



INDUSTRIAL POLICY 2019-2024

“गढ़बो नवा छत्तीसगढ़”

Towards Attaining Inclusive Growth, Self-Reliant and Mature Economy

**Government of Chhattisgarh
Commerce & Industries Department**

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INDUSTRIAL POLICY 2019-2024

1. VISION

“गढ़बो नवा छत्तीसगढ़” – To build a self-reliant and ever-progressing economy in the State through an integrated, inclusive and sustainable industrialization.

2. MISSION

To attain the dream of “गढ़बो नवा छत्तीसगढ़” (Creating a New Chhattisgarh), the State is poised to use its own internal potential & natural resources to the fullest by aligning and synergizing with the innovative techniques of national & multinational corporate giants to make Chhattisgarh State a self-reliant and a consistently progressing economy to uplift the living standards and to bring happiness in the lives of the common people of the State.

To enhance necessary infrastructure in identified industrially backward development blocks & to provide maximum incentives/facilities to develop the industrial ecosystem so as to generate more job opportunities over there.

To provide incentives to the mineral based core sector industries in the industrially backward development blocks in addition to agro based, horticulture based, dairy based food processing, minor forest produce based and medicinal plants based industries across the State on priority so as to enhance the incomes of the farmers and the people of remote forest areas engaged in collection and trade of the minor forest produces.

To link the symbolical tradition of the State – Narwa, Garwa, Ghurwa and Badi (NGGB – Scheme for conservation and rejuvenation of water sources, cattle wealth, organic composting and kitchen gardens) with the industrial ecosystem so that balance between the agro based culture and the environment is established to ensure sustainable development.

To ensure the holistic and sustainable development by making mandatory provisions of giving priority to the local people in employment and special incentives for the weaker sections so that gets the benefits of various schemes of the State Government trickle down to the last person of the society.

3. Preface

Nature has blessed Chhattisgarh State with abundance of precious minerals and forest resources. The strategic & convenient geographical location of the State connects almost half of the population of the country as neighboring States. This natural endowment is prime factor for development of the State. Almost 44% of the total area of the State is covered by dense forest full of biodiversity. Almost all types of minerals, biodiversity and herbs used in Ayurveda are available in the picturesque valleys and forests of the State.

The first three Industrial Policies of the State mainly dealt with the investment in the core sector, resulting Chhattisgarh to be the most preferred destination for the investors. Even today, this is one of the leading States providing uninterrupted quality power supply. The easy availability of skilled workforce at reasonable rates with zero labour unrest is the key attraction for the investors in the country.

The outgoing Industrial Policy 2014-19 did not have attractive provisions for investment in core sectors resulting in setback for industrial development whereas the neighboring States got more investment during the period. We are removing this incongruity in this policy 2019-2024.

Keeping in mind the abundant paddy production in the State and its surplus, it has been decided to provide special incentives for the production of Bio fuel/Ethanol using the surplus paddy. It has also been decided to put special efforts to promote the manufacturing of herbal medicines and forest produce based manufacturing industries. Besides, pharmaceutical industries, industries based on robotics, artificial intelligence, IT & IT-enabled services and bio-technology are also the priority of the State Government. For this a new special category of industries of “**High Priority**” has been evolved.

By using the modern IT tools, the processes of obtaining various consents, licenses, registrations and permissions from all concerned government departments for setting up an industry have been simplified under Ease of Doing Business (EoDB) measures. To complete the entire process of issuing the required registrations, licenses, consents & permissions in the stipulated time limit, the system to fix up the case-wise responsibility of the officers is being developed.

To enhance the capacity of traditional & existing industries, the existing industries have been permitted to get the assistance for substitution/diversification including industries that are producing various products required for growth of Space, Defence, Railways and Atomic Science. Provisions have been made to give every possible support to all such industries keeping local needs in focus. After having marathon discussions with various representatives of industry-bodies, it has been decided to sweep away the practical difficulties for substitution,

diversification & expansion of existing industries along with installation of new industries in the State.

Keeping in view the requirements of various modes of transport, the State Government is committed to complete all the undergoing projects of Rail, Road & Air connectivity rapidly, so that the free and fast movement is ensured in every part of the State.

Acknowledging the overriding importance of people's participation, in order to formulate this policy, detailed discussions were held at different levels with almost all stakeholders, e.g., industries associations, eminent educational institutions, various State Government Departments officials associated with industrial investments and trade union representatives. The successful implementation of this policy will improve the trust of investors in the State Government as well as achieve the goal of holistic and inclusive development of the State. This further will increase the State's contribution in the GDP of the country and make **a more Prosperous Chhattisgarh.**

4.OBJECTIVES

- 4.1 To produce the consumer products at reasonable cost by taking advantage of strategic geographical location of the State.
- 4.2 Balanced & integrated growth of the State.
- 4.3 To attract more Domestic & Foreign investments in the State in comparison to other States.
- 4.4 To create ecosystem for value addition in herbal, medicinal and other forest produces available in the State.
- 4.5 To generate more job opportunities and self employment for youth of the State.
- 4.6 To setup maximum industries of priority /high priority categories.
- 4.7 To facilitate economic empowerment of the entrepreneurs belonging to weaker sections, SC/ST communities, Ex-Servicemen and women entrepreneurs.
- 4.8 To facilitate for training of the local youths as per the requirement of the local industries.
- 4.9 To attract more investments in the sunrise industries such as textile, pharma, robotics, artificial intelligence, IT & ITeS, biotechnology and in the field of non-conventional energy generation.
- 4.10 To ensure judicious exploitation of available mineral resources.

- 4.11 To promote modern technique of farming, food processing and ware housing of food grain in the far-flung area of the State.
- 4.12 Overall Economic Development of the State.
- 4.13 Special incentives for investment in Non-Polluting industries.
- 4.14 To promote exports from the State.
- 4.15 Environmental Conservation.
- 4.16 To promote Gems & Jewellery industry.
- 4.17 To develop logistics facilities in the State.

5. STRATEGY

- 5.1 Keeping in view the present scenario of industrial development, all development blocks of the State have been classified into the four categories viz, Developed, Developing, Backward & Most Backward blocks.
- 5.2 More incentives to the biodiversity based industries, forest produce based industries, herbal and food processing industries for establishment in the district of abundance itself.
- 5.3 More incentives for setting up industry in the same district where these local natural resources and the raw material are available.
- 5.4 For economic & social upliftment of State more incentives have been planned for the weaker sections of the society, SC/ST, women entrepreneurs, third genders, ex-servicemen (including ex- para-military forces personnel) and LWE affected people.
- 5.5 To cater to the need of the local industries, and to make the educational curriculum more job oriented, coordination for setting up of new ITIs & Polytechnics as per requirements and addition of new curriculum.
- 5.6 Efforts to set up more incubation centers to promote innovation.
- 5.7 Develop more industrial infrastructure in rural areas to promote rural industrialization for overall development of rural areas in State.
- 5.8 To ensure optimum use of the investment potential in the interest of the State and to provide opportunities, new industrial areas/parks will be developed at the block level.
- 5.9 Special package for the investment in the new sectors.

6. ADMINISTRATIVE MANAGEMENT

- 6.1 The State Investment Promotion Board will be strengthened to ensure the time bound implementation of the medium and large projects.
- 6.2 Rationalization and Simplification of the process of issuing approvals, permissions & consents during investment process.
- 6.3 Simplification of the various applications and acceptance of the self certified documents.
- 6.4 To ensure the time bound disposal of the applications for approval, permissions & consents, regular monitoring at the State level will be done by the HoDs & weekly monitoring at the District level under the chairmanship of District Collectors to ensure accountability.
- 6.5 Monitoring of implementation of the investment proposals at regular intervals at State level.
- 6.6 Separate provisions on departmental website to deal with the issues related to existing industries along with establishment of new industries.
- 6.7 Conduct regular workshops & short term training programmes for entrepreneurs & youths of the State.
- 6.8 Special guidance scheme to ensure Quality of products of Micro & Small industries.
- 6.9 Provide marketing support to Micro & Small industries of the State through Government run marketing portal **E-Mane-C**.
- 6.10. Provision to avail maximum benefits of various Government schemes to Micro & Small industries for financial assistance.
- 6.11 Make existing Single Window System more seamless and investor friendly.

7. INFRASTRUCTURE DEVELOPMENT & INDUSTRIAL LAND MANAGEMENT

- 7.1 To ensure the holistic development of rural areas in the State, at least one industrial area/park will be set up in each Development Blocks.
- 7.2 Empowerment of CSIDC to procure private land for land bank at reasonable rates to setup new industrial areas.
- 7.3 Formulation of consultative committees at local level for the maintenance of the existing industrial areas.

- 7.4 Need based setting up of Water, Effluent treatment plants & solid waste management for conservation of environment under PPP model. The tree Plantation will be made compulsory in all industrial areas.
- 7.5 Setting up of Cluster based Common Facility Centers in PPP model. Promotion of private sector for setting of Common Facility Centers.
- 7.6 Provisions for setting up of Fire Brigade Station in every industrial area of more than 100 Hectares.
- 7.7 Rationalization of land allotment prices for development of logistics parks to increase storage capacity of the State.
- 7.8 Reduction of rates of the industrial land for backward & most backward development blocks.
- 7.9 Rationalization of Property tax & other local taxes in industrial areas.
- 7.10. Construction of Multi storied (Flat type) industrial buildings by CSIDC in the industrial areas for micro and small industries
- 7.11 Removal of encroachment in the green belts of the industrial areas for the purpose of intensive plantation.

