



The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)



Jharkhand State MSME Policy



MSME & Startup Committee, ICAI

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Message from Committee Leadership

Dear MSME & Startup Stakeholders,

We are pleased to share details about the ICAI MSME Clinic, an initiative designed to provide valuable guidance, support, and professional assistance to MSMEs and Startups across the country. This weekly walk-in, pro-bono advisory service aims to address key challenges faced by MSMEs, including finance, accounting, technology support and marketing.

About ICAI MSME Clinic

The ICAI MSME Clinic will be hosted every Friday by ICAI branches, where MSMEs and Startups can receive expert advice from two dedicated advisory desks:

- **Business Support Desk:** Led by Chartered Accountants specializing in MSME and Startup advisory, financial planning, compliance, and business strategy.
- **Institutional Support Desk:** Led by Bankers and Government Representatives, offering assistance with credit access, grievance redressal, and awareness of government schemes.

Introduction to the State-Specific MSME Policy

We are also excited to present the State-Specific MSME Policy, an essential resource for MSMEs & Startups in the ICAI MSME Clinic initiative. As part of this initiative, the Committee has developed a Resource Handbook and State-Specific MSME Policies, aimed at enhancing the knowledge base of MSMEs and Startups.

These State-Specific Handbooks serve as practical and accessible tools for navigating the unique opportunities, policies, and regulatory frameworks specific to each state. By consolidating available schemes, incentives, and support across states, we aim to provide MSMEs & Startups with the guidance they need to grow at the grassroots level and develop the capacity.

Vision of ICAI MSME Clinic

Through consistent, pro-bono engagement and sustainable operations, each branch becomes a local hub and incubation centre of MSME transformation, bridging professional excellence with grassroots economic development. ICAI aims to empower MSMEs & Startups annually, driving financial literacy, compliance discipline, and business growth.

Acknowledgement

We would like to extend our sincere gratitude to **Rajendra Kumar Jha** for their tireless efforts and contributions in preparing the **State-Specific MSME Policy of Jharkhand**, which will play a crucial role in this initiative.

MSME & Startup Commitment Growth

The MSME & Startup Committee, ICAI, is deeply committed to ensuring the success of the ICAI MSME Clinic and providing continuous support to MSMEs & Startups. Together, we look forward to contributing to the sustainable growth and empowerment of MSMEs & Startups, which are the backbone of the Indian economy.

CA Gyan Chandra Misra
Chairman
MSME & Startup Committee, ICAI

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1. Introduction

1.1. Jharkhand State

Jharkhand is the only state in India to produce coking coal, uranium, and pyrite. The state is also a leading producer of coal, mica, kyanite, and copper. Jharkhand boasts a significant portion of India's mineral and coal reserves, being one of the richest mineral zones in the world.

Jharkhand has a more explicit MSME policy framework. The state's MSME Policy 2023 proposes a dedicated MSME directorate, district MSME centres, and easier single-window facilitation for registrations and clearances.

The policy also proposes financial incentives, including interest subsidy for new MSMEs and capital subsidy support, with reported benefits rising to substantial limits for micro, small, and medium enterprises. In addition, the state has been working on a special concession framework to reduce procedural burden on MSMEs, which is intended to speed up approvals and improve ease of doing business.

1.2. Brief State Profile Relevant to the Policy

- **Geography:** Jharkhand has a predominantly forested and mineral-rich terrain covering 79,710 sq km.
- **Demographics:** Approximately 33 million population, with more than 26% tribal communities and a significant rural populace.
- **Economy:** Traditionally mineral and mining dominated; agriculture, forestry, and animal husbandry major employment sources.
- **Industry:** Emerging clusters in food processing, textiles, leather, handloom, sericulture, bamboo, and IT sectors.
- **Challenges:** Limited industrial diversification, inadequate infrastructure, skill shortages, and procedural bottlenecks for MSME entrepreneurs.

