-style-type: none"> ■ Limestone (Kota stone) waste from mines, if used as a raw material in an industrial unit, will be exempted from payment of royalty ■ To make a provision for self assessment of royalty by the assesses ■ In order to provide the land for compensatory afforestation, minimum area of 100 hectares, suitable for plantation be set apart and placed at the disposal of the Mines Department as a "Land Bank" in every district. This "Land Bank" would be used for compensatory afforestation by small lease holders (having 1 	<ul style="list-style-type: none"> ■ Self-assessment of royalty by the Leasee will be introduced. 	<ul style="list-style-type: none"> ■ Expedite the granting of mining leases and simplify the procedures with respect to the grant of mining leases. ■ Encourage private sector participation 	<ul style="list-style-type: none"> ■ The entire minor mineral revenue is being allocated to local bodies. The funds are being distributed in the ratio of 25:50:25 to Gram panchayat, Mandal Parishad and Zilla Parishad.

	Gujarat	Rajasthan	Chattisgarh	Jharkhand	AP
		to 5 hectare of mining area) who are operating the existing mining leases in forest land			
Incentives			<ul style="list-style-type: none"> ■ Incentives of Industrial Policy extended 	<ul style="list-style-type: none"> ■ Suitable steps would be taken to adopt state of art technology in mining activities. For this, the Government would promote private sector participation and would offer a package of reasonable concessions on case-to-case basis. 	<ul style="list-style-type: none"> ■ Incentives of Industrial Policy extended
Region-specific focus	None				
Technology upgradation & R&D	<ul style="list-style-type: none"> ■ To make available facility of Chemical Analysis and testing of Physical properties at local level, Private Laboratories equipped with 				<ul style="list-style-type: none"> ■ Development of Mineral Resources and Technology Up gradation Fund ■

	Gujarat	Rajasthan	Chattisgarh	Jharkhand	AP
	available equipments, facilities and technical competence will be accredited. Analysis & Study reports of such laboratories will be considered valid.				
HRD, Manpower development	<ul style="list-style-type: none"> ■ A graduate course in Mining Engineering will be introduced in engineering colleges of Ahmedabad, Bhavnagar, Bhuj and Morbi. A post-graduate course in Geology will be introduced in the Gujarat University 	<ul style="list-style-type: none"> ■ Worker training ■ Study tours for department personnel 			
Infrastructure		<ul style="list-style-type: none"> ■ Approach road to mines & quarries ■ Development of mining estates 	<ul style="list-style-type: none"> ■ Mineral park 		<ul style="list-style-type: none"> ■ State Government is allocating 35% of the minor mineral revenue for the establishment of infrastructure facilities.

	Gujarat	Rajasthan	Chattisgarh	Jharkhand	AP
Value addition	<ul style="list-style-type: none"> Focus on value-addition. Policy lays down the intent, implementation principles not mentioned in the policy. 	<ul style="list-style-type: none"> Lease out cement grade limestone only for captive use in the lessee's cement plants Granite preferential allotment has been provided to entrepreneurs who have installed or who propose to install export printed processing units in a stipulated period Marble - Mechanisation of mines, establishment of processing units, financial capability for making the desired investment in mining and processing unit and export of marble will from the basis for the 	<ul style="list-style-type: none"> Focus on value-addition by giving priority to mineral-based industries 	<ul style="list-style-type: none"> To ensure raw material linkage to mining based and other industries, priority in granting mining leases to such industries and other such facilities shall be extended 	<ul style="list-style-type: none"> Focus on value-addition by giving priority to mineral-based industries