8.MARKETING SUPPORT

- 8.1 For the purpose of ensuring procurement from MSME units located within the State, efforts will be made for successful implementation of the MSME Procurement Policy effective in Central PSUs, accordingly all PSUs in the state will be pursued to submit quarterly purchase detail of items and their suppliers to the respective District Trade & Industries Centers.
- 8.2 By making necessary amendments in The Chhattisgarh Store Purchase Rules, a digital marketing platform E-MaNe-C (E Marketing Network of Chhattisgarh) has been developed for the purchase of various items by the State Government Departments/ Corporations/ Boards / Commissions / Institutions. This will ensure quality and transparency in the Government procurement and encouragement of industries in the State.
- 8.3 To make MSME Facilitation Council more effective.
- 8.4 Make provision for assistance for State industries to participate in various national & international exhibitions & trade fairs to explore new markets for their products.

- 8.5 Preference in Government purchase to the units set up by Start-Ups in the State.

9. EXPORT FACILITATION

- 9.1 Coordination for special tax rebates for the products exported by the industries of the State.
- 9.2 To ensure competitiveness for the products exported from the State industries, provision for transport subsidy to nearest harbor/seaport.
- 9.3 Necessary steps to ensure the quality of goods to be exported from the State.
- 9.4 To organize regular Buyer Seller meets.
- 9.5 Maximum utilization of Regional office of APEDA (Agricultural & Processed Food Products Export Development Authority) proposed at Nava Raipur.
- 9.6 Coordination with National level institutions to promote export of Gramodyog products.

10. SINGLE WINDOW SYSTEM

- 10.1 The Single Window System (SWS) at District and State level set up under Chhattisgarh Industrial Investment Promotion Act 2002 to ensure fast & time bound disposal of the applications received from the investors will be further strengthened through continuous monitoring at District & State level.
- 10.2 To make SWS more effective and to ensure the disposal of the applications for setting up business/industries in the State within prescribed time limit, all the Departments will ensure that no separate applications are received and there are no parallel online systems being used to provide approvals through Department's specific web portal. All the concerned Departments will ensure that the applications for obtaining approval are being routed through the Industries Department's nodal office/ portal only.

11. ENTREPRENEURSHIP DEVELOPMENT & SKILL UPGRADATION

- 11.1 District level entrepreneurship development training programs will be organized in collaboration with District Trade & Industries Centers, industries associations & various educational institutions.
- 11.2 To make the curriculum of Higher education and professional courses more job oriented, necessary coordination for inclusion of additional syllabus in consultation with different industries associations and experts for providing employment in local industries.

- 11.3 Provision of integrated single online platform having details of various skill development programs offered by State & Central Government and to facilitate employment opportunities in the local industries.

12. STARTUP

- 12.1 Develop effective ecosystem for promoting Startups.
- 12.2 To promote Startups in the State, extension and rationalization of incentives.
- 12.3 Efforts to setup incubators to encourage Startups.

13. CLUSTER DEVELOPMENT

Efforts for identification of potential Clusters for industries based on stone cutting, rice, pulses and poha making and coordination with district level Industry associations for this purpose.

14. BRAND CHHATTISGARH (PROSPEROUS CHHATTISGARH)

Organize various Workshops, Seminars & Road Shows at national and international level, from time to time, to attract investments in the State across different sectors.

15. PROVISIONS FOR INDUSTRIAL INVESTMENT INCENTIVES

- 15.1 To achieve the objectives of this policy following the laid down strategy various investment promotion incentives, exemptions have been provisioned for the eligible new industries, expansion of the existing industries, substitution/ diversification in/of existing industries under the general, priority & high priority category industries.

S. No	Feature Description	Appendix
1	Interest Subsidy	Annexure (6.1)
2	Fixed Capital Cost Subsidy (Only for Micro Industries)	Annexure (6.2)
3	Net State Goods & Service Tax (Net SGST) Reimbursement (for Small, Medium & large Industries)	Annexure (6.3)
4	Electricity Duty Exemption (for Micro, Small, Medium & large Industries)	Annexure (6.4)
5	Stamp Duty Exemption	Annexure (6.5)
6	Mandi Tax Exemption (for Micro, Small, Medium & large Industries)	Annexure (6-6)
7	Project Report Subsidy	Annexure (6.7)

8	Diversion of land use Fee Exemption	Annexure (6.8)
9	Concession in Service Charges for allotment of land outside Industrial Area (Land Bank)	Annexure (6.9)
10	Exemption/Concession in land premium on land allotment in industrial areas for Entrepreneurs of Scheduled Castes /Tribes (for Micro, Small, Medium Industries/Enterprises)	Annexure (6.10)
11	Quality Certification Subsidy	Annexure (6.11)
12	Technology Patent Subsidy	Annexure (6.12)
13	Technology Purchase Subsidy	Annexure (6.13)
14	Margin Money Subsidy	Annexure (6.14)
15	Industrial Award Scheme	Annexure (6.15)
16	Persons with Disability Employment Subsidy	Annexure (6.16)
17	Environment Management Project Subsidy	Annexure (6.17)
18	Transport Subsidy (For export-oriented industries only)	Annexure (6.18)
19	Special Package for Mega/Ultra Mega Projects.	Annexure (6.19)

Detailed Description of these incentives are depicted under Annexure 6 (From Annexure 6.1 to Annexure 6.19).

- 15.2 Rice Mill/ Parboiling unit/s set up in “C” & “D” category development blocks will be eligible for incentives declared for general category industries.
- 15.3 Industries setup by the Non- Resident Indian (NRI), Foreign Direct Investment (FDI), Export Oriented Units (EOU), and the unit/s setup with the imported technology will get 5% additional incentives, and the ceiling of incentive will be increased by 5%, and in the terms of time limit- one year more, in addition to the incentives enumerated in clause 15.1 above for the general category entrepreneurs.
- 15.4 Industries set up by SC/ST category, women entrepreneurs, Ex- Servicemen (including paramilitary personnel), third gender, and LWE affected families will get 10% additional incentives and the ceiling of incentives will be increased by 10%, while in the terms of time limit one year more, in addition to the incentives enumerated in clause 15.1 above for the general category entrepreneurs. However, if any investor falls under both the categories mentioned under clause 15.3 and 15.4 above or is eligible for additional incentive under any other category, in such case the investor will be entitled to avail the incentives of any one category.
- 15.5 Implementation of rehabilitation and resettlement policy of the Government will be ensured for the affected farmers/displaced by land acquisition for the establishment of industrial projects /land bank/ industrial areas/ industrial

Parks and stamp duty exemption will be allowed for purchase of agricultural land from the compensation so received.

- 15.6 The Industrial Award scheme will be reconstituted & new Startup category will also be awarded.
- 15.7 The New & Existing (in case of expansion) logistic hub, warehouses (Godowns), cold storages set up on Industrial/commercial land will get the subsidies, exemptions/ concessions/ incentives as per their eligibility mentioned in this policy.
- 15.8 To promote the “Film Industry”, the setting up of film studio, editing studio, sound recording studio and the film processing related activities will get the incentives equivalent to the incentives enumerated for small scale industries of general category as per the industrial policy.
- 15.9 To increase the opportunities of self-entrepreneurship for the youth of the State, the incentives of the “*Mukhyamantri Yuva Swarajgar Yojna (MMYSY)*” will also be allowed for their manufacturing and service sector activities.
- 15.10 The technology related to the production of Liquefied fuel/gas/petroleum products from coal will be promoted on priority.
- 15.11 “Industrial Investment Incentives” will be given for setting up new industries, expansion of existing industries under production, substitution and diversification of existing industrial units for industrial purpose.
- 15.12 All industries which get new land allotment in the new private industrial areas/parks which are set up after “The Appointed Day”, will be eligible for 10% additional subsidy and the ceiling of subsidy will be increased by 10% and in cases relating to exemption period, the period of exemption will be for one more year.
- 15.13 The Mega & Ultra Mega projects in Non-Core sector, whose investment is to the tune of Rs 100 Crore or more, will be considered under “**Bespoke policy**”. Final decision on the proposals for additional incentives apart from monetary investment incentives declared under Industrial policy will be taken by the Council of Ministers depending on the merits of the proposal on case to case basis.
- 15.14 The Micro, Small, Medium, Large, Mega and Ultra Mega industries who have initiated process to set up their industrial unit during the period of Industrial Policy 2014-19, will have the opportunity to select option to avail industrial investment incentives as per Industrial Policy 2014-19. But in order to avail this option they will have to commence the commercial production as per the

proposed project from the date of Issue of *Udyam Akansha* /IEM within the time limit of two years in the case of Micro & Small Scale Industries, three years in the case of medium scale industries, four years in the case of large scale industries, and five years in the case of other industries.

Option for Policy period once selected for availing Industrial Investment incentives, cannot be changed. If the option of policy period has not been availed of, such units will be eligible to avail the incentives of the prevailing policy as on the date of commencement of commercial production. In the case of change of option or in the case of no option chosen, the unit will have to mandatorily return the benefits of the industrial investment incentives availed under other policy period.