1.3. Industrial Areas

- **Jamshedpur:** Known as the Steel City of India
- **Bokaro:** Called the Powerhouse of Steel
- **Dhanbad:** Referred to as the Coal Capital of India
- **Adityapur:** The largest industrial area in Jharkhand, located near Jamshedpur, with over 1,000 SMEs in automotive components, engineering, fabrication, IT, and electronics.
- **Ranchi:** The state capital is an industrial hub for heavy engineering, automobile parts, electrical equipment, and food processing, supported by its skilled workforce and strategic location.
- **Ramgarh:** An emerging industrial town known for cement manufacturing, thermal power generation, and iron and steel industries.
- **Hazaribagh:** Important for coal mining, cement, and steel industries, leveraging its mineral wealth and strategic location.

- **Sindri:** Historically significant for fertiliser production, also hosts chemical industries and thermal power plants.
- **Deoghar:** A new growth centre focusing on food processing, steel, handicrafts, plastic, and textiles, benefiting from government policies.
- **Chaibasa:** Major mining and metal industry hub, especially for bauxite, iron ore, aluminium processing, and steel production

1.4. Industrial Introduction

- Jharkhand is located in eastern India, sharing borders with West Bengal (east), Uttar Pradesh and Chhattisgarh (west), Bihar (north), and Odisha (south).
- The state is a leader in economic growth, with an estimated Gross State Domestic Product (GSDP) of approximately ₹4.7 trillion (US\$ 56.78 billion) for 2024-25.
- Jharkhand is among the richest mineral zones globally, possessing about 40% of India's total mineral resources and 27.3% of its coal reserves.
- Major minerals include coal, iron ore (26% of India's reserves), copper ore (18.5%), uranium, mica, bauxite, granite, limestone, silver, graphite, magnetite, and dolomite.
- The state is the only producer of coking coal, uranium, and pyrite in India, and ranks second in iron ore reserves.
- Mining and mineral extraction are key industries, with mineral production reaching 138.15 million tonnes in FY23.
- Jharkhand's industries benefit from proximity to major eastern Indian markets and ports such as Kolkata, Haldia, and Paradip, aiding mineral transportation.
- Cumulative Foreign Direct Investment (FDI) inflows in Jharkhand were US\$ 2.66 billion between October 2019 and June 2024.
- As of March 2023, Industrial Entrepreneur Memorandums (IEMs) were filed, with proposed investments of ₹424 crore (US\$ 51.6 million).
- Total exports from Jharkhand stood at US\$ 775.1 million in FY24-25 (until August) and US\$

1.9 billion in FY23-24.

- The state offers a range of fiscal and policy incentives under the Industrial Policy 2012, with additional policies for IT, SEZs, and energy aiming to provide reliable, affordable power.
- About 80% of Jharkhand's rural population depends on agriculture, with rice as the dominant crop, covering 80% of the cropped area.

1.5. Industrial Clusters

- **Textile Cluster in Ranchi:** MSMEs in this cluster have benefited from capital subsidies and training programmes, leading to increased production and job creation.

- **Food Processing & Plastic Park Units in Deoghar:** New MSMEs established with support from DMCs and government incentives, boosting local agro-based industries.
- **Handloom and Silk Clusters:** In Saraikela-Kharsawan and Dumka, targeted support has led to significant rural employment and increased women's participation.

1.6. Advantages

- **Extensive mineral reserves:** Jharkhand is one of the richest mineral zones in the world and has around 40% of India's mineral wealth. Largest producer of coal, mica, and copper in India.
- **Policy and fiscal incentives:** In October 2024, Prime Minister Mr. Narendra Modi launched the Dharti Aaba Janjatiya Gram Utkarsh Abhiyan (DAJGUA). The scheme has a total outlay of Rs. 79.156 crore (US\$ 9.49 billion) and covers around 63,843 villages benefitting more than 5 crore tribal people in 549 districts and 2,911 blocks. The state also has policies for IT and SEZs offering sector-specific incentives. In March 2024, Prime Minister, Mr. Narendra Modi introduced development projects worth Rs. 35.700 crore (US\$ 4.31 billion) in Sindri, Dhanbad, Jharkhand, dedicated to development projects in fertiliser, rail, power, and coal.¹
- **Investment potential:** Investment opportunities in sectors such as mining and metals, power, infrastructure, manufacturing, and food processing. At current prices, Jharkhand's total GSDP was estimated to stand at Rs. 428,155 crore (US\$ 51.71 billion) in 2023-24.²
- **Location advantage:** Location-specific advantage as it is close to the vast market of eastern India. Close to the ports of Kolkata, Haldia, and Paradip with easy access to raw materials.

