

**SNAPSHOT OF INCENTIVES  
JHARKHAND IT / ITES POLICY 2016**

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## Total limit of Incentives

The total Fiscal Incentives paid to a unit in Jharkhand shall not be exceed 50% of the capital cost of the project excluding the cost of land, transfer fee and registration charges.

S. No	Subsidy/Incentive/Concession/ Reimbursement	Incentive	Applicability	Limitation
<b>Fiscal Incentives</b>				
1	Registration, Stamp duty and Transfer Fee	100%	Reimbursement of stamp duty, transfer duty, and registration fee paid by the companies on sale/lease deeds on the first transaction only.	The incentives shall not provide in case of Government land
2	Patent Filing	100%	Shall reimburse the cost of Rs 25,000 Per candidate passing out subject to a maximum of 20 candidates per year	It shall not be covered or be considered under total cap placed on incentives at 25%.
			The state shall reimburse 100% of the cost of filing patent by company/unit	
3	Recruitment Assistance	Rs 20,000 per employee	Recruitment assistance per employee for a minimum annual recruitment of 10 new IT/ITeS professionals	From the colleges located in physical limits of Jharkhand
4	Employment Rebate on cost of land purchased	Rs 30,000 per employee	Reimbursement on the cost of the land will be provided per employee.	The employee should be resident of Jharkhand or has done above class 10th studies from Jharkhand.
5	Reimbursement on Cost of Certification	50%	Reimbursement of 50% of cost on certification in leading edge emerging technologies as decided by department.	Subject to maximum of Rs 5 lakh per product
6	Electricity duty	For 10 years	Reimbursement from payment of Electricity duty from date of commencement of production	For the period of 10 years
7	Reimbursement of Provident Fund	50% per month per employee	Reimbursement of PF per month per employee of the PF paid by the unit for all created positions by units	For a period of 5 years
8	Income Tax Reimbursement	50%	Income tax for all IT/ITes started new within 5 calendar years shall be eligible for reimbursement	It shall not be covered or be considered under total cap placed on incentives at 50%.
9	Interest Reimbursement	100%	The state shall reimburse the interest paid by the unit to scheduled commercial bank in India	Subject to maximum of Rs 1 Cr. It shall not be covered or be considered under total cap placed on incentives at 50%.
10	Technology Acquisition	50%	The state will reimburse the cost of technology acquisition	Subject to the maximum of Rs 1 Cr for every 5 years.

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11	E-Waste Management	5% additional incentive	5% additional incentives to set up a disposal facility investment beyond Rs 5 Cr	Income tax holiday for 10 years
12	Reimbursement of Certification cost	Rs 25 lakhs	Certification cost towards certification likes CMM/CMMi, ISO other for a maximum of 3 certifications shall be reimbursed	Maximum of Rs 25 lakhs
<b>Special Incentives for Focus Areas</b>				
<b>1.</b>	<b>Mega Projects</b>			
I	Mega Projects	Tailor Made packages	<p>Tailor made package of incentives shall be offered for establishment of mega project in Jharkhand</p> <p><b>Leading Edge Technologies:</b> Tailor made packages of incentives shall be available for leading edge technologies.</p> <p><b>Power Generation:</b> Shall be allowed sell power on Power exchange and also earn carbon credits.</p> <p><b>Solar Power:</b> The mega project shall be provided a 15% capital reimbursement or Rs 25 lakhs whichever is lower. Solar Power generation units will also enjoy 50% reimbursement of electricity duty for a period of 5 years.</p> <p><b>Reimbursement on Cost of Land allotted:</b> A rebate on the cost of the land will be provided @Rs 20000 per employee to the mega IT projects, subject to maximum of 80% land cost as determine by the allotment of agency.</p> <p><b>Single Window Assistance:</b> Single Window Assistance for executing Mega projects. A dedicated office will be appointed for the investment more than Rs 500 Cr.</p> <p><b>Capital/Investment Reimbursement:</b> 10% of total investment by the unit in building, plant, machinery, testing equipment etc.</p>	
<b>2.</b>	<b>Start-up Companies:</b> Special incentives under Stat up Policy shall be availed.			
<b>3.</b>	<b>IT based R&amp;D companies:</b>			
I	R&D Grants	10% of entire man power	Goj will provide specific R&D grants to IT companies to the maximum of 10% of entire man power expenses on R&D operations.	
II	International Patents	Rs 1 lakhs	All patents filed from a unit doing research shall be accorded Rs 1 lakh per patent	