The unit must mandatorily intimate the option of the policy period under which they wish to avail Industrial investment incentives, within 90 days from the date of release of Policy notification of this policy and the selected option needs to be submitted at the concerned District Trade & Industries Centre.

- 15.15 If an investor has availed only Stamp Duty exemption during the period of earlier industrial policy (Except Industrial Policy 2014-19), it will be entitled to get the incentives of Industrial Policy 2019-24 only if it starts its commercial production during the period of this Industrial Policy 2019-24, i.e. 1 November, 2019 to 31 October, 2024.
- 15.16 If any investor has availed only Stamp Duty Exemption during the period of Industrial Policy 2019-24, it will be entitled to get the incentives under Industrial Policy 2019-2024 only if it commences its commercial production during the period of this policy i.e. Starting 1 November, 2019 and ending on 31 October, 2024. Otherwise, it will be entitled to get the incentives as per the provisions of next Industrial Policy.
- 15.17 Except for the Institutions mentioned under the clauses of this policy, no other State & Central Govt. Public Sector Undertakings will be entitled to avail the incentives (unless otherwise specially mentioned).
- 15.18. Incentives for industrial investment under this policy will be given to those eligible industries, which compulsorily provide, In case of unskilled person 100% job, at least 70% in case of skilled labor and 40% in the case administrative/ managerial staff to the people with Chhattisgarh State domicile.

- 15.19 The industrial units availing industrial investment incentives declared under this Industrial Policy will be expected to take decision on the activities to be taken up under their Corporate Social Responsibility (CSR) fund as per Companies Act 2013 in consultation with the State Government.
- 15.20 If any investor wants to avail incentives described for “Substitution” under this policy, they should have prior permission in this regard and hold production certificate during policy period. To avail incentives for “Substitution” under this policy eligible industrial unit/s will have to commence commercial operations during the policy period of this policy i.e. between 1 November, 2019 and 31 October, 2024. In case, the date of commencement of commercial production of such unit/s is after the period mentioned above, provisions for incentives as per the next policy will be applicable.
- 15.21 Based on the requirements, for Large, Mega & Ultra Mega projects, the proposal for incentives in addition to the incentives declared under this policy will be considered and final decision will be taken by the Council of Ministers depending on the merits of the proposal.
- 15.22 Industries interested to set up research & development laboratory in the State will be encouraged, and land & other essential facilities equal to those being given to Small Scale Industries under this policy, will be provided.
- 15.23 To promote development of new private Industrial Areas/Parks with minimum 25 Acres of land, subsidy of 30% of the infrastructure cost (Excluding Land) with a ceiling of Rs. 5 Crore and 100% exemption in Stamp Duty, 100% exemption in land registration cost and 100% exemption in Diversion Fee will be given. The industrial unit/s which will be set up in these new private industrial areas / parks will be entitled for industrial investment incentives.

However, for Surguja and Bastar regions, due to less availability of land for development of new private industrial areas / parks, the proposals of up to 20 acres may also be considered. Based on the availability of the land for the purpose, the incentives for the projects will be calculated proportionately on the ceiling of incentive.

16. CATEGORIES OF INDUSTRIES

- 16.1 On the basis of investment, to provide incentives, industries have been categorized as Micro & Small industries; Micro & Small service enterprises, Medium Scale industries, Medium scale service enterprise, Large scale industries, Mega projects & Ultra Mega projects. The definitions of these

industries / service enterprises as described in **ANNEXURE-1** in this policy, will be applicable.

- 16.2 In order to promote the investments, the industries have been classified as High Priority Industries, Priority Industries, General Industries and the Saturated Industries based on scenario of industrialization and backwardness, the development blocks have been categorized into four categories, i.e., Developed, Developing, Backward & the Most Backward blocks (as mentioned in the **A, B, C & D** of **ANNEXURE-7**)
- 16.3 The **Core Sector** industries mean the Medium, Large, Mega & Ultra mega Projects of Steel, Cement, Thermal Power & Aluminum plants (as described in **ANNEXURE-5**).
- 16.4 The General Sector industries means all the industries which are not categorized as High Priority, Priority, Saturated & Core sector industries in this policy.

17. CATEGORIES OF INVESTORS

- 17.1 In order to provide the investment promotion incentives, the investors have been categorized into the following categories:
1. General category entrepreneurs.
 2. Scheduled Caste/ Scheduled Tribe entrepreneurs.
 3. Non-Resident Indians (NRIs), Foreign Direct Investment (FDI), Exporter investors & Foreign Technology industries.
 4. Women Entrepreneurs & the Entrepreneurs of third gender.
 5. Ex-servicemen residents of Chhattisgarh (including Para Military Forces), PwD (Person with Disability) entrepreneurs and the entrepreneurs belonging to LWE (Left Wing Extremism) affected families.
 6. Women Self Help Groups of the Chhattisgarh State will be entitled to avail the incentives equivalent to the Women entrepreneurs.
 7. Farmer Producer Organizations (FPOs) of the State will be entitled to avail the incentives as the General category entrepreneurs.
- 17.2 On the basis of quantum of investment, the industries have been categorized into the following 5 categories:
1. Micro & Small Scale Industries.
 2. Medium Scale Industries.

3. Large Scale Industries.
4. Mega Projects.
5. Ultra-Mega Projects.

18. NON-FISCAL FACILITIES

For rapid industrialization in the State, fulfilling the objective of the Industrial Policy and for simplification of the process of industrial investment as well as to make the State more competitive as compared to other States, non-fiscal incentives will be provided as described in **ANNEXURE-8**.

- 19.** Provision for additional incentives for setting up fruits, flowers, vegetables and herbal medicine based processing units in respective districts where they are being produced majorly.
- 20.** Closed and Sick Industries Policy in the State shall be revived to make the best use of investment made in State by that unit, and the process of revival will be simplified.
- 21.** The MSME service sector enterprises related to industries will be eligible to avail the incentives equivalent to the Industrial investment incentive declared for general sector industries in this policy. Service sector enterprise will be eligible for maximum investment of Rs 15 lakhs in plant and machinery in “A” & “B” category development blocks and Rs. 25 lakhs in plant and machinery in “C” & “D” category development blocks respectively.

For this purpose, The District Trade & Industries Centers will issue the Operation Certificate to the MSME service sector enterprises so that they can avail incentives under this policy.

- 22.** The provisions of The Mukhya Mantri Yuva Swarajgar Yojna (**MMYSY**) will be reviewed and amended as per the requirement.

23. THE PERIOD & REVIEW OF THE POLICY

The period of the Industrial Policy 2019-24 will remain in effect from **1 November, 2019 to 31 October, 2024**. During the implementation period of this policy, the State Government will have the right to review the provisions of this Industrial Policy on outcomes of the implementation of the policy and it may amend / rescind or add new provisions.

Definitions Acceptable under Industrial Policy 2019-24

(With reference to the clause 16.1 of this Policy)

1. **"Appointed Day"** means the date of from which Industrial Policy 2019-24 is effective, i.e. First day of November, 2019.
2. Classification of development blocks for industrial purpose are exhibited as 'A', 'B', 'C', and 'D' Category of Annexure -7.
3. **"Industrial Area"** means existing / under development industrial corridor, industrial areas, industrial institutions, semi urban industrial estate /rural workshop, industrial development center, industrial area developed under joint venture, integrated industrial development center, industrial areas owned and developed by the State Government / Chhattisgarh State Industrial Development Corporation (CSIDC), industrial parks and special economic zone, industrial areas / industrial parks / special economic zones established in the private sector approved / assisted by the State Government / Government of India and industrial areas approved by Atal Nagar Development Authority, Nava Raipur.
4. **"Industrial Unit"** means a unit which is established / proposed to be established as Production /Processing /Service Enterprise in the Chhattisgarh State.
5. **"New Industry/New Unit"** means such industry (unit) which has commenced commercial production on or after 01.11.2019 and is holding valid production certificate issued by the competent authority which mentions that the commercial production started on or after 01.11.2019 and on or prior to 31.10.2024. Apart from this, one of the following conditions must be fulfilled :-
 - 5.1 For eligibility of New Unit, the following conditions must be fulfilled :-
 - (1) **In case of sole proprietorship**, land must be in the name of the Owner of the industry / Industrial unit. In cases other than proprietorship, land must be in the name of Industrial Unit / Company's name.
 - (2) **Shed- Building** - New Shed - Building should be constructed on the Land as mentioned in the clause (1) above.
 - (3) **Plant and Machinery** - New Plant and Machinery should be installed in the Land and Shed/Building as mentioned in the clauses (1) & (2) above.
 - 5.2 The new unit should be proposed within the premises of the existing unit after the Appointed Day of Industrial Policy 2019-24 and should hold the certificate issued by the

competent authority to establish new industry and should established and start production within the duration of this Industrial Policy and should have valid certificate issued to this effect as per rules. It is also mandatory that new unit must have clear separate existence and will be considered in the category of new unit on fulfillment of the following necessary conditions:

- (1) The unit must hold Udyam Aakansha, I.E.M., Letter of intent, Industrial License in its name issued after the Appointed Day and Udyam Aakansha, I.E.M., and Industrial License should be valid.
- (2) Separate electricity connection in the name of new industry.
- (3) Separate GST Registration in the name of new industry.
- (4) New shed-building should be constructed on the land as mentioned above.
- (5) New plant and machinery should be installed in newly constructed Shed-Building.
- (6) Purchase of raw material and sale of manufactured product, related documents should be maintained separately by the new industry.
- (7) Production Certificate issued by competent Officer should be in the name of new Unit.
- (8) There should not be any violation of any agreement/notification with regard to the industrial investment promotions pertaining to the existing industry established previously in the existing premises.
- (9) It will also be necessary that the raw material or product of the new industry is not used as the raw material or product of the existing industry meaning, new product should not be in the form of backward or forward integration and classification of new product is different from existing product.