	Gujarat	Rajasthan	Chattisgarh	Jharkhand	AP
Clearances – Timeframes & Committees	<ul style="list-style-type: none"> ■ 2 high powered committees ■ Time limits suggested: Major minerals: 12 months for mining lease ■ Minor minerals: 3 –6 months 	<p>priority in allotment</p> <ul style="list-style-type: none"> ■ Empowered Committee ■ Single Window Clearance ■ Major minerals: 7 months ■ Minor minerals: 7 months ■ Maximum time limit in areas delineated by the dept: 3 months ■ Time limit of 30 days for NOC from Collector (execution of lease agreements) 	<ul style="list-style-type: none"> ■ Lease applications to be disposed off in 3 months ■ Constitution of "Fast Track Committee" to overcome problems due to forest laws ■ Constitution of Action Group at Directorate level 	<ul style="list-style-type: none"> ■ Mining lease applications alongwith project report and all relevant documents would preferably be disposed off within a period of 60 days of the filing of such application. 	<ul style="list-style-type: none"> ■ Mining plans time limit: 60 days ■ Single Window Clearance ■ Two committees: State Investment Promotion Board (SIPB) & State Investment Promotion Committee (SIPC). ■ First state in the country to frame prefixed time limits for disposal of the applications ■ Appointing Escort Executives to pursue the projects for expeditious implementation.

Tourism Policy Benchmarking

	Gujarat	Rajasthan	Kerala	Orissa	Maharashtra
	Tourism Policy 2003 - 2010	Tourism Policy 2001	Tourism Policy	Tourism Policy 1997	Tourism Incentive Scheme 2000 - 2005
Thrust Areas	<ul style="list-style-type: none"> Event-based tourism, tourism circuits 	<ul style="list-style-type: none"> Camp tourism, heritage tourism, Handicrafts and Cottage Industries, fairs & festivals, weekend tourism, wild-life 		<ul style="list-style-type: none"> Golden triangle of Puri-Konark-Bhubaneswar and Chilika Promotion of Special Tourist Areas and Tourist Circuits 	
Incentives	<ul style="list-style-type: none"> Rationalization of taxes and duties 	<ul style="list-style-type: none"> Incentives available for hotels include: Remission in Stamp Duty, luxury tax, land building tax, concessions in bar licences fees Simplification of Land Conversion Rules for Establishment of Tourism Units 	<ul style="list-style-type: none"> Financial assistance will be offered to review and sustain forgotten traditions and dying skills 15% subsidy will be made available to souvenir shops 	<ul style="list-style-type: none"> Land allotment at concessional rate; IIDCO will be nodal agency for acquisition of land Assistance in getting financial support Providing appropriate incentives for establishment of new hotels, as contained in the Industrial Policy, 1996. Preference will be given to locations at or in 	<ul style="list-style-type: none"> Minimum investment requirements zone-wise to claim benefits Tax exemption (luxury tax, entertainment tax, stamp duty) for varied number of years based on the zone Electricity concessions Incentives to hotels to convert themselves into star category

	Gujarat	Rajasthan	Kerala	Orissa	Maharashtra
Region-specific benefits			<ul style="list-style-type: none"> Special tourism schemes and special tourism areas for balanced tourism growth 	close proximity of Identified Tourist Sites	<ul style="list-style-type: none"> State has been divided into four Zones A, B, C and D for purpose of administration Special incentives for Sindhudurg – additional years of incentives and no increase in water and electricity tariffs
Marketing & Promotion	<ul style="list-style-type: none"> E-marketing 	<ul style="list-style-type: none"> Paying guest scheme Strengthen Tourist Reception Centres 	<ul style="list-style-type: none"> Promotion of backwaters - assistance will be provided free of cost and a subsidy of 25% will be given to all schemes related to the product in these sectors. These include setting up of house boats, floating cottages, and special boat races 	<ul style="list-style-type: none"> Large number of efforts of all types 	<ul style="list-style-type: none"> Special capital incentive by way of subsidy subject to a maximum of US \$ 10000 for brochure support would be provided to Indian tour operators with a minimum foreign exchange earnings equals to Rs. 5 crores per annum and to all foreign tour operators.

	Gujarat	Rajasthan	Kerala	Orissa	Maharashtra
			<ul style="list-style-type: none"> ■ Marketing strategy aimed at the markets with the highest potential ■ Suitable use of electronic media ■ Joint promotional agency will be set-up to monitor various agencies. In addition to having the authority for planning joint promotional and marketing ventures, this agency will also create a marketing fund needed for its implementation 		
Manpower development	<ul style="list-style-type: none"> ■ Encourage setting up of Institute of Hotel management and Food Crafts Institute by the private sector. The govt shall consider such 	<ul style="list-style-type: none"> ■ Training of guides ■ Teaching foreign languages 	<ul style="list-style-type: none"> ■ KITTS (Kerala Institute of Tourism and Travel Studies) and IHMCT (Institute of Hotel Management and Catering Technology) 	<ul style="list-style-type: none"> ■ Institute of Hotel Management, Bhubaneswar will be strengthened and expanded. The Indian Institute of Tourism and Travel 	<ul style="list-style-type: none"> ■ For tourism related Educational institutions of National and International repute, the land from tourism areas would be

