

# INDUSTRIAL POLICY FRAMEWORK FOR THE STATE OF TELANGANA



# INDEX

S. No.	Particulars	Page No.
01.	Chief Minister's Message	01
02.	Minister's Message	02
03.	Preamble	03
04.	Objectives	04
05.	Effective Industrial Clearances Mechanism	05
06.	Ease of Doing Business - No.1	06
07.	Thrust Areas and Core Sectors	07
08.	Classification of Projects	09
09.	Special Focus on SMEs/Micro Industries	10
10.	Ancillary / Vendor Development	10
11.	Preventing Incipient Sickness among SMEs	10
12.	Special Assistance to Women Entrepreneurs	11
13.	Special Support for SC / ST Entrepreneurs	11
14.	Traditional Arts and Handicrafts	12
15.	Marketing Brand Telangana	13
16.	Industrial Land Bank	14
17.	Infrastructure Development	14
18.	Connectivity	14
19.	Industrial Water	15
20.	Industrial Power	15
21.	Common Effluent Treatment Plant (CETP)	15
22.	Internal Infrastructure	15
23.	Statutory Clearances for the Industrial Parks	16
24.	Land Allotment Process	16
25.	Common Facility Centres and Utility Centres	17
26.	Land Pricing	17
27.	Land Acquisition for Industries	17
28.	Industrial Development on Private Lands	17
29.	Skill Development	18
30.	Industrial Townships	18
31.	Industrial Area Local Authority	18
32.	Industrial Incentives	19
33.	Rationalization of Taxes	20
34.	Review of All Laws Impacting Industry	20
35.	Central Government Incentives	20
37.	Research and Innovation Circle of Hyderabad (RICH)	22
38.	Specific Initiatives for now	23
39.	Life Sciences - Pharmaceuticals, Biotechnology and Medical Devices	24
40.	Hyderabad Pharma City	25
41.	Medical Devices Park	26
42.	NIMZ in Telangana	27
43.	Plastic Park	28
44.	Telangana - Textile and Apparel Sector	29
45.	Mega Textile Park - Warangal	30
46.	Retail Policy of The State of Telangana	31
47.	IKEA in Telangana	32
48.	Corporate Social Responsibility	34
49.	Safety Net and Exit Policy	34
50.	Conclusion	35





**K. CHANDRASEKHAR RAO**



**Chief Minister  
Telangana**

Hyderabad

Telangana, the 29th and newest state of India, has come into being on 2.6.2014. The new State is the result of a decade's long struggle of people protesting against discrimination and injustice. While all other Indian States have progressed on all fronts in these years, the new State of Telangana has a lot of catching up to do, to fulfill the ambitions of its people.

I am aware that industrialisation holds the key for fostering economic growth, creating employment and ushering in prosperity to the people. It is my determination that the State of Telangana should emerge as the favourite destination for national and international investments. I have accordingly decided to bring in a new Industrial Policy which will inspire both international and domestic industry groups, investors, and entrepreneurs to choose Telangana as their preferred destination. I personally promise a corruption-free and industry-friendly business regulatory environment, which will be rated as amongst the best in the world.

This document is the philosophical statement of the State's Industrial Policy. It lays out the framework on how industrial activity will be promoted in the State. Each policy statement will be followed up by Government Orders that will convert the framework into action. In my opinion, the process of expeditious clearance of applications and the incentives the State provides to the MSME sector are the foundation actions for the Industrial Policy. The TS-IPASS (Telangana State Industrial Project Approval and Self-certification System), which goes well beyond conventional single window systems, will be the anchor to the Industrial Policy of Telangana State. To help the MSME sector, the T-IDEA (Telangana State Industrial Development and Entrepreneur Advancement) and T-PRIDE (Telangana State Program for Rapid Incubation of Dalit Entrepreneurs) Incentive Policies are being released along with the Industrial Policy Document.

I look forward to welcoming all of you to the State of Telangana and invite you to become a partner in the progress of my State.