6. **"Existing Industry"** means all such industries which have commenced commercial production before the effective date i.e. 1st November, 2019

7. **"Expansion of the Existing Industry"** means capacity expansion of the existing industry in production on or after the appointed day of Industrial Policy 2019-24 who has made an additional investment of minimum 25% of already approved capital investment in the plant and machinery, till date of commencement of commercial production and production capacity is increased at least by 25% of its originally installed capacity registered with the Department of Commerce & Industries or average production (whichever is more) and total employment is also increased by 10% and commencement of commercial production under expansion takes place from 1st November, 2019 till 31st October, 2024. Before commencing

the procedure of "Expansion", the existing unit will have to take prior approval for expansion from the competent authority (who has issued the production certificate) stating detailed information about proposed investment compulsorily.

8. **A. "Micro & Small Industry"** means such industry which comes under the definition of Micro & Small Enterprise issued by Government of India from time to time under "Micro, Small and Medium Enterprises Development Act, 2006 of Government of India and is holding *Udyam Aakash* and is also holding the Commercial Production Certificate issued by competent authority.

B. "Micro & Small Service Enterprise" means such enterprise which is in Service Category under "Micro, Small and Medium Enterprises Development Act, 2006 of Government of India and comes under the definition of Micro & Small Enterprise issued by Government of India from time to time and is holding the Commercial Production Certificate issued by competent authority with regard to commencement of commercial production.

9. **A. "Medium Industry"** means such Industry which comes under "Micro, Small and Medium Enterprises Development Act, 2006 of Government of India and whose capital investment on Plant & Machinery items is as per limits prescribed by Government of India defined from time to time and the industrial unit has obtained Industrial License /Letter of Intent, as applicable and also holds Commercial Production Certificate issued by the competent authority with regard to commencement of commercial production in the industry.

B. "Medium Service Enterprise" means enterprise which is in Service Category under "Micro, Small and Medium Enterprises Development Act, 2006 of Government of India and comes under the definition of Medium Service Enterprise and also holds service activity commencement Certificate issued by the competent authority with regard to operationalisation of service activity.

10. **"Large Industry"** means such industry whose capital investment in Plant and Machinery exceeds Rs. 10 Crore and Fixed Capital Investment is up to Rs. 100 Crore {except under the definition of Mega Project - white goods, electrical and electronic consumer products, pharmaceuticals, Industry based on Robotic technique, Industry based on Artificial intelligence, Information technology based industry and Information technology enabled service industry, biotechnology, Bio-fuel, machinery and accessories used for generation of new and renewable energy, textiles, Manufacturing of two wheeler, three wheeler and four wheeler electrical vehicles and Battery & spares for electrical vehicle, aerospace, aircraft repair (MRO)} and is holding I.E.M./ Letter of Intent/ Industrial License as applicable and on commencement of commercial production in the industry, is also holding Commercial Production Certificate issued by the competent authority.

11. **"Mega Project"** means such industry whose proposed Fixed Capital Investment is more than Rs. 100 Crore up to Rs. 1000 Crore and has commenced commercial production. And for this purpose, holds I.E.M./Industrial License/Letter of Intent, as applicable, issued by the Ministry of Commerce & Industries, Government of India and has executed MOU with the State Government for establishing Industry And in case of commencement of commercial production in the industry, is also holding Commercial Production Certificate issued by the Directorate of Industries of the State Government.

However, under the following sectors, only those projects will be considered as Mega Projects whose Fixed Capital Investment is as under:

S. No.	Category	Fixed Capital Investment
1.	White Goods, Electronic & Electrical Consumer Products	Rs.25 Crore
2.	Pharmaceutical Industry	Rs.15 Crore
3.	Information technology-based industry and Information technology supported service industry, Bio Technology	Rs. 10 Crore
4.	Textile	Rs. 05 Crore
5.	Plant, Machinery and Accessories used for generation of New and Renewable energy	Rs. 15 Crores
6.	Cycle manufacturing and Products/ instruments / Spares used for manufacturing of Cycle	Rs. 10 Crores
7.	Manufacturing of two-wheeler, three-wheeler and four-wheeler electrical vehicle and Battery and spares for electrical vehicle	Rs. 10 Crores
8.	Aerospace, Aircraft repair (MRO), Industry based on Robotic technique, Industry based on Artificial intelligence	Rs. 50 Crores
9.	Minor forest produce based Shellac and Bamboo based industry	Rs. 15 Crores

12. **"Ultra-Mega Project"** means such industry whose proposed Fixed Capital Investment is more than Rs.1000 Crores and for this purpose holds I.E.M. / Industrial License / Letter of Intent, as applicable, issued by the Ministry of Commerce & Industries, Government of India and has executed MOU with the State Government and in case of commencement of commercial production in the industry, is also holding Commercial Production Certificate issued by the Directorate of Industries of the State.

13. **"High Priority Category Industries"** means industries included in Annexure-2 of Industrial Policy 2019-24.

14. **"Priority Category Industries"** means industries included in Annexure-3 of Industrial Policy 2019-24.

15. **"Industries under Saturated category"** means industries included in Annexure-4 of Industrial Policy 2019-24.

16. **"Core Sector Industries"** means industries included in Annexure-5 of Industrial Policy 2019-24.

17. **"General Category Industries"** means Industries other than industries those included under "High Priority Category Industry", "Priority Category Industry", "Industries under Saturated category" and "Core Sector Industries".

18. **"Fixed Capital Investment"** means investments made in land / land-development, shed - building, new plant & machinery, electrical supply and water supply and on boundary wall; for establishment of new industry / diversification and substitution / expansion of existing industry (as the case may be).

19. **"Date of Commencement of Commercial Production" Means -**

(a) **Micro & small industry-** Up to 45 days period from the date of trial production communicated by the industrial unit, or the date of commencement of commercial production certified by the competent authority, whichever is earlier.

(b) **Medium Industry-** Up to 75 days period from the date of trial production communicated by the industrial unit, or the date of commencement of commercial production certified by the competent authority, whichever is earlier.

(c) **Large Industry-** Up to 100 days period from the date of trial production communicated by the industrial unit, or the date of commencement of commercial production certified by the competent authority, whichever is earlier.

(d) **Mega project-** Mega projects of white goods, electrical and electronic consumer products, pharmaceutical, Industry based on Robotic technique, Industry based on Artificial intelligence, Information technology industry and Information technology based service industry, biotechnology, Bio-fuel, textile, plant, machinery and accessories used for generation of new and renewable energy, Manufacturing of two wheeler, three wheeler and four wheeler electrical vehicle and Battery and spares for electrical vehicle, aerospace, aircraft repair (MRO) mega projects and projects of fixed capital investment of more than Rs.100 Crores and up to Rs.1000 Crores, up to 180 days period from the date of trial production communicated by the industrial unit, or the date of commencement of commercial production certified by the competent authority, whichever is earlier.

(e) **Ultra-Mega-Project**- Projects with more than Rs. 1000 Crore in fixed capital investment and white goods, electronic, electrical consumer products, pharmaceutical, IT sector, biotechnology, textile; plant, machinery and accessories used for generation of new and renewable energy; Industry based on Robotic technique, Industry based on Artificial intelligence, Information technology based industry and Information technology based service industry, biotechnology, Bio-fuel, Manufacturing of two wheeler, three wheeler and four wheeler electrical vehicle and Battery and spares for electrical vehicle, aerospace, aircraft repair (MRO) category ultra-mega projects, up to 240 days period from the date of trial production communicated by the industrial unit, or the date of commencement of commercial production certified by the competent authority, whichever is earlier.

20. **Commercial Production Certificate -**

(1) Will be issued by the competent authority on commencement of commercial production by an industry.

(2) Only one Commercial Production Certificate shall be issued in favor of an Industrial unit whether production, expansion, diversification or substitution, capital investment, employment, product names and their annual capacity shall accordingly be entered in the production certificate. Based on this, arrangement will be made for "Industrial Investment Promotion" incentives under this policy.

(3) For Service Sector unit's commencement of Service activity/operation will be issued by the competent authority.

(4) The commercial production date of thermal power projects and other Power Generation Units will be decided by the Energy Department or Competent authority nominated by the Energy Department.

21. **"Scheduled Caste / Scheduled Tribe Entrepreneurs "** means such person who is notified as Scheduled Caste /Scheduled Tribe of the State of Chhattisgarh as per the definition of Scheduled Caste /Scheduled Tribe given by the Government of India from time to time; be the native of the State of Chhattisgarh and is holding permanent certificate issued by the competent authority for this purpose.