	Gujarat	Rajasthan	Kerala	Orissa	Maharashtra
	institutions as priority tourism projects and provide land at subsidized rates to the private sector setting up such institutes and ensure fast track clearance.		<ul style="list-style-type: none"> Training programme for people from various walks of life like cab drivers, customs and immigration officers, policemen, bus conductors etc 	Management, Bhubaneswar (Regional Centre for Eastern India) will be developed into a Centre of excellence. A new institute for catering will be set up at Pathrajpur	given at a concessional rate upto 50% of the price/lease premium of land fixed by MTDC for other commercial projects.
Infrastructure		<ul style="list-style-type: none"> Development of Nazool properties of heritage value 	<ul style="list-style-type: none"> Heritage home protection scheme 	<ul style="list-style-type: none"> Five percent of the accrual from M. V. Taxes will be earmarked for various passenger amenities 	
Privatization	<ul style="list-style-type: none"> Land bank scheme Govt shall allot the land on long-term lease basis or by way of outright sale for the tourism projects and the lease rent or sale price of the land shall be fixed in a manner to make the project viable and at the same 	<ul style="list-style-type: none"> Attract private investment in infrastructure e.g. hotels 	<ul style="list-style-type: none"> Seeks to attract pvt sector investment across various areas 		

	Gujarat	Rajasthan	Kerala	Orissa	Maharashtra
	<p>time protecting the interest of the Govt.</p> <ul style="list-style-type: none"> ■ For the purpose of investment in tourism sector, depending on the size of the project and its importance to the State's development, concessions shall be provided either on the lease and its tenure or on the rate to be charged for Govt land and on stamp duty and registration fee on land transaction for the Tourism Projects. ■ Pvtz of TCGL assets in future ■ Attract PSP 				
Organizational Setup		<ul style="list-style-type: none"> ■ State Tourism Advisory Board ■ Divisional Co-ordination Committees for 	<ul style="list-style-type: none"> ■ Development Agency for integrated development of an area 		<ul style="list-style-type: none"> ■ Empowered Committee under the chairmanship of Chief Secretary

	Gujarat	Rajasthan	Kerala	Orissa	Maharashtra
		Tourism ■ District Tourism Promotion Committee			
Implementation	<ul style="list-style-type: none"> ■ Services of existing Gujarat Industrial Promotion Board (GIPB) would be utilized. Commissioner (Tourism) will be the Nodal Officer for implementation of all the policy proposals. ■ All projects with investment < Rs. 50 crore will be approved at the Government level and the projects that are > Rs. 50 crore will be approved by GIPB. Necessary amendment to the GIDB Act will be carried out to ensure the implementation of these delegated 	<ul style="list-style-type: none"> ■ Empowered committee under the chairmanship of Chief Secretary will ensure expeditious disposal of applications for allotment of land for tourism related projects ■ Processing loan applications for tourism sector at Single Window at the RTDC level ■ A special cell in the Bureau of Industrial Promotion (BIP) to process & expedite projects related to tourism sector 	<ul style="list-style-type: none"> ■ Tourism Investment Agency (bridge between the investors and other institutions in getting land, electricity, etc) ■ Tourism department would be the nodal agency 		<ul style="list-style-type: none"> ■ MTDC is the implementing agency ■ MTDC will be authorized to work as single window for clearance for tourism projects. ■ MTDC would refer the proposal to respective Dept. for clearance which should indicate its decision within 15 days, from the date of receipt of the proposal, failing which it should be presumed to be approved by the Deptt.