(K. CHANDRASEKHAR RAO)





### **K. T. RAMA RAO**

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## **MESSAGE**

Nearly all our modern day ideas of social and individual prosperity trace their origins back to the revolutions of the 18th century: the Industrial Revolution being one of them. That fact, in essence, is testimony to the monumental importance of industry as a frontier of steadfast attention. It has been our learning from history that industry is the main driver of material development, without which human development remains out of grasp.

Since the inception of the State of Telangana, the government's outlook has been aligned to that purpose. The Chief Minister of Telangana State, Sri K. Chandrasekhar Rao, presented his dream of Golden Telangana when he shared his vision of harnessing unprecedented industrial growth for the State in the years to come. The first step the Government took towards realising that grand vision was the new Industrial Policy, which grew around his philosophy "Innovate, Incubate, Incorporate" in Telangana, thus crystalizing the government's investor-friendly, pro-entrepreneur outlook. From the "Minimum-Governance, Maximum-Facilities" industrial administration, to the linear, procedural structure, that not only keeps in mind material progress but also the environment and sustainability, the New Industrial Policy is crafted to usher a new era of high-spirited investments and ventures in the State of Telangana.

The TS-iPass clearance system, ensuring self-certification and automatic approvals is made to lend a distinct investment-magnet advantage to the Telangana State over competing states, in India and abroad. True to the spirit of the Golden Telangana vision, the new Industrial Policy incorporates the Government's commitment to social justice and equitable development of all sections of the society.

The unanimous support of industry associations and the people of Telangana bear testimony to the Industrial Policy's rational and progressive outlook. We wish to have all sections of industry, from big to small, from across all borders, and we wish to have all our people, with us in our march towards a prosperous future. We are thankful for your support.

(K. T. RAMA RAO)