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III	Establishment of Strategic Research areas	Rs 10 cr	A Pool fund of Rs 10 cr per year for a period of 5 years shall be set up by the GoJ for establishing Strategic Research in State renowned institutions.		
IV	Performance Contract	N.A	Contracts will be established between Govt, Industry and Research institution		
<b>4.</b>	<b>Tier-II and Tier-III locations</b>				
I	Marketing assistance	50%	50% exhibition stall rental cost or Rs 50000 whichever is lower will be reimbursed	National/International exhibition limited to 9 Sq.mts of space.	
II	Anchor Units	Rs 20 Lakhs	Total reimbursement of Rs 20 lakhs to the first 5 anchor units	Employing more than 150 professionals for IT or 250 professionals from ITeS units	
III	Back office operations	Rs 20 lakhs	50% investment reimbursement on fixed capital investment,	Maximum limit per unit Rs 20 Lakhs	
		Rs 2,000	Training reimbursement of Rs 2,000/month/person for 3 years		
		20%	20% reimbursement on corporate and internet and telephone charge	For the period of 3 years	
IV	NET VAT	100%	Shall be eligible for reimbursement of NET VAT paid per annum to a maximum of 100% of total fixed capital investment	The reimbursement depending on the location as follows:	
				<b>Location</b>	<b>Duration</b>
				A	5
				B	7
				C	9
<b>5.</b>	<b>MSME and other Mid-Scale units, Schedule Caste, Schedule tribe, Women entrepreneurs and underprivileged or differently abled</b>				
I	Rent Reimbursement	50%	Reimbursement of lease rentals for the plug and play built up office space taken	By start up /MSMEs/first generation technocrat entrepreneurs, SC,ST&Women entrepreneurs either in STPI, IT/Multi-purpose SEZ/IT Parks or in any notified private area/location for a period of 5 years.	
II	Training Assistance	Rs 10,000	Reimbursement assistance per IT professional employed within period of two years of establishing the units	For a minimum period of 3 years	
III	Bandwidth Reimbursement	20%	A reimbursement on bandwidth for connectivity to the tune of 30% paid to Internet service provider (ISP)	N.A	

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III	Municipal Duties	3 years	Three years moratorium on payment of all municipal duties	N.A	
IV	Government of India schemes	Various promotional schemes of different Ministries of Govt of India are proposed to be suitably complete these schemes enabling the entrepreneurs to avail maximum advantages			
V	CST/VAT/GST	100%	Reimbursement of NET VAT paid per annum up to a maximum of the total fixed capital investment	The reimbursement depending on the location as follows:	
				<b>Location</b>	<b>Duration</b>
				A	5
				B	7
C	9				
VI	Divyang Training Reimbursement	Rs 15000 per person	Reimbursement of Rs 15000 per person shall be provided to IT/ITeS unit employing Divyang	Training reimbursement of Rs 2,000 / month / person for 3 months shall be provided	
<b>6.</b>	<b>Designated Technology Parks (DTP):</b> The incentives/benefits under this policy shall be available to private infrastructure providers/developer/builders/ owners/ lessors/ operators of DTP				
I	Stamp duty	100%	Reimbursement of Stamp duty, transfer duty and registration fee paid by Companies		
II	Reimbursement of Property Tax	50%	50% of reimbursement of insurance premium on building insured, Proportionate and limited to the build-up office/shed space rented/leased to the IT/ITeS/software applications		
III	Facility management reimbursement	75%	75% reimbursement in facility management charges in 1st year, 50% in 2nd year, 25% in 3d year paid to facility management companies		
IV	Interest Reimbursement	20%	Reimbursement of 20% of the total interest paid per annum on the loan obtained from financial institution for 3 years		
V	Reimbursement on development of common facilities	50%	Reimbursement will be made of onetime costs only on creating common infrastructure		
VI	Solar Power	15%	The mega project shall be provided a 15% capital reimbursement or Rs 25 lakhs whichever is lower. Solar Power generation units will also enjoy 50% reimbursement of electricity duty for a period of 5 years.		
VII	Reimbursement of Provident Fund	50%	Reimbursement of PF per month per employee of the PF paid by the unit by the DTP for all new created positions.		