	Gujarat	Rajasthan	Kerala	Orissa	Maharashtra
	<p>powers.</p> <ul style="list-style-type: none"> For all tourism related matters pertaining to GIPB, the offices of the Commissioner (Tourism) and Managing Director (TCGL) will act as Secretariat to GIPB. 				
Other initiatives	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Tourism Trade Regulation Act 	<ul style="list-style-type: none"> Tourism Registration Act will be strictly enforced Insurance Scheme for Tourists Visiting Kerala 		<ul style="list-style-type: none"> Renew licenses/permissions after every 3 years instead of the present practice of renewing every year.

Industrial Policy Benchmarking

	Gujarat	Maharashtra	AP	Chattisgarh	HP
	Industrial Policy 2003	Industrial Policy 2001	Industrial Policy 2000 – 2005	Industrial Policy 2004 – 2009	Industrial Policy 2004
Thrust Sectors	<ul style="list-style-type: none"> Agro-Processing, textile, apparels, gems & jewellery, SMEs 	<ul style="list-style-type: none"> IT, hi-tech, knowledge based and biotech 		<ul style="list-style-type: none"> Processing of medicinal, aromatic and dye plants, Automobile, auto components, spares and cycle industries, Manufacturing of plant, machinery & engineering spares, Downstream products based on aluminium, Food processing industries, Milk chilling plant and branded dairy products, Pharmaceutical industry, White goods and Electronic consumer products, Power generation from non-conventional sources, Information technology, bio 	<ul style="list-style-type: none"> Floriculture, Medicinal herbs and aromatic herbs etc. –processing, Honey, Horticulture and Agro based industries, Food Processing Industry, sugar and its by-products, Silk and silk products, Wool and wool products, Woven fabrics (Excisable garments), Sports goods and articles and equipment for general physical exercise and equipment for adventure sports/activities, tourism, Paper & paper products, Pharma products, Information & Communication Technology Industry, Computer

	Gujarat	Maharashtra	AP	Chattisgarh	HP
				technology and advanced technology industry	hardware Call centres, Bottling of mineral water, Eco-tourism, Hotels, resorts, spa, entertainment/ amusement parks and ropeways, Industrial gases, Handicrafts, Non-timber forest product based industries
Infrastructure	<ul style="list-style-type: none"> ■ Setting up of various infra and seeking PSP ■ IEDF for upgrading GIDC estates ■ Promote educational complexes ■ Clusters: electricity duty exemptions for 5 years 	<ul style="list-style-type: none"> ■ New industrial townships, SEZs and specialised industrial areas planned ■ 	<ul style="list-style-type: none"> ■ Infrastructure facilities such as roads, electricity, water, drainage etc., to be provided at the door step" of the proposed industry in the areas identified by the State Government as Industrial areas. ■ Industrial Infrastructure Development Fund (IIDF) of Rs. 100 crores may be created ■ Whenever industries are 	<ul style="list-style-type: none"> ■ Focus on PSP in infra ■ Encourage pvt industrial areas ■ Location of industrial areas for balanced development 	

	Gujarat	Maharashtra	AP	Chattisgarh	HP
Incentives	<ul style="list-style-type: none"> Interest subsidy @ 5% per annum or Rs.5 lakhs whichever is less subject to a condition that the unit will have to pay a minimum of 5% of interest per annum. This benefit will be extended for a period of five years, subject to an 	<ul style="list-style-type: none"> Exemption from electricity duty for industries in C, D, D+ and no-industry districts Waiver of stamp duty and registration based on classification Certain benefits to IT & BT units Octroi refund 	<p>located in places other than Industrial Areas (isolated areas), the Government will share the cost of infrastructure up to 25% or Rs.100 Lakhs whichever is less, if such a location is otherwise justified.</p> <ul style="list-style-type: none"> Up to 10% water from existing projects and new projects will be reserved for industrial purposes including existing industrial units. 	<ul style="list-style-type: none"> Non-Resident Indians and investors bringing 100 percent FDI will be entitled to 5 percent extra incentives over and above the directed incentives available to general category investors in the same area. Directed incentives 	<ul style="list-style-type: none"> State govt incentives include: Interest subsidy to tiny/small units in priority sector, capital investment subsidy for units being set up in the Priority sector, special incentive for fruit, vegetable and maize based and herbal based units