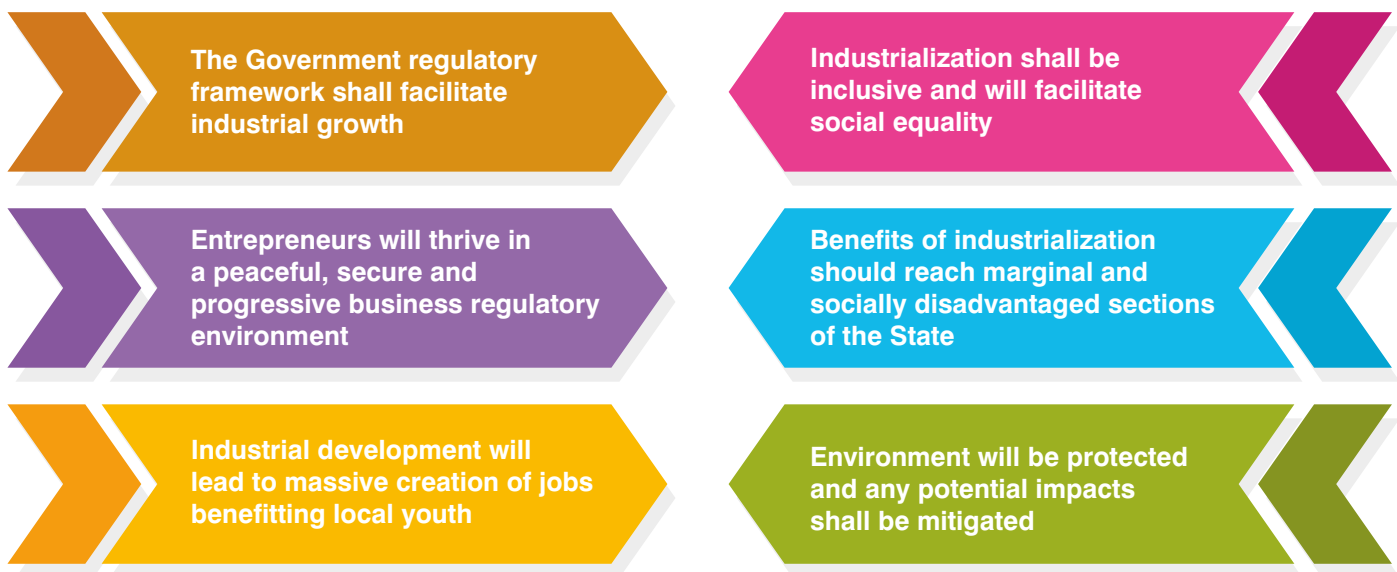
# PREAMBLE

Industrialization is the key strategy followed for economic growth and development for Telangana, the 29th state of the country. People of the new state have very high expectations from the Telangana State Government regarding the creation of jobs for the youth, promoting development of backward areas, maximizing growth opportunities by optimum utilization of the available resources, harnessing the talents and skills of the people and ushering prosperity in every household. Industrialization holds the potential for fulfilling all the dreams and aspirations of the people of Telangana.

The vision for industrialization of Telangana is “Research to Innovation; Innovation to Industry; Industry to Prosperity”. The industrial policy framework will be driven by the slogan – “In Telangana—Innovate, Incubate, Incorporate”. The policy framework intends to provide a business regulatory environment where doing business would be as easy as shaking hands. Innovation and technology will drive the industries of the Telangana State.

The Government of Telangana realizes that industrial development requires large-scale private sector participation, with the government playing the role of a facilitator and a catalyst. The government is committed to provide a graft-free, hassle-free environment in which the entrepreneurial spirit of local, domestic and international investors will thrive, and they’ll set up industrial units in the State of Telangana – their preferred investment destination. The new Industrial Policy is the instrument that will help translate the vision of the Telangana State Government into action.

## The Telangana State Industrial Policy is rooted in certain core values, as follows:





The new Telangana State Industrial Policy strives to provide a framework which will stabilize and make existing industries more competitive, and also attract and realize new international and national investments in the industrial sector. The focus is on core manufacturing sectors, with the creation of employment for urban and rural youth and adding value to existing skills emphasised at all stages. It is expected that the most significant outcome of this approach will be the production of high quality goods at the most competitive price, which will establish “Made in Telangana-Made in India” as a brand with high global recognition.

The cornerstone of the policy is zero-graft and zero-tolerance to corruption. The decision-making in all the Telangana State Departments is transparent and the departmental heads will be held responsible for all acts of omission and commission by departmental staff. An online and help-desk grievance redressal system has been put in place where the entrepreneur will be encouraged to report instances of corruption as well as delays in performing timely tasks by the Telangana State Government departments. Timely and strict disciplinary action will be taken against the employees who violate the parameters of the Industrial Policy Framework.

## MINIMUM INSPECTION AND MAXIMUM FACILITATION

The Industrial Policy Framework has the following mandate for departments that have any responsibility in the industrialization of the State – Minimum Inspection and Maximum Facilitation.