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<b>Incentives to IT/ITeS, ESDM and other Companies:</b> Incentives shall be available to IT/ITeS/Software development companies/System Integrators/ ESDM companies for a period of 5 calendar years				
I	Lease Rental Reimbursement	25%-75%	75% Reimbursement of lease rentals for 1st year, 50% for 2nd year, and 25% for 3rd year for the plug and play built up office space taken	Maximum of Rs 15 lakh per annum
II	Bandwidth Reimbursement	20%	20% of bandwidth connectivity paid to Internet Service Providers	Maximum of Rs 15 lakhs
III	Power Reimbursement	50%	Reimbursement of 50% of the power consumed by DTP	For period of 5 years
<b>Internet of Things (IoT)</b>				
I	Municipal Duties	3 years	Three years moratorium on payment of all municipal duties	N.A
II	Bandwidth	20%	A reimbursement of 20% on all bandwidth for own use	For first 3 years
III	International Patents	Rs 1 lakhs per patents	Reimbursement on all international patents from IoT	Rs 1 lakhs per patent
IV	Marketing Assistance	50%	50% exhibition stall rental cost or Rs 50000 whichever is lower will be reimbursed	National/International exhibition limited to 9 Sq. mts of space.
V	Lease Rentals	50%	Reimbursement of lease rentals paid to the hub/ infrastructure provider for leasing IoT office space	Subject to a maximum of Rs 10 lakhs for period of 5 years
VI	Capital Investment reimbursement	10%	Total investment by the unit in building, plant, machinery, testing equipment etc.	Subject of maximum of Rs 5 Cr
V	Knowledge Centre	A Knowledge Centre is proposed to set up by Dept.		
<b>Non Fiscal Incentives</b>				
I	Land Bank	Demarcation of IT parks/IT SEZs with provision of basic IT Infrastructure and connectivity		
II	Allotment of Govt land	Export oriented units will be preferred in the land allotment by the state		
III	Local preference	All software and hardware to be purchased by the Government shall have a local preference clause		
IV	Single Window Assistance	Single Window Assistance for executing ESDM Projects		
V	Fixed time approvals	Fixed time approval through Single Window Assistance		
VI	Exemption from Inspections	IT/ITeS/ESDM industry shall be exempt from inspections under various acts and rules as under barring inspections made for verification of specific complaints.		

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VII	Late shift for Women		The company employing women after general shift be responsible for escorting the women by armed security guards.	
VIII	Air Cargo Complex		Setting up of an Air Cargo Complex in proposed in the state, near the hardware production centre preferably.	
IX	Exemption from Pollution Control inspection		Entities on below 10KW power consumption shall be exempted from pollution control inspection	
X	Setting up IT/ITeS units in any zone		IT/ITeS units allowed to set up in any zone including residential zone	
XI	FAR relaxation		More than 50% FAR allowed upon the approval of concerned Authority/ULB	
XII	Self-certification of building drawings & design		All private IT parks/IT towers under various GoI schemes allowed for self-certification for their building design & design	
III	Apprenticeship training for IT/ITeS graduates		Govt will facilitate, collaborate educational institution with industry for apprenticeship.	
VI	Air Cargo Complex		Setting up of an Air Cargo complex is proposed in the state, near the hardware production center preferably set up	
VII	Demand generation and citizen support		GoJ will tie up with the industry to increase the demand for IT/ESDM/Communication products	