	Gujarat	Maharashtra	AP	Chattisgarh	HP
	<p>overall ceiling of Rs 25 lakhs</p> <ul style="list-style-type: none"> ■ Energy Review Subsidy ■ Cash subsidy for assessment of water consumption in the existing industries 	<ul style="list-style-type: none"> ■ Capital incentives to SSIs ■ Interest subsidy to new textile, hosiery and knitwear SSIs ■ Exemption from Sales tax for Khadi & village industries ■ Easier terms for interest and arrear payments for sick SSIs ■ Higher FSI for IT units ■ 	<p>hypothecation deeds executed by the industries in favour of banks or financial institutions.</p> <ul style="list-style-type: none"> ■ 20% Investment Subsidy on Capital Investment on land, buildings and plant and machinery up to a maximum of Rs. 20 lakhs will be given as subsidy to eligible SSI and tiny units. ■ In case of Mega Projects with capital investment exceeding Rs.500Crores, Government may consider a special package of incentives, except tax-based incentives on a case-to-case basis. ■ All Industrial units will be exempted from payment of Non-Agricultural Land Assessment. 	<p>(exemptions / concessions) will be available only to those industrial undertakings which employ, in the case of unskilled labour at least 90 percent, in the case of skilled workers at least 50 percent, and in the case administrative posts at least 1/3rd persons domiciled in the State</p> <ul style="list-style-type: none"> ■ 40 % of the total interest paid up to 5 years, maximum limit Rs. 5 lac per annum (Small Industry in Industrial Area A; higher for other area and larger industry) ■ 25 % of fixed capital investment in the case of scheduled caste / tribe category investors only, 35% to the women 	<p>i.e. units based on local raw material, GST exemption and CST at concessional rates, procurement of raw materials at 1% GST, allotments of plots and sheds at reasonable prices/rates in industrial areas and estates, Project specific special package</p> <ul style="list-style-type: none"> ■ Central Govt incentives extended in January 2003 include: 100% exemption from payment of Central Excise Duty for 10 years, 100% income tax exemption for 5 years and 25% and 30% exemption for the next block of 5 years (for Individuals and Companies), capital investment subsidy @ 15% of

	Gujarat	Maharashtra	AP	Chattisgarh	HP
				<p>investors of scheduled caste / tribe category, without any maximum limit</p> <ul style="list-style-type: none"> ■ Similar for electricity duty ■ Stamp duty exemption for specific industries ■ Exemption from entry tax based on size and location of project ■ Similar for land allotment premium ■ Project report subsidy ■ New small scale industries will be given full exemption from payment of land revenue on diverted land up to a maximum of 5 acres 	<p>investment in Plant & Machinery subject to a ceiling of Rs. 30 lacs, and, enhancement of funding pattern under centrally sponsored schemes like Deen Dayal Hathkargha Protsahan Yojana and Prime Minister Rojgar Yojana. Apart from these, the Central Transport Subsidy is being provided to industrial units @ 75% of the cost of transportation of their finished goods and for transportation of their raw material from the location of their units anywhere in the State to the nearest, specified broad gauge rail head.</p> <ul style="list-style-type: none"> ■ Himachal Pradesh Industrial

	Gujarat	Maharashtra	AP	Chattisgarh	HP
					<p>Renewal Scheme, 2004 for rehabilitating sick units will also be operationalised.</p> <ul style="list-style-type: none"> ■ 100% outright excise duty exemption for a period of 10 years from the date of commencement of commercial production. ■ 100% income tax exemption for initial period of five years and thereafter 30% for companies and 25% for other than companies for a further period of five years from the date of commencement of commercial production. ■ All New industries in the notified location would be eligible for capital investment subsidy @ 15% of their