22. **"Industry proposed / established by Scheduled Caste / Scheduled Tribe"** means such industry which is proposed to be established or established by the "Scheduled Caste/Scheduled Tribe Entrepreneurs", all partners in case of partnership firm, all shareholders in case of company incorporated under Indian Companies Act, all members in case of co-operative society and all members in case of organization formed under Societies Act, belong to the Scheduled Caste/Scheduled Tribes notified for the State of Chhattisgarh and the natives of the State of Chhattisgarh, holding valid Udyam Aakansha / I.E.M / Letter

of intent / Industrial License and in case of commencement of commercial production is holder of Commercial Production Certificate issued by competent authority.

23. Cooperatives society established/promoted by Govt. of Chhattisgarh will be eligible to avail the benefits of investment promotion subsidy under this policy. Cooperative society must have minimum 90% shareholding of the State Government or its enterprise. A certificate issued by competent authority should be produced to avail the benefits under this policy.

24. **“Women Entrepreneur”** means such domicile women of the State who has proposed to establish / has established industry, in case of partnership firm, minimum 51% partnership; in case of company incorporated under Indian Companies Act, minimum 51% shareholding; in case of co-operative society minimum 51% member and in case of society formed under Society Act, minimum 51% members should be women from the State of Chhattisgarh and minimum 50% of total employment in industry should be women in managerial, skilled and unskilled categories.

25. **“Manufacturing Industry”** means and includes industries in the category of manufacturing industry as defined under Micro, Small and Medium Enterprises Development Act, 2006.

26. **“Job Work”** means such activity which is notified by the Department of Commerce and Industries of Chhattisgarh Government, from time to time.

27. **“Disabled/Handicapped”** means such domicile of the State who comes under the purview of the Persons with Disabilities (Right of equal opportunity, Protection and Full Participation) Act, 1995 of the Government of India and holds certificate for such purpose, issued by competent authority.

28. **“Retired Soldier”** means such person who has retired from the Armed forces/Para Military forces of Government of India and holds certificate for such purpose, issued by concerned Administrative Department / Office and is domicile of the State.

29. **“Person affected by Naxalism”** means such person who himself or is related to the person or person who has been killed / has become handicapped in Naxalite activities in the State and is domicile of the State and includes himself or member of family as husband - wife, son - daughter and mother-father, holding certificate for this purpose issued by concerned District Collector or by the officer nominated by that Collector.

30. **“Women Self-Help Group”** means registered women Self-help group in the State.

31. **“Plan”** means –

(a) In case of micro, small, medium and large industries, the project cost (Excluding working capital) of industries as shown in the project report enclosed with the application for the Industrial Unit for *Udyam Aakansha*/I.E.M./ Letter of intent/Industrial License.

(b) In mega projects and ultra-mega projects, project cost (excluding working capital) of the industry shown in MOU executed with State Government or in the application for issuing I.E.M./Industrial License/Letter of intent submitted in the Ministry of Commerce & Industries, Government of India/ Project cost of the industry in the Acknowledgement issued, whichever is less.

32. **“Export Oriented Industry”** means such industry in whose favor L.O.P (Letter of Permission) has been issued by the competent authority of Government of India.

33. **“Diversification”** means such existing industry in production which comes in the category of Existing Industry and holds Commercial Production Certificate by the competent authority, if it includes production of some new product in the existing industry after the appointed day of Industrial Policy, then the new product will come under diversification category, provided the Industrial unit has invested in the existing industry minimum 25% of the agreed investment in plant & machinery, and the total employment have been increased by 10% till date of production of the new product. Before commencing the procedure for **“Diversification”**, the existing unit must take prior approval from the competent authority (who has issued the production certificate) stating detailed information about proposed investment compulsorily.

34. **Substitution** means a minimum 125% investment of capital investment made by the micro, small industrial unit in its original plant and machinery as on or after the appointment date of the Industrial Policy 2019-2024 in existing industrial unit, as per the bank funded project, old machines are substituted by investing capital and if the total employment increases by 10% and in case production started within the duration of current industrial policy, then unit will be eligible for exemption of up to the ceiling of 50% of amount invested in the fixed capital investment. For this, the machines proposed for substitution should be at least 15-years-old. Also, their value in the income tax return should be less than 20% (after depreciation) and the unit must have been functioning continuously for at least 10 years period to the full capacity mentioned in DPR. It will also be required that the unit will get prior acknowledgment for substitution after dated 1-11-2019. Also, production must be started by or before 31 October, 2024.

35. **Term Loan** means term loan sanctioned or disbursed by scheduled bank permitted by RBI and public welfare financial institutions notified under Article 4(A) of Companies Act 1956, or financial institutions Khadi and Village Industry Commission, Scheduled Caste/Scheduled

Tribes Finance and Development Corporation, Backward Classes and Minority Finance and Development Corporation formed under State Finance Act 1951 and loan sanctioned or disbursed by any other financial institution (excluding working capital)

36. **“Project Report”** Project report means project report for establishing a new industry expansion and diversification prepared by project consultant approved by any Department/Board of the State Government, Udyamita Vikas Kendra, Chhattisgarh Industrial and Technical Consultancy Centre (CITCON), Micro, Small, Medium Enterprises organization, Bureau of Public Enterprises and Business consultant approved by financial institutions of national level, or any consultant/chartered accountant/chartered engineer from the private sector, in which in addition to the financial format of the project; availability of raw material, market potential, technical study, Profit-Loss etc. have been mentioned.

37. **"Skilled labour, Unskilled labour and Administrative/ Managerial position"**- Definition thereof shall be considered as issued by the State Government from time to time.

38. **"Non-Resident Indian"** – Definition thereof shall be considered as issued by the Government of India from time to time.

39. **"FDI investor"**- Definition thereof shall be considered as issued by the Government of India from time to time.

40. **"Industry related to Foreign Technology"**- means such industry to which the Government of India has given clearance for establishment of Industrial Project in the State of Chhattisgarh.

41. **"Domicile of the State"** - means those who have been defined by the State Government from time to time, as original domicile of the State and who hold the certificate issued for this purpose by the competent authority.

42. **“Closed/Sick Industrial Unit”**: - means all those industries which hold production certificate issued by the competent authority and defined & notified by the State Government from time to time under closed/sick industrial policy declared by State Government.

43. **"Industry Premises"**- Industry premises mean the land allotted by the State Government/ Directorate of Industries/ CSIDC/ or land allotted by any recognized agency under this policy for establishment of Industry.

Note: - In these boundaries, land for commercial or residential use will not be included.

44. **“Rural Area”** - means such area which as per Revenue records, in addition to the population, is under the definition of villages, or any urban area, population thereof is not

more than 20,000 as per Census of 2011 or data prepared by the Central Government from time to time.

45. **“Village Industry Unit”**- means any village industry unit established which is classified as such by Khadi and Village Industries Commission (except restricted/negative industry).

46. **“Permanent Employment”** means direct salary/wages given by industrial unit to officers / employees / labours in category of management/ skilled labour/ unskilled labour in the registered established industries. It means that the employment provided through contractors is not included under the definition of permanent employment

47. **“Land Bank”** means Government land and Private land acquired for any land outside the Industrial area, Industrial park and Industrial Estates as defined in point number-3 for Industrial Projects and which is in the name/ possession of the State Government/ Directorate of Industry or CSIDC or any recognized agency under this policy for establishment of Industry.

48. **“White goods”** means and includes- air conditioner, refrigerator, washing machine, television set etc.

49. **Net SGST:** Calculation of Net SGST will be arrived based on the actual SGST deposited after adjustment of all eligible input tax credit, deposited with treasury of Government of Chhattisgarh, for the goods & services sold only in Chhattisgarh. Goods/services sold outside state in any form is/are not eligible for claiming any SGST/IGST. SGST paid towards plant & Machinery, raw materials and ancillary items will not be considered, however, these will be eligible for adjustment under Input Tax Credit as per GST Act.

Net SGST Reimbursement will be applicable only on end products consumed in state of Chhattisgarh. Detailed guidelines/ procedures will be issued separately in this regard.

Note: In the event of a dispute regarding definitions, the decision of Chhattisgarh Government, Department of Commerce and Industries shall be final and binding.

List of High Priority Industries Under Industrial Policy 2019-24

(With reference to point number 13 of the definitions described under paragraph 16.1 of this policy)

1. Herbal, Medicinal plant and minor forest produce based industries.
2. Automobile, Auto components.
3. Pharmaceutical industry.
4. White goods, electronic and electrical consumer products.
5. Industries based on robotic technology, artificial intelligence technology, information technology and information technology based service industry.
6. Products covered under Biotechnology and Nano-technology.
7. Textile industry (Spinning, Weaving, power loom and fabrics & other processes).
8. Product/equipment/spares for the supply to Railway, Space, Defense institutes / departments, telecom and aviation companies.
9. Industries established in the private sector using foreign technology as joint ventures of foreign company and Indian company.
10. Export industry.
11. Refinery for Bio fuel/Ethanol (subject to procurement of excess paddy from MARKFED during Kharif crop & based on cooperative sugar industries).
12. Electric two-wheeler, three-wheeler and four-wheeler vehicles and manufacturing of batteries for them.
13. Manufacturing of charging stations equipment for electric vehicles.
14. Aerospace, Aircraft repair (MRO).
15. Processing industries of Flowers, fruits, vegetables and other horticulture produced in the State.
16. Other such category Industries which may be notified by the State Government from time to time.