1.7. Government Vision for the State

- **Power:** Increasing generation to 10,000 million units and bringing Aggregate Technical and Commercial (AT&C) losses to fewer than 15%.
- **Agriculture:** To increase agricultural productivity to 2,000 kilograms per hectare.
- **Healthcare:** Targeted campaigns against common epidemics. Government-backed health insurance.
- **Industry interface:** Establishment of a single window clearance system for investors in the state.

1.8. Key Government Policies³

- **Jharkhand State Solar Rooftop Policy 2018:** Encourage development and promotion of environment-benign solar energy generation contributing to sustainable development.

1 Jharkhand MSME Promotion Policy 2023, Gazette Notification, December 2023, Department of Industries, Government of Jharkhand.

2 Jharkhand MSME Promotion Policy 2023, Gazette Notification, December 2023, Department of Industries, Government of Jharkhand.

3 Jharkhand MSME Promotion Policy 2023, Gazette Notification, December 2023, Department of Industries, Government of Jharkhand.

- **Jharkhand Tourism Policy 2015:** Make Jharkhand the most preferred tourist destination, both inside and outside India, and develop the tourism infrastructure.
- **Jharkhand Industrial and Investment Promotion Policy 2016:** Foster manufacturing and innovation, create employment opportunities, and provide state-of-the-art infrastructure and enhance inclusivity.
- **Jharkhand State Solar Policy 2022:** Make Jharkhand a leader in solar energy adoption.
- **Jharkhand Food Processing Industry Policy 2015:** Provide financial assistance for the upgradation of technology at existing food processing units as well as for setting up new units.
- **Jharkhand Corporate Social Responsibility Policy 2020:** To create a conducive environment for attracting CSR investments and best management practices to address developmental challenges within the state.

2. About the MSME Policy

2.1. Name of the Policy

Jharkhand MSME Promotion Policy 2023

2.2. Jharkhand MSME Policy

Jharkhand's MSME and Startup Promotion Policy 2023 is a strategic framework intended to catalyse inclusive industrial growth, entrepreneurship, and rural development across the state. Jharkhand, endowed with rich mineral resources and a large youth population, faces the challenge of diversifying its economy beyond mining and harnessing the innovative energy of small businesses and startups. MSMEs form the backbone of the state's economy, contributing significantly to employment generation, GDP, and exports. The policy aims to nurture this vibrant sector through targeted incentives, streamlined regulatory processes, technical facilitation, and infrastructure creation.

This policy is critical for Jharkhand in view of its socio-economic landscape—a largely tribal population with pockets of underdeveloped rural areas requiring job creation, women and marginalised community empowerment, and a shift towards technology-driven industrialisation. By fostering conducive ecosystems for startups and MSMEs, Jharkhand intends to generate sustainable livelihoods, enhance skill levels, and increase the share of manufacturing and services in its GDP. This document highlights the main features, eligibility criteria, incentives, and implementation processes of the MSME and Startup policy, emphasising inclusive growth and export promotion.

2.3. Key Developments

The Jharkhand Micro, Small and Medium Enterprises (Special Exemption) Bill, 2025, was approved by the state cabinet in March 2025, passed by the assembly in August 2025, and received gubernatorial assent on November 4, 2025. This new legislation exempts MSMEs from various approvals, permissions, inspections, NOCs, clearances, consents, registrations, and licences under state laws for establishment and operation. It integrates all licensing services into a Single Window System via the Jharkhand Single Window Clearance Act, 2016, with the MSME Directorate as the nodal agency.

2.4. Relation to Existing Policy

This builds on the Jharkhand MSME Promotion Policy 2023, which focused on fiscal incentives like capital subsidies (up to Rs 10 crore) and ease-of-doing-business measures. The 2025 Act specifically enhances regulatory relief, aiming to accelerate industrial growth, attract investments, and boost employment without altering core subsidy structures. It exempts MSMEs from various approvals, permissions, inspections, NOCs, clearances, and cons.

2.5. MSME Growth in Jharkhand

- **Strong Economic Growth Trajectory:** Jharkhand's economy is projected to grow by 7.5% in 2025-26, with an average annual growth rate of 9.1% between 2020-21 and 2023-24—outpacing the national average and reflecting a robust environment for MSME expansion.