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					<p>investment in plant & machinery, subject to a ceiling of Rs.30 lakh. The existing units will also be entitled to this subsidy on their substantial expansion, as defined.</p> <ul style="list-style-type: none"> ■ Thrust Sector Industries are entitled to similar concessions as above in the entire state without any area restrictions.
R&D and Tech Upgradation	<ul style="list-style-type: none"> ■ For SMEs: Provide an interest subsidy @ 3% on purchase of all capital equipments necessary to be installed for technology upgradation for a period of 5 years subject to a maximum of Rs.3 lakhs per year ■ Incentives for quality certification – matching grant to 	<ul style="list-style-type: none"> ■ Provision of land for research and educational institutions at concessional rates 	<ul style="list-style-type: none"> ■ 10% of the IIDF may be spent on Technology Development, Cluster Development and Market support systems for the SSI and Tiny sector such as providing corpus for establishment of Technical Institutions, Incubation Centers 	<ul style="list-style-type: none"> ■ Interest subsidy for technology upgradation from Technology Upgradation Fund ■ On receiving ISO 9000, ISO 14000 or any equivalent national / international certification, expenses incurred thereon will be reimbursed to the extent of 50% or Rs. 75,000, 	<ul style="list-style-type: none"> ■ Testing laboratories obtaining ISO9000 and or, ISO14000 series certification set up in the area of testing of raw material/component s and finished products would be eligible for one time grant of Rs. 5 lacs per lab or 30% of the cost of testing equipment and machinery installed, whichever

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	<p>SSIs</p> <ul style="list-style-type: none"> ■ Tech acquisition & patent tracking ■ Cash subsidy at the rate of 50% subject to a maximum of Rs.5 lakhs for the necessary expenditure incurred towards R&D activities 			<p>whichever is less</p> <ul style="list-style-type: none"> ■ On obtaining a patent, expenses incurred thereon will be reimbursed to the extent of 50% or Rs. 5 Lac, whichever is less ■ 	<p>is lower.</p> <ul style="list-style-type: none"> ■ For any technology innovation/ research and development by any individual industry for which a patent has been obtained from the concerned regulatory authority, the State Government will provide subsidy upto 50% of the costs incurred on development of prototype subject to a ceiling of Rs. 10,00,000/-per patent. ■ Technology Transfer Cells will be provided 25% subsidy on fixed assets created subject to a ceiling of Rs. 5 lacs. ■ Existing industrial units and new industrial units will be provided subsidy to the

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					<p>extent of 20% of their cost of installation of modern pollution control devices subject to a ceiling of Rs. 5 lakhs in each case in B and C category areas.</p> <ul style="list-style-type: none"> ■ Incentives for setting up of computerized auction houses and quality certifying agencies
Facilitation / Single Window	<ul style="list-style-type: none"> ■ For industrial projects ❖ < Rs. 5 crore – DIDC ❖ Rs.5-50 crore – Industries Commissionerate ❖ Rs.50-100 crore – Inter Departmental Committee headed by Chief Secretary ❖ > Rs.100 crore – GIPB headed by Hon'ble Chief Minister 		<ul style="list-style-type: none"> ■ Single window clearance ■ District Level Authority headed by District Collector for clearing cases upto Rs.1.00 crore of investment. ■ State Investment Promotion Committee headed by Chief Secretary to clear cases upto Rs.25 crores of investment. ■ State Investment Promotion Board 	<ul style="list-style-type: none"> ■ District Investment Promotion Committees and the State Industrial Promotion Board constituted under the Chhattisgarh Industrial Investment Promotion Act, 2002 will be strengthened for effectiveness. The system of deemed approvals in cases of failure of government 	<ul style="list-style-type: none"> ■ State Level Single Window Clearance and Monitoring Authority under the chairmanship of the Chief Minister to consider and give Government approvals in principle to the medium and large scale projects in the State and to ensure optimum Inter- departmental co-ordination. ■ Single Window Agencies at major

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	<ul style="list-style-type: none"> For giving fast track clearances to the Infrastructure projects, GIDB is already in operation. 		headed by Chief Minister to clear cases beyond Rs.25 crores of investment.	agencies to accord investment clearances within the specified time limit, will be put in place	<p>industrial towns</p> <ul style="list-style-type: none"> Clearances for Small Scale Projects will be granted across the table. Special Escort Services would be provided by the HPSIDC on payment basis to escort prospective entrepreneurs and help them obtain necessary approvals and clearances.
Implementation Mechanism	<ul style="list-style-type: none"> Monitoring Committee under the Chairmanship of Hon'ble Minister of State for Industry with Industries Commissioner as Member Secretary 				
Marketing & Promotion	<ul style="list-style-type: none"> Common Branding and Marketing Fund Developing Virtual Exhibition Portals Developing 				<ul style="list-style-type: none"> 50% of the cost of publishing exports marketing brochures and product literature incurred by industrial units