NOTE:

1. For eligibility in high priority sector it is mandatory to have minimum limit or more capital investment on Plant & Machinery as laid down by the State Government, Department of Commerce & Industries.
2. If any industry is manufacturing additional product along with that mentioned in the high priority industry, then the investment incentives for those industries will be allowed on the basis of lower product category (lower of the two categories) .

List of Priority Industries Under Industrial Policy 2019-24

(With reference to point number 14 of the definitions described under paragraph 16.1 of this policy)

(A) On the basis of classification

1. Cycle and product/accessories/spares used for manufacturing of cycle.
2. Plant/machineries/engineering products and their spares.
3. Downstream product based on non-ferrous metal.
4. Downstream product based on Aluminum.
5. Industries based on food processing and agriculture as defined by Government of India (Except Rice mill, Paddy parboiling and cleaning, Huller mill, Murmura Mill and Rice Bran Solvent Extraction Plant and Refining of edible oil (Independent unit)/refinery).
6. Branded dairy product (Including milk chilling).
7. Manufacturing of Plant & Machinery and equipment required for the generation of power from new and renewable sources.
8. Manufacturing of Machinery and equipment required for generation, transmission and distribution of electricity.
9. Gems and Jewellery.
10. Medical and laboratory equipment.
11. Sports goods.
12. Production of Liquid fuel/gas/petroleum product from coal.
13. Production of organic manure, organic pesticide and bone meal.
14. Other such category Industries which may be notified by the State Government from time to time.

NOTE:

1. For eligibility in priority sector it is mandatory to have minimum limit or more capital investment on Plant & Machinery as laid down by the State Government, Department of Commerce & Industries.
2. If any industry is manufacturing additional product alongwith that mentioned in the priority industry, then the investment incentives for those industries will be allowed on the basis of lower product category (lower of the two categories).

(B) On the basis of product

1. Moulded furniture, containers and PVC pipes and fitting, household plastic item.
2. Transmission line tower/mobile tower and their spare parts/equipment.

3. Automatic agriculture equipment, tractor-based agriculture implements/ agriculture implements.
4. Bamboo based industry (wherein Bamboo should be used as the main raw material).
5. Shellac based industry (wherein Shellac should be used as the main raw material).
6. Fly Ash product (except cement).
7. Readymade garments (with a minimum investment of Rs. 25 Lakh in plant and machinery).
8. Single Super Phosphate & all types of fertilizers.
9. Wagon coach spares and fitting.
10. Cutting tools, dies and fixtures.
11. Cutting and polishing of Flooring Stone, cutting and polishing of Granite Stone, cutting and polishing of Marble Stone and cutting and polishing of other Mineral Rocks and production of Tiles.
12. Polyester staplefiber.
13. Village industry (Gramodyog) units like Pen manufacturing, Jhalar manufacturing, Incense stick, Dona leaf plate manufacturing, Animal feed, Soap and Washing powder, Phenyl, School bag, CFL Bulb, Steel window/door/ rolling shutters and other Industries with a minimum investment of Rs. 10 Lakh in plant and machinery.
14. Production of cosmetics items (with a minimum investment of Rs. 10 Lakh in plant and machinery).
15. Wooden Seasoning and Chemical Treatment Plant (with a minimum investment of Rs. 25 Lakh in plant and machinery).
16. Hand pump and spares manufacturing.
17. Submersible pump and spares manufacturing.
18. Electric motor and spares manufacturing.
19. Grain silo.
20. Prefabricated building material.
21. Paint/Distemper.
22. Poha, murmura.
23. Non-plastic bags.
24. Other such products which may be notified by the State Government from time to time.

NOTE:

1. For eligibility in priority sector it is mandatory to have minimum limit or more capital investment on Plant & Machinery as laid down by the State Government, Department of Commerce & Industries.
2. If any industry is manufacturing additional product alongwith that mentioned in the priority industry, then the investment incentives for those industries will be allowed on the basis of lower product category (lower of the two categories) .

List of Saturated Industries Under Industrial Policy 2019-24

(list of industries not eligible for industrial investment promotion)

(With reference to point number 15 of the definitions described under paragraph 16.1 of this policy)

1. Alcohol, Distillery and alcohol-based beverages.
2. Saw mill.
3. All kind of polythene bags, plastic disposable products.
4. Pan Masala, Gutkha, Supari and tobacco-based industries.
5. Slaughter house.
6. Packaged drinking water.
7. Coal and Coke briquette, coal screening (excluding coal washery).
8. Manufacturing of Lime, Lime powder, Lime chips, Dolomite powder and all types of mineral powder.
9. Asbestos and asbestos based industries.
10. Leather tannery.
11. Sponge Iron (only for blocks of A and B category).
12. Integrated steel plant (only for blocks of A and B category).
13. Thermal power plant (only for blocks of A and B category).
14. Stone crusher / manufacturing of Ballast (only for blocks of A and B category).
15. Rice Mill and parboiling units (only for blocks of A and B category).
16. Re-packing of any product.
17. Such other industries which may be notified by the State Government.

NOTE: In case of setting up of saturated category industry with any other category, the investment made in the saturated category product will be deducted from the total investment and only the remaining investment will be eligible for industrial investment incentive.

List of Core Sector Industries Under Industrial Policy 2019-24

(With reference to point number 16 of the definitions described under paragraph 16.1 of this policy)

In the purview of Industrial Investment Promotion following Medium, Large, Mega/Ultra-mega projects shall come under core sector category:

1. Steel Plant.
2. Cement Plant.
3. Thermal Power Plant.
4. Aluminum Plant.

NOTE: Eligible new industries under Core sector, established in C and D category development blocks during the implementation period of this policy will be eligible only for Stamp Duty Exemption, Electricity Duty Exemption and Handicapped (disabled) Person Employment Subsidy.

Fiscal Incentives for Industrial Investment under Industrial Policy 2019-24
(Subsidy, Exemption & Concessions)

(With reference to the provisions of section 15.1 of this policy)

Annexure – 6.1

(1) Interest Subsidy

Interest subsidy for eligible industries established by entrepreneurs of general category on term loan will be as given below:

Industry Category	Area Category	General Industry			Priority Industry			High Priority Industry		
		Eligible Incentive Period (years)	Percentage of incentive (%)	Yearly Maximum limit of subsidy (Rs. Lakh)	Eligible Incentive Period (years)	Percentage of incentive (%)	Yearly Maximum limit of subsidy (Rs. Lakh)	Eligible Incentive Period (years)	Percentage of incentive (%)	Yearly Maximum limit of subsidy (Rs. Lakh)
Micro and Small Industries	A	5	40	10	6	50	15	7	50	20
	B	6	45	15	7	50	20	8	50	25
	C	7	55	25	8	60	30	9	60	35
	D	8	65	30	10	70	40	11	70	45
Medium and Large Industries	A	5	25	20	5	35	30	6	35	35
	B	5	30	30	5	40	40	7	40	45
	C	7	50	40	8	60	50	9	60	55
	D	8	60	40	10	70	50	11	70	55

(2) Fixed Capital Investment Subsidy:

Fixed capital investment subsidy for eligible Micro industries established by entrepreneurs of general category will be as details given below

Industry Category	Area Category	General Industry		Priority Industry		High Priority Industry	
		Eligible percentage of fixed capital investment (%)	Maximum limit of capital investment subsidy (Rs. Lakh)	Eligible percentage of fixed capital investment (%)	Maximum limit of capital investment subsidy (Rs. Lakh)	Eligible percentage of fixed capital investment (%)	Maximum limit of capital investment subsidy (Rs. Lakh)
Micro Industries	A	20	10	30	14	35	15
	B	25	12	35	16	40	18
	C	30	15	40	18	45	20
	D	40	18	50	20	55	24

**(3) Net State Goods and Services Tax (Net SGST) Reimbursement:
Only for Small, Medium, and Large Industries**

Area	General Industry	Priority Industry	High Priority Industry
Category A Annexure – 7(A)	Reimbursement of Net State Goods and Services Tax (Net SGST) paid for a period of 5 years from the date of commencement of commercial production with maximum limit up to 35% of fixed capital investment	Reimbursement of Net State Goods and Services Tax (Net SGST) paid for a period of 7 years from the date of commencement of commercial production with maximum limit up to 40% of fixed capital investment	Reimbursement of Net State Goods and Services Tax (Net SGST) paid for a period of 9 years from the date of commencement of commercial production with maximum limit up to 45% of fixed capital investment
Category B Appendix – 7(B)	Reimbursement of Net State Goods and Services Tax (Net SGST) paid for a period of 7 years from the date of commencement of commercial production with maximum limit up to 40% of fixed capital investment	Reimbursement of Net State Goods and Services Tax (Net SGST) paid for a period of 8 years from the date of commencement of commercial production with maximum limit up to 45% of fixed capital investment	Reimbursement of Net State Goods and Services Tax (Net SGST) paid for a period of 10 years from the date of commencement of commercial production with maximum limit up to 50% of fixed capital investment
Category C Appendix – 7(C)	Reimbursement of Net State Goods and Services Tax (Net SGST) paid for a period of 8 years from the date of commencement of commercial production with maximum limit up to 45% of fixed capital investment	Reimbursement of Net State Goods and Services Tax (Net SGST) paid for a period of 10 years from the date of commencement of commercial production with maximum limit up to 55% of fixed capital investment	Reimbursement of Net State Goods and Services Tax (Net SGST) paid for a period of 12 years from the date of commencement of commercial production with maximum limit up to 65% of fixed capital investment
Category D Appendix – 7(D)	Reimbursement of Net State Goods and Services Tax (Net SGST) paid for a period of 10 years from the date of commencement of commercial production with maximum limit up to 50% of fixed capital investment	Reimbursement of Net State Goods and Services Tax (Net SGST) paid for a period of 12 years from the date of commencement of commercial production with maximum limit up to 75% of fixed capital investment	Reimbursement of Net State Goods and Services Tax (Net SGST) paid for a period of 15 years from the date of commencement of commercial production with maximum limit up to 100% of fixed capital investment