- **Ambitious Vision for a ₹10-Trillion Economy:** The state aims to become a ₹10 trillion (₹10 lakh crore) economy by 2029-30, providing significant opportunities for MSMEs to participate in and benefit from this growth drive.
- **Policy and Fiscal Support:** The Jharkhand MSME Promotion Policy 2023 offers substantial incentives, including capital and interest subsidies, cluster-based development, and streamlined regulatory processes, directly supporting MSME establishment and scaling.
- **Sectoral Diversification and Clusters:** There is a clear shift from traditional mining to diversified sectors such as manufacturing, textiles, food processing, and rural industries, with successful MSME clusters emerging in sericulture, textiles, and handicrafts.
- **Focus on Skill Development and Innovation:** The state is investing in skill development (₹585 crore allocated for 2025-26), research, and technology adoption, ensuring MSMEs have access to a skilled workforce and modern business practices.

2.6. MSME Sector Importance

- Backbone of Indian economy: ~26.83% of GDP, ~49.35% of exports.
- Over 2.77 lakh MSMEs registered in Jharkhand (as of Jan 2023, Udyam portal).
- Major role in employment, rural industrialisation, and reducing regional imbalances.
- Shift from mining/quarrying to sustainable sectors like manufacturing, sericulture, handloom, etc.

2.7. Importance of the MSME Policy for Jharkhand

- Diversify economic base beyond extractive industries.
- Enhance rural industrialisation and formal employment.
- Support marginalised groups including Scheduled Tribes, Scheduled Castes, and women entrepreneurs.
- Reduce migration by boosting local business ecosystems.
- Foster innovation through startup incubation and technology adoption.
- Increase competitiveness in national and global markets.
- Facilitate easier access to finance, market linkages, and technology.

2.8. Present Highlights of the Policy

- Policy Name - Jharkhand MSME Promotion Policy 2023
- Period - 5 years from 01/04/2023 to 31/03/2028
- Investment Subsidy - Up to 40% for Micro, 35% for Small, 30% for Medium enterprises
- Interest Subsidy - 5% per annum on loans up to ₹2 crore
- Marginalised Groups - 5% additional incentives for women, SC/ST, and disabled
- Infrastructure Support - Dedicated MSME Directorate and District MSME Centres

- Special Initiatives - Cluster development, One District One Product Scheme
- Startup Promotion - Incubation, patent support, mentoring, equity funding support
- Skill Development - Training through government institutions and private partnerships

2.9. Policy Objectives

- Foster growth of new/existing MSMEs.
- Promote expansion, diversification, and modernisation.
- Spur employment generation, especially for youth and entrepreneurs.
- Accelerate formalisation and digitisation.
- Encourage adoption of new/innovative technologies.
- Integrate skilling and employment. Focus on women, SC/ST, and inclusivity.
- Overcome financial, technological, and marketing constraints.
- Rejuvenate traditional MSMEs (sericulture, handloom, khadi, etc.).
- Create a conducive ecosystem for MSME prosperity.

2.10. Policy Strategies

- **Fiscal incentives:** Attractive financial support for MSMEs.
- **Institutional structure:** Dedicated MSME Directorate and District MSME Centres (DMCs).
- **Ease of Doing Business:** Single-window clearances, time-bound approvals, proposed MSME Special Concession Act.
- **Technical upgradation:** Regular training, workshops, and IT adoption.
- **Cluster development:** Product-specific clusters, industrial parks, rural industrialisation (ODOP, sericulture, khadi, food processing, etc.).

3. Enabling Framework

3.1. Cluster-Based Development

- Collective support for MSMEs in clusters (infrastructure, raw materials, technology, finance, markets).
- Promotes shared efficiencies and competitiveness.
- Focus on One District, One Product (ODOP).

3.2. Institutional Framework

- State MSME Directorate: Implements schemes, monitors DMCs, manages incentives, resolves disputes, and promotes trade/export.
- District MSME Centres (DMCs): Single-point support for MSME setup, Udyam registration, single-window clearances, and continuous assistance.

3.3. Technical Upgradation & Skill Development

- Regular district-level training/workshops on technology and digitisation.
- Custom vocational training (sales, marketing, branding, entrepreneurship, financial management) at subsidised rates.
- Collaboration with polytechnics and research institutes for skill development.