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	<p>Product-Country Matrix</p> <ul style="list-style-type: none"> ■ Participation in Exhibitions abroad ■ Cash assistance for sending product samples abroad to the prospective buyers for approval, upto a maximum of Rs.50,000/- per year. ■ Participation in seminars abroad: assistance will be given @ 50% of the cost of participation fees, subject to a maximum of Rs 50,000/- limited for a duration of two months ■ Setting up permanent exhibition-cum-convention centers ■ Patent Registration: cash subsidy @ 50% of the expenditure 				<p>subject to of Rs. 15,000/- per unit per year will be reimbursed by the Director of Industries.</p> <ul style="list-style-type: none"> ■ 50% of the cost of participating in relevant overseas trade fairs approved by the Trade Fair Authority of India/State Government will be reimbursed by the Director of Industries to such units in the SSI sector, up to a of Rs.25,000/- per unit during any financial year.

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	incurred subject to a maximum of Rs.5 lakhs would be offered once per product/ process per institution/ individual.				
Manpower Development	<ul style="list-style-type: none"> ■ Specialized courses would be introduced for specific sectors over a period of time. ■ To set up ITIs exclusively for industrial clusters on demand. ■ Partnership with industry in the management of ITIs through Institute Management Committees to be chaired by the Presidents of the local industries associations 	<ul style="list-style-type: none"> ■ Provision of land for research and educational institutions at concessional rates 			<ul style="list-style-type: none"> ■ Land at concessional rate may be given ■ Private recruitment agencies which obtain a No Objection certificate from the Labour Commissioner-cum- Director of Employment, H.P. will be eligible for allotment of land in industrial areas/ built up space, wherever available for operating such recruitment agency. The land/ built up space, as the case may be will be allotted, on the same terms and conditions as those for industrial units. ■ Industrial units

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					<p>organizing recruitment camps outside the District of their location and which conduct campus interviews in colleges, universities, technical training institutions located anywhere in the State shall be eligible for incentive for recruitment of bonafide Himachali's at the rate of Rs.500/- per candidate so employed by them on regular basis.</p> <ul style="list-style-type: none"> ■ Subsidy on manpower development will be given to industrial units, which send workers outside the State for technical training for up grading of their skills to a Government recognized institution or registered/ licensed

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					unit. This subsidy will be given provided that the unit gives an undertaking to the effect that all such trained workers will continue to be employed by it after the training, for a period of 3 years atleast. 50% of the actual cost of training, with an upper ceiling limit of Rs. 5000/- per trainee will be reimbursed subject to a ceiling of Rs. 25,000/- per unit per year for the period of training.
Region-specific initiatives	<ul style="list-style-type: none"> ■ Fast Track Clearance Mechanism for projects in Kutch ■ 	<ul style="list-style-type: none"> ■ Districts classified as A, B, C, D, D+ and No-Industry districts; incentives varying across various categories 	<ul style="list-style-type: none"> ■ Area specific incentives (incentives applicable outside the municipal limits of certain cities) 	<ul style="list-style-type: none"> ■ Classification of backward areas in place 	<ul style="list-style-type: none"> ■ Categorisation of districts / areas for incentives into A, B and C categories
Other key policy initiatives	<ul style="list-style-type: none"> ■ GIDC estates to be made functionally independent ■ Performance appraisal and rating 	<ul style="list-style-type: none"> ■ Review of labour laws under progress ■ Reduce number of inspections 			<ul style="list-style-type: none"> ■ Single return for various labour laws ■ Rationalisation of inspections

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	<p>of estates</p> <ul style="list-style-type: none"> ■ Annual consolidated return (one comprehensive visit to the unit) and Self-certification ■ Single Business Act ■ Gold Pass System started by GPCB ■ Coordinating nodal agency will be created under Industries Commissionerate to help trading of the carbon credits announced under the Kyoto Protocol 	<ul style="list-style-type: none"> ■ 46 forms and returns to be submitted by industrial establishments have been clubbed ■ 			<ul style="list-style-type: none"> ■ Purchase Preference to Himachal products