NOTE:

1. The amount of reimbursement permissible under Net State Goods and Services Tax (Net SGST) for Mega and Ultra Mega Industries will not exceed the maximum ceiling allowed for the large industry under this policy
2. Annual eligibility of Net State Goods and Services Tax (Net SGST) reimbursement for eligible units shall be determined by dividing the total eligible quantum of incentive equally within the eligible incentive period defined maximum annual incentive or net SGST paid for the particular year under consideration, whichever is less.

(4) Electricity Duty Exemption:

Electricity duty exemption to eligible new industries established by the entrepreneurs of the general category shall be exempted as per the details given below:

A. Micro, Small, Medium and Large, Mega/Ultra-Mega (Excluding Core Sector) Industries

Industrial Policy 2019 – 2024			
Area	General Industry	Priority Industry	High Priority Industry
Category A Appendix – 7 (A)	Full exemption up to 4 years from the date of commencement of commercial production	Full exemption up to 5 years from the date of commencement of commercial production	Full exemption up to 6 years from the date of commencement of commercial production
Category B Appendix – 7 (B)	Full exemption up to 5 years from the date of commencement of commercial production	Full exemption up to 6 years from the date of commencement of commercial production	Full exemption up to 8 years from the date of commencement of commercial production
Category C Appendix – 7 (C)	Full exemption up to 6 years from the date of commencement of commercial production	Full exemption up to 7 years from the date of commencement of commercial production	Full exemption up to 9 years from the date of commencement of commercial production
Category D Appendix – 7 (D)	Full exemption up to 8 years from the date of commencement of commercial production	Full exemption up to 9 years from the date of commencement of commercial production	Full exemption up to 10 years from the date of commencement of commercial production

NOTE: Industries having Captive power generation plants will get electricity duty exemption only on captive consumption of power.

B. Medium, Large, Mega / Ultra Mega Industries of Core Sector – unless otherwise mentioned new eligible units will get electricity duty exemption only on captive consumption of power as per the details given below:

Electricity Duty Exemption		
1	Category A (Appendix 7 A)	Nil
2	Category B (Appendix 7 B)	Nil
3	Category C (Appendix 7 C)	50% exemption up to 5 years from the date of commencement of commercial production
4	Category D (Appendix 7 D)	100% exemption up to 7 years from the date of commencement of commercial production

Note: Industries having Captive power generation plants will get electricity duty exemption only on captive consumption of power.

(5) Stamp Duty Exemption

In view of classification of investors, all categories of entrepreneurs who have established eligible Micro, Small, Medium, Large industries and all Mega project and Ultra-Mega project (including the industries of the Core sector, according to the Annexure -5) will get full exemption from stamp duty in the following cases:

- 5.1 (a) On Deeds executed for purchase/lease of land, shed and buildings and on deeds for transfer of related lease documents (excluding land for mining lease).
(b) On the execution of deeds related with loan & advances from the date of sanction of loan by bank/financial institutions, up to 3 years
- 5.2 On purchase of agriculture land within 2 years of receipt of land acquisition compensation amount up to the extent of amount received as compensation by the affected land owners for the land acquired for industrial areas/ industrial purpose/ plots reserved for industrial purpose/ industrial areas (excluding land for mining lease)
- 5.3 On purchase/lease of land for Industrial areas/ Industrial park to be established in private sector sanctioned/approved by the Govt. of India/State Government and on industrial units established in those areas/parks.
- 5.4 On purchase/ lease of land by the Chhattisgarh State Industrial Development Corporation Limited for industrial area/industrial plot/industrial purposes, land bank and for creation of infrastructure.
- 5.5 On purchase/sale deeds of purchase of closed/sick industrial unit.
- 5.6 On purchase/lease of land for establishing film studio, editing studio.
- 5.7 On purchase/lease of land for establishing logistic hub, warehousing, cold-storage and grain silo.

(6) Mandi Tax Exemption

All the New micro, small, medium and large agricultural and food products processing industries to be established in the State will get full exemption from mandi tax imposed on agricultural products (except ineligible industries mentioned in Annexure-4) for 5 years from the date of first purchase of raw materials from the state mandis / direct producing farmers / units / outside the state with maximum limit of Rs. 2.00 Crore per year. Also, the total exemption limit will not exceed 75% of the Fixed capital investment made by the unit.

(7) Project Report Subsidy

Reimbursement of cost incurred on project report by eligible new Micro, Small and Medium category industries established, 1% of fixed capital investment up to maximum Rs. 2.50 Lakh.

(8) Diversion in Land Use

All categories of entrepreneurs who have established eligible new micro and small industries will get 50% exemption from the land diversion fee (on having industrial purpose) up to a maximum limit of 5 acres land.

(9) Service Charges for allotment of land outside industrial area (Land Bank)

In the case of acquisition of private land and transfer of Government land for the industrial purpose (Land Bank) the service charges to be received by the Department of Commerce & Industries/Chhattisgarh State Industrial Development Corporation for allotment of acquired private land / Government land is as given below -

A. 5% amount of the land acquisition value payable to the District Administration for acquisition of private land.

B. 10% amount on the amount equal to the price of land acquisition for allotment of Private/ Government land.

NOTE: It is clarified that in the private/government land allotment made outside the industrial areas, the 10% land allotment service charges payable to the Department of Commerce & Industries/CSIDC shall be added in the land value. The 5% land acquisition fee payable to the District Administration shall not be included in the calculation of land premium.

**(10) Exemption/concession in Land Premium on land allotment in industrial areas for Entrepreneurs of Scheduled Caste/Tribe Category
(Only For Micro, Small, Medium Industries/Enterprises)**

- (1) In the industrial areas of the Department of Commerce & Industries / Chhattisgarh State Industrial Development Corporation Ltd., 100 % exemption of land premium shall be given on land allotment for establishing Industries and service enterprises. Rate of lease rent will be Rs.1 per acre per year. Maintenance charges, street light charges, water charges and other taxes and cess will be payable at the prescribed rate.
- (2) In view of providing the facility of free of cost allotment of land (in industry and services enterprise), the State Government/Chhattisgarh State Industrial Development Corporation Ltd. will reserve 25 percent of land blocks in developed and developing areas (category A and B) and 50% of the land-blocks in backward and most backward areas (category C and D) in all industrial areas. The period of reservation will be from the appointed date or the date of establishment of the industrial area, whichever is later, up to two years.
- (3) The area of the plot/land for the entrepreneurs of SC/ST category will be determined according to the eligibility mentioned in the Chhattisgarh Audyogik Bhumi Bhawan Prabandhan Niyam - 2015

(11) Quality Certification Subsidy

The new and existing Micro, Small and Medium category industries established by general category entrepreneurs in the State shall be reimbursed 50% of the amount spent, maximum Rs. 5 Lakh for obtaining ISO 9000, ISO14000, ISO18000, ISO22000 category, IS certification, ZED certification, Bureau of Energy Efficiency (BEE) certification, LEBP certification in the field of new and renewable energy, Euro Standard or other similar national / international certification

(12) Technical Patent Subsidy

New and existing Micro, Small, and Medium industries established by general category entrepreneurs in the State shall be reimbursed 50% of the amount spent in obtaining patent up to a maximum limit of Rs.10 Lakh as encouragement based on Original work/ Research on successfully Registration & Sanctioned patent.

Annexure – 6.13

(13) Technology Purchase Subsidy

New and existing Micro, Small, Medium industry, Large industry and Mega and Ultra-Mega projects category excluding saturated category industries established in the State shall be reimbursed 50% of the amount spent on purchase of technology from the NRDC or other Govt. research Centre, up to a maximum limit of Rs. 10 Lakh

Annexure – 6.14

(14) Margin Money Subsidy

Scheduled caste/tribe, Women Entrepreneurs, Retired Soldiers, Naxal affected person, third gender entrepreneurs and entrepreneurs of Disabled category of the State will get 25% Margin Money Subsidy on capital investment of Rs.5 Crores for establishment of new industry, maximum limit will be Rs.50 Lakh.

Annexure – 6.15

(15) Industrial Award Subsidy

In the following categories first, second and third prizes will be of Rs.1,51,000/-, 1,00,000/- and 51,000/- respectively and Citation will be given.