3.4. Ease of Doing Business

- Single-window clearance, online payments, self-certification, time-bound approvals.
- Proposed MSME Special Concession Act: The Jharkhand Micro, Small and Medium Enterprises (Special Exemption) Bill, 2025, was approved by the state cabinet in March 2025, passed by the assembly in August 2025, and received gubernatorial assent on November 4, 2025. This new legislation exempts MSMEs from various approvals, permissions, inspections, NOCs, clearances, consents, registrations, and licences under state laws for establishment and operation. It integrates all licensing services into a Single Window System via the Jharkhand Single Window Clearance Act, 2016, with the MSME Directorate as the nodal agency.

4. Basics of the Policy

4.1. Definitions⁴

- Micro Enterprise: Investment ≤ ₹1 crore; Turnover ≤ ₹5 crore.
- Small Enterprise: Investment ≤ ₹10 crore; Turnover ≤ ₹50 crore.
- Medium Enterprise: Investment ≤ ₹50 crore; Turnover ≤ ₹250 crore.
- Startup: Early-stage innovative business registered under DPIIT norms engaged in scalable and technology-driven activities.

4.2. Policy Period and Applicability

- Effective from April 1, 2023, to March 31, 2028.
- Applicable to newly established and existing MSMEs and startups in Jharkhand, except excluded sectors.
- Benefits apply only for projects operational within the policy period.

4.3. Terms & Conditions for Extending Incentives and Concessions

- Commercial production must commence within the policy duration.
- Enterprises must register with the state Directorate of MSME and comply with periodic audits.
- Incentives are subject to fulfilment of employment and investment conditions.
- Units defaulting on loan repayments or violating statutory norms become ineligible.
- Incentives may be withdrawn for non-compliance or fraudulent claims.

4.4. List of Service Enterprises Eligible/Not Eligible for Package of Incentives and Concessions

4.4.1. Eligible Sectors and Units:

- IT services, software development, BPOs.
- Educational institutions providing vocational training.
- Health care units.
- Agro-processing and food technology enterprises.
- Handloom, handicraft, and traditional manufacturing units.

4.4.2. Exclusions/Not Eligible Sectors and Units:

- Saw mills, tobacco processing units, beauty parlours, guest houses, petrol pumps.
- Mining activities that fall outside MSME purview.
- Mobile or temporary facilities like concrete mixing plants.
- Brick-making units, except those using environmentally sustainable materials like fly ash or red mud.
- Consumer product showrooms and service centres that do not qualify as MSMEs.
- Existing units already benefiting from other government incentive schemes.
- Units involved in restricted sectors like alcohol and tobacco processing.

⁴ MSME Act, 2006

5. Policy Features & Incentives

5.1. Focus on Eligibility

- Registered units within Jharkhand fulfilling capital and turnover criteria.
- Projects must be set up on land with clear titles and comply with pollution and environmental norms.
- Eligible units include manufacturing and service-based MSMEs.

5.2. Key Incentives

- **Comprehensive Project Investment Subsidy (CPIS):** Micro: 40% of FCI, up to ₹15 crore. Small: 35% of FCI. Medium: 30% of FCI. Additional 5% for SC/ST/Women/Differently-abled (Jharkhand residents only). Disbursed in two instalments (50% in 1st year, 50% in 3rd year).
- **Interest Subsidy:** 5% per annum for 5 years (Micro: up to ₹25 lakh, Small: up to ₹1 crore, Medium: up to ₹2 crore).
- **Stamp Duty/Registration Fee:** 100% reimbursement for land purchased directly from raiyats/consent award (first transaction only).
- **Credit Guarantee Fee Reimbursement:** For micro and small units under CGTMSE.
- **Quality Certification:** 100% reimbursement up to ₹25 lakh for BIS/ISO and other recognised certifications (multiple certifications allowed during policy period).
- **ZED certification:** 100% of the balance amount provided by the Government of India in the following manner: Additional 20% of expenses incurred by Micro units. 30% of expenses incurred by Small units. 25% of expenses incurred by Medium units.
- **Patent Registration:** Financial assistance of 50% of the expenditure incurred, up to a maximum of INR 25 lakh, per patent. 10 Lakh on filing, up to 25 lakh in acceptance.
- **Electricity Duty:** 100% reimbursement of electricity duty for 5 years from the date of commencement of commercial production.

Export Development Assistance (EDA):

- Scheme - Foreign Exhibition/Trade Fairs. Not eligible if availing a similar scheme under the Government of India.
- Eligibility - MSME Exporters registered with the concerned DIC/ JIADA.
- Financial Assistance - 75% of Stall charges paid up to a maximum of Rs. 4,00,000/- for one fair/ exhibition. Air fare 75% by economy class, max. up to INR 50,000/- per two persons per unit per annum.
- Outlay of INR 2 Crores per year on a First-Come-First-Serve basis. Application 45 days before the event.
- **Market Research Fund:** Providing live and timely market information on products and markets.

- **Green Production & Management:** 75% Reimbursement, <INR 3 lakhs.
- **Trademark Registration Assistance:** 100% Reimbursement, <INR 3 lakhs.
- **Raising capital through SME Exchange:** 20% Reimbursement, <INR 10 lakhs.
- **Effluent Treatment Plant:** 50% Reimbursement, <INR 25 lakhs.
- **Technology support subsidy:** 75% Reimbursement, <INR 1 lakhs for ERP solutions, <INR 5 lakhs for ICT solutions.
 - **Green measures subsidy:** 50% reimbursement, <INR 4 lakhs.

5.3. Non-Financial Support: Incubation, Mentoring, Networking.

- Setup of MSME Directorate and District MSME Centres for single-window facilitation.
- Technical consultancy, mentoring, and incubation support.
- Capacity-building workshops and skill development programmes.
- Support for patent filing and intellectual property rights.
- Market linkages via fairs, MSME e-market platforms, and trade promotion activities.

5.4. Sector-Specific Schemes

- IT & Electronics: Dedicated incubation hubs and funding.
- Textiles/Handloom/Sericulture: Cluster development, common facility centres.
- Agri-tech/Biotech: Support for processing units, clean energy adoption.
- Renewable Energy: Subsidies on solar and bio-energy equipment installation.

5.5. Provisions for Women, SC/ST, and Rural Entrepreneurs

- Additional 5% subsidy on top of regular investment subsidy.
- Preferential land allotment and capital support in tribal and rural areas.
- Special skill development and marketing support programmes.
- Reservation in government procurement contracts and schemes.

6. Focused Areas for the Policy

- Innovation-led entrepreneurship.
- Strengthening backward linkages in manufacturing.
- Development of industrial clusters and eco-parks.
- Fostering green and sustainable technologies.
- Enhancing export readiness and international market access.
- Promotion of traditional and indigenous industries.
- Strengthening institutional mechanisms for MSME facilitation.

6.1. Procedure for Availing the Incentives for MSME

- Register unit with the Jharkhand Directorate of MSME and Udyam portal.
- Submit investment and employment details along with the project report.
- Apply through the single-window online portal maintained by the state.
- Verification by the MSME Directorate and field-level officers.
- Approval and sanction of applicable subsidies and incentives.
- Regular submission of compliance and audit reports.
- Disbursement of incentives in tranches as per achievement of milestones.

6.2. Industries Benefiting from the Policies

- Manufacturing: Food processing, textiles, chemicals, machinery.
- Services: IT, healthcare, education, logistics.
- Traditional Crafts: Handloom, handicrafts, bamboo, leather.
- Agro-based Industries: Sericulture, dairy processing, organic farming.
- Renewable Energy and Environmental Technologies.
- Startups focusing on AI, IoT, clean technology, and social innovation.

6.3. Policy Role in Export Promotion

- 100% reimbursement of export certification, participation fees in trade fairs.
- Support for market access including international buyer-seller meets.
- Assistance for MSME units seeking MSME-EXIM registration.
- Export incentives prioritising clusters with high export potential.
- Special grants for technology upgradation linked to export quality compliance.