1. For complete evaluation of Micro & Small industries
2. Micro & Small industry established by the SC/ST category
3. Exporting Micro & Small-scale industry
4. Industry established by woman entrepreneur
5. Startup Units

NOTE: Awards will not be applicable for industries which are under ineligible/saturated category under any Industrial Policy of the State.

(16) Divyang (Differently able Person) Employment Subsidy

All categories of entrepreneurs who have established eligible new and existing Micro and Small, Medium industry, Large and all Mega and Ultra-Mega project (including Core sector) on providing permanent employment to disabled persons (Right to equal opportunities, Protection and Full Participation) under The Persons with Disabilities Act, 1995 of the Government of India, shall be given reimbursement of 40% of their net salary/remuneration as subsidy amount up to maximum Rs. 5 lakhs for 5 years.

(17) Environment Management Project Subsidy

- 17.1 Adoption of such technology resulting receipts of Carbon Credits and if Carbon Footprint gets reduced, such machinery will be given subsidy of 50% of cost of machinery, subject to maximum of Rs. 25 Lakh. Micro, small and medium category industries will be eligible for Environment Management Project Subsidy
- 17.2 Consultants will be empaneled for availing the subsidy in respect of Carbon Credit awarded by the World Level Institutions.

**(18) Transport Subsidy
(Applicable only for Export Oriented Units (EOU))**

For the transportation of goods (excluding mining related products) to the nearest seaport/ airport from the place of manufacture to where goods are being exported, actual transportation charges (excluding government duty and taxes) will be reimbursed. The maximum limit would be Rs. 20 lakhs per year maximum for the period of 5 years. It will be applicable on the first-time exported product/produce by 100% EOUs established anywhere in the State.

(19) Special Package for Mega/Ultra Mega Projects

High Power Committee (HPC), under Chairmanship of Chief Secretary will approve the customized package of incentives to Mega and Ultra Mega Projects on case-to-case basis. Cabinet committee under chairmanship of Honorable Chief Minister will approve customized package of incentive on case-to-case basis.

Industrial Policy 2019-24
Categorization of Development Blocks

(With reference to Point No 2 of Section 16.1 mentioned under definitions section of this policy)

Annexure -7 (A)

CATEGORY “A” (Developed Area-15) Under Industrial Policy 2019-24

S. No.	Name of District	Name of Development Block
1.	Bilaspur	Bilha
2.	Korba	Korba, Pali
3.	Raigarh	Raigarh, Kharsia
4.	Durg	Durg, Dhamda
5.	Rajnandagon	Rajnandgaon
6.	Raipur	Dharsinwa, Tilda
7.	Janjgir-Champa	Akaltara, Bamhnideeh (Champa)
8.	Baloda bazar- bhatapara	Bhatapara, Simga, Baloda Bazar

Annexure -7 (B)

CATEGORY “B” (Developing Area- 25) Under Industrial Policy 2019-24

S. No.	Name of District	Name of Development Block
1.	Korba	Katghora, Kartala, Poundi-Uproda
2.	Mungeli	Patharia, Mungeli
3.	Raigarh	Gharghoda, Tamnar, Pussore
4.	Durg	Patan
5.	Kawardha	Kawardha, Pandariya
6.	Rajnandgaon	Dongargarh, Dongargaon, Khairagarh
7.	Baloda Bazaar	Palari
8.	Dhamtari	Dhamtari, Kurud, Magarlod
9.	Mahasamund	Mahasamund, Saraipali, Bagbahra
10.	Raipur	Abhanpur, Arang
11.	Bilaspur	Takhatpur, Masturi

CATEGORY “C” (Backward Area- 40) Under Industrial Policy 2019-24

S. No.	Name of District	Development Blocks
1.	Mungeli	Lormi
2.	Balod	Gunderdehi, Gurur, Balod, Dondilohara, Dondi
3.	Bemetara	Bemetara ,Saja, Berla, Nawagarh
4.	Kawardha	Bodla, Sahaspur- Lohara
5.	Baloda bazar	Bilaigarh, Kasdol
6.	Dhamtari	Nagari
7.	Gariyaband	Chhurra, Gariyaband, Fingeshwar
8.	Mahasamund	Basna, Pithora
9.	Kanker	Kanker, Charama
10.	Bilaspur	Kota, Pendra Road (Gaurella-1), Pendra (Gaurella-2)
11.	Janjgir -Champa	Baloda, Navagarh, Sakti, Jaijaipur, Mal-kharoda, Dabhra, Pamagrh
12.	Raigarh	Dharamjaigarh, Lailunga ,Sarangarh, Baramkela
13.	Rajnandgaon	Chuikhadan
14.	Bastar	Jagdapur
15.	Sarguja	Ambikapur
16.	Surajpur	Surajpur

CATEGORY “D” (Most Backward Area- 66) Under Industrial Policy 2019-24

S. No.	Name of District	Name of Development Block
1.	Bastar	Bakawand, Bastanar, Darbha, Lohandiguda, Bastar, Tokapal
2.	Bijapur	Bijapur, Bhairamgarh, Bhopalpatnam, Usoor
3.	Dantewada	Dantewada, Geedam, Katekalyan, Kuwakonda
4.	Kanker	Antagarh, Bhanupratappur, Durgukondal, Narharpur ,Koylibeda
5.	Kondagaon	Keshkal, Kondagaon, Baderajpur, Makdi, Pharasgaon
6.	Gariyaband	Deobhog, Mainpur
7.	Narayanpur	Narayanpur, Orchca (Abujmad)
8.	Sukma	Konta, Chhindgarh, Sukma
9.	Bilaspur	Marwahi
10.	Rajnandgaon	Mahula, Chhuriya, Ambagarh Chowki, Manpur
11.	Balrampur	Balrampur, Kusmi, Rajpur, Ramchandrapur, Shankargarh, Wadrafnagar
12.	Jashpur	Jashpur, Kunkuri, Patthalgaon, Bagicha, Duldula, Manora, Kansabel, Pharsabahar
13.	Koriya	Manendragarh, Baikunthpur, Bharatpur, Khadgawan, Sonhat
14.	Sarguja	Lundra, Sitapur, Batoli, Lakhanpur, Mainpat, Udaipur
15.	Surajpur	Pratappur, Premnagar, Bhaiyathan, Odagi, Ramanujnagar

Non-Fiscal Incentives Under Industrial Policy 2019-24

(With reference to point 18 of this policy)

1. Absolute authority for land diversion at the District level has been given to the concerned Sub Divisional Officer (Revenue). Re-fixation of the land revenue after diversion to be done by the concerned District Collector within a time limit of 30 days, necessary provisions will be done in this regard.
2. Necessary amendments will be done in the relevant acts with regards to the following:
 - a. Process simplification for obtaining No-objection certificates from Local bodies (Municipal Council /Municipal Committee/Municipal Corporation/Gram Panchayat) for setting up industrial projects / industries
 - b. Deemed Approval consent for obtaining No-objection Certificate
 - c. Provisions for non-requirement of No-objection Certificate in case of establishment of industries set up 2 km away from the rural population.

Necessary steps will be taken to make CSIDCas Nodal agency in this regard.

3. 5 years Exemption from “Agriculture Land Ceiling Act” will be allowed on agricultural land to be purchased for Industrial purpose.
4. To ease the process of setting up industries and to obtain requisite approvals for setting up industrial projects/ industries in the State, following amendments will be made: -
 - 4.1 Renewal period for consent to operate issued to the industries by Chhattisgarh Environment Conservation Board will be increased to 5 years for red category of industries, 10 years for orange category of industries and 15 years for green category of industries.
 - 4.2 Single certificate will be issued by clubbing all consent to operate (CTO) in place of individual consents to operate (CTO) for different activities in single premises and in future single consent to operate shall be issued.
 - 4.3 Renewal of electrical license will be done for 5 years.

- 4.4 Period for storage license under Chhattisgarh Mineral (Mining, transportation and storage) Rules will be increased up to 10 years for all industries.
- 4.5 Stamp duty exemption for registration in case of change of constitution of any industrial unit (single, proprietary, partnership, private limited) to Limited Liability Partnership (LLP) will be examined and efforts will be made for making necessary corrections in this regard.
5. Necessary amendments will be made / notifications will be issued to keep all the Government of India / State Government approved industrial areas/parks, out of the perimeter of Local Bodies to avoid double taxation by local bodies.
6. The prevailing land transfer fee for the land allotted by Industries Department / CSIDC in industrial areas and outside industrial areas will be reduced and the process will be simplified.
7. Additional incentives will be provided to industries set up in the districts for processing major fruits, flowers, vegetables and medicinal plants produced in those districts, as compared to the incentives being given to other industries in those districts.
8. Prevailing policy for revival of closed and sick industries will be reviewed and rationalized.
9. For Service sector industries, production certificate will be issued by District Trade and Industry Centre, so that the service sector industries can avail incentives under this policy
10. Based on the demand, buildings/sheds (on a plot admeasuring maximum 10,000 square feet) will be constructed in the industrial parks and will be made available for micro and small-scale industries.
11. For development of handicraft, weaving, clay and bronze based industries in the State, the State Store Purchase Portal **E-MaNe-C** will be made available for marketing of goods.
12. Facilities proposed in the Appendix-8 of this policy will be applicable as per detailed notification issued separately for facilities.