6.4. Relevant Links and Contacts

- Department of Industries, Jharkhand: Industry.jharkhand.gov.in
- Jharkhand MSME Directorate office, Ranchi
- State Startup Cell: startupjharkhand.gov.in
- Udyam Registration portal: udyamregistration.gov.in
- MSME Facilitation Centres (District offices across Jharkhand)
- Helpline: +91-XYZ-XXXXX, email: msmehelp@jharkhand.gov.in

6.5. Who Can Participate and Target Beneficiaries

- Micro, Small, and Medium Enterprises as defined by the policy.
- Early-stage startups registered under DPIIT or state startup recognition schemes.
- Women entrepreneurs seeking formalisation and support.
- Scheduled Castes, Scheduled Tribes, and Differently Abled entrepreneurs.
- Rural and tribal community ventures.
- Existing units seeking modernisation and scale-up.
- Educational and training institutions partnering for skill development.

6.6. Miscellaneous Provisions

- **Date of Commercial Production (DoP):** Udham or Udyog Aadhar not a substitute. 6 months relaxation maximum on DoP. Condone delay up to 6 months to 1 year.
- **Operative period of the policy:** Shall remain in force for a period of 5 years.
- **Doubts Resolution:** Department of Industries.
- **Policy Implementation:** Single Window System. Advantage Jharkhand
- Power of the State Government Final

7. Flowchart: Application and Approval Process

1. Registration

1. Register MSME on Udyam portal and Jharkhand MSME Directorate online portal.

2. Application Submission

1. Upload project report, investment details, and relevant documents via the single-window system.

3. Initial Verification

1. MSME Directorate preliminarily verifies eligibility and documents.

4. Field Inspection

1. Local officers conduct site verification and compliance checks.

5. Decision Point: Eligibility Confirmed?

1. Yes: Proceed to Approval
2. No: Application Rejected with reasons communicated.

6. Approval & Sanction

1. Sanction of relevant incentives, subsidies, and assistance.

7. Disbursement

1. Incentives released in phased tranches based on milestone achievement.

8. Monitoring and Reporting

1. Regular submission of compliance reports by entrepreneurs to MSME Directorate.

9. Summary Table of Key Incentives and Features

Table 1: Feature-Description

Feature	Description
Policy Validity	2023-2028
Investment Subsidy	Up to 40% with special 5% top-up
Interest Subsidy	5% per annum on loans
Stamp Duty & Registration Fee	100% reimbursement
Electricity Duty Exemption	5 years
Patent & Trademark Incentive	50% reimbursement up to ₹25 lakh
Export Promotion	Financial and non-financial support

Feature	Description
Special Focus	Women, SC/ST, Rural entrepreneurs
Institutional Support	MSME Directorate, District MSME Centers
Sector Focus	IT, Textiles, Agro-tech, Renewable Energy
Startup Support	Incubation, mentoring, equity funding

Table 2: IncentiveType-Description

Incentive Type	Description
Comprehensive Project Investment Subsidy	40% for Micro (max ₹1.5 cr), 35% Small, 30% Medium; with 5% top-up for women, SC/ST, disabled
Interest Subsidy	5% per annum on term loans or working capital, max ₹2 crore for medium units
Stamp Duty & Registration Relief	100% reimbursement of stamp duty and registration fees on land purchase for eligible units
Electricity Duty Exemption	Exemption from electricity duty for 5 years from start of production
Patent & Trademark Reimbursement	50% reimbursement for patent filings and trademarks up to ₹25 lakh
Export Promotion Subsidy	Assistance for participation in trade exhibitions, export certification reimbursement
Technology & Quality Upgradation	Support for ERP, ICT solutions, quality certifications reimbursement up to ₹25 lakh

Table 3: Key Incentives for MSMEs under Jharkhand MSME Policy 2023

Incentive Type	Micro Enterprises	Small Enterprises	Medium Enterprises	Additional Incentives
Investment Subsidy	40% up to ₹1.5 Cr	35% of Fixed Capital Invested	30% of Fixed Capital Invested	Extra 5% for Women, SC/ST, Disabled
Interest Subsidy	5% on loans up to ₹25 Lakh	5% on loans up to ₹1 Cr	5% on loans up to ₹2 Cr	–
Stamp Duty Reimbursement	100%	100%	100%	–
Electricity Duty Exemption	100% for 5 years	100% for 5 years	100% for 5 years	–
Patent/ Trademark Assistance	50% up to ₹25 Lakh	50% up to ₹25 Lakh	50% up to ₹25 Lakh	–
Export Development Assistance	Up to ₹4 Lakh for exhibition	Up to ₹4 Lakh for exhibition	Up to ₹4 Lakh for exhibition	Airfare subsidy for participating units

Table 4: Eligibility Criteria and Exclusions

Eligibility Parameters	Eligible Units	Non-Eligible Sectors/Units	Reason for Exclusion
Investment Limits	Micro ≤ ₹1 Cr, Small ≤ ₹10 Cr, Medium ≤ ₹50 Cr	Units exceeding investment or turnover ceiling	Outside MSME definition
Sector Focus	Manufacturing, IT, Agro-processing, Handloom, Renewable energy	Saw mills, alcohol & tobacco processing, petrol pumps, guest houses (>30 rooms), mobile concrete plants	Excluded to avoid overlap and policy focus
Registration Status	Registered under Jharkhand MSME Directorate & Udyam portal	Unregistered or under other incentive schemes	Prevent double benefits
Environment Compliance	Units complying with pollution norms	Non-compliant units	Sustainability criteria

9. Frequently Asked Questions (FAQs)

Q. Are there any special provisions for women entrepreneurs?

A. Yes, the policy provides an additional 5% subsidy on investments specifically for women entrepreneurs who are residents of Jharkhand. They receive preferential support in skill development programmes, marketing assistance, and government procurement reservations. For example, women-led MSMEs can avail extra financial benefits and 100% subsidy on participation fees in trade exhibitions.

Q. Does the State offer subsidies or incentives for specific industries?

A. Yes, sector-focused incentives are available for industries including IT, manufacturing, agro-based, renewable energy, textiles, handloom, and food processing. For instance, renewable energy MSMEs receive subsidies for solar and bio-energy equipment, while textile clusters benefit from common facilities and product-specific development schemes.

Q. What are the State's export promotion measures?

A. The policy includes export promotion through 100% reimbursement of export certification fees, participation subsidies for international trade fairs, support for MSME-EXIM registration, and assistance in international buyer-seller meets. Special grants are available for technology upgrades aimed at export quality compliance.

Q. What funding or financial assistance is available for entrepreneurs?

A. Entrepreneurs can avail of capital investment subsidies (up to 40% for micro enterprises), interest subsidies on loans up to ₹2 crore, credit guarantee fee reimbursements, and grants for quality certifications and patent registrations. Seed funding and venture fund support are also encouraged via startup incubation centres.

Q. How can startups/MSMEs benefit from incubation and innovation support in the State?

A. Jharkhand offers incubation hubs, mentoring, technical consultancy, and networking opportunities through dedicated MSME Directorates and District Centres. Linkages with universities and R&D institutions promote innovation and technology adoption, particularly for startups registered under DPIIT norms.

Q. Are there tax exemptions or financial relaxations under this policy?

A. Yes, these include 100% reimbursement of stamp duty and registration fees on eligible land purchases, 5 years of electricity duty exemption from commercial production date, and interest subvention on term loans. Additional benefits include subsidies on technology adoption and quality certifications.

Q. What is the process to apply for these schemes or benefits?

A. Applications are submitted online through Jharkhand's single-window clearance portal following registration on the Udyam portal and the Jharkhand MSME Directorate website. Supporting documents like project reports and investment proofs must be uploaded, and the application goes through verification and field inspection before approval.

Q. Which nodal agency/department implements this policy?

A. The policy is implemented by the **Department of Industries, Government of Jharkhand**, through the **Jharkhand MSME Directorate** and **District MSME Centres**. The State Startup Cell also supports startup-specific initiatives.

Q. Who are the key contact persons for assistance?

- A.
- **Nodal Officer:** Director, Jharkhand MSME Directorate
 - **Email:** msmehelp@jharkhand.gov.in
 - **Official Website:** industry.jharkhand.gov.in
 - District MSME Centres across Jharkhand also provide localised support.

Q. How does this policy align with Central Government initiatives?

A. The Jharkhand MSME Policy aligns closely with National programmes such as **Startup India, Make in India, Digital India**, and various Central MSME schemes by promoting entrepreneurship, technological adoption, ease of doing business, digitalisation, and export competitiveness, thereby fostering inclusive and sustainable economic growth.

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Startup Portal:
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