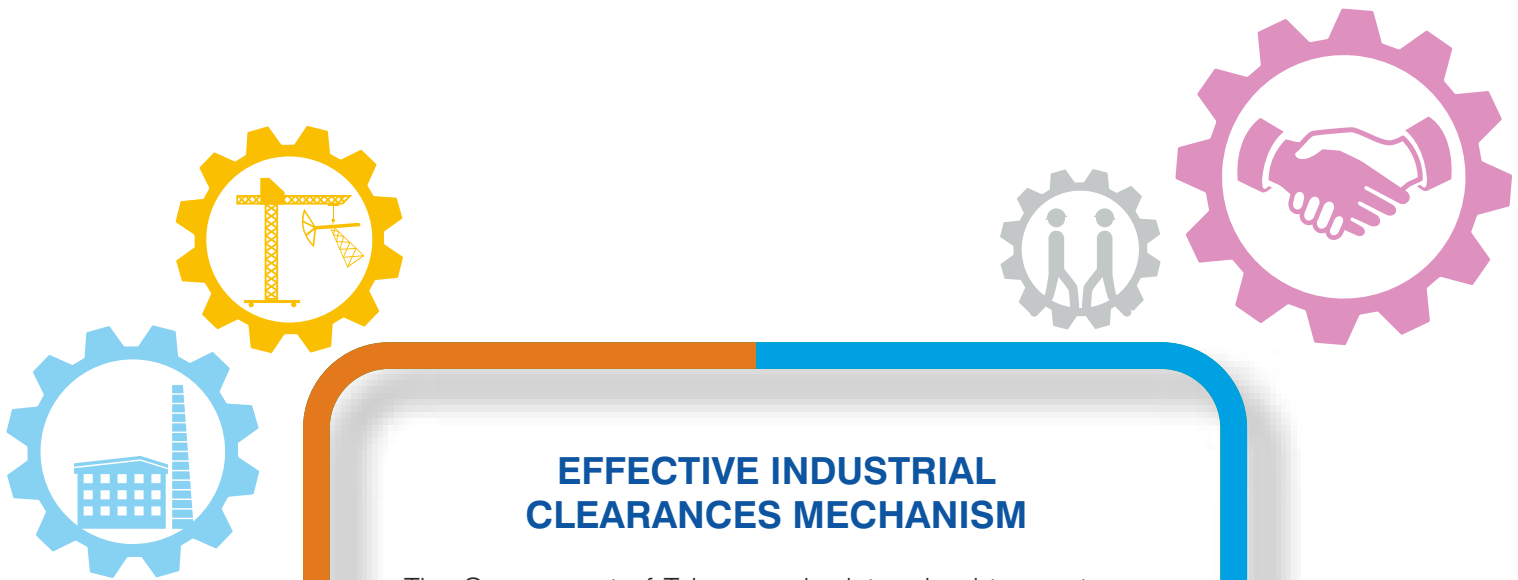
### MINIMUM INSPECTION

Minimum inspection would encompass a system of no random inspections without cause. Subject to statutory requirements, the departments will develop a system where each industrial unit is inspected only once in 3/4 years and the cycle of inspections is to be fixed in advance. Some random inspections will be planned to keep the industry on its toes, but these inspections will require specific written permission of the head of the department.

### MAXIMUM FACILITATION

Maximum Facilitation would encompass an effective system beyond the conventional single window as the anchor. Self-certification will be encouraged and automatic renewals will be implemented. There will be web based E-helpline facilities as well as physical help-desks in Hyderabad and the Districts. Information availability and industry department transactions will be transparent and web-enabled. The Office of the Commissioner of Industries and the Telangana State Industrial Infrastructure Corporation will have a Citizen's Charter covering all their activities.





## EFFECTIVE INDUSTRIAL CLEARANCES MECHANISM

The Government of Telangana is determined to create an ecosystem in which the ease of doing business in the state matches and even exceeds the best global standards. Telangana State Government is aware that offering a hassle-free system is considered to be of the highest priority by the industrialists, and accordingly the government will implement a very effective industrial clearance system that will go beyond the traditional single window system. This system, called the **Telangana State Industrial Project Approval & Self Certification System (TS-iPASS) Act – 2014**, is for the issuing of various clearances at a single point based on the self-certification through an end-to-end interactive, online system. The number of documents to be attached to an Industrial Application has been brought down from 110 to just 10 and a system of “right to industrial clearance” has been introduced.

So far, a total of 2991 industries have been accorded approvals involving an investment of Rs. 50827 Cr, including investments from TSGENCO. The total employment potential of these industries is estimated to be 1,98,896.

So far, 1138 industries have commenced commercial production, 405 are in advance stages of completion and the rest are under various stages of construction.







## EASE OF DOING BUSINESS - No.1

The State of Telangana secured 1st rank in the country in "Ease of Doing Business-2016" and has been declared by Ministry of Commerce, Government of India as the National Topper with a score of 98.78% in spite of being the youngest state in the country. This is a result of untiring efforts put in by the Government of Telangana towards implementing several systemic changes in the system. As a part of EODB initiatives, the Government of Telangana has launched 113 online services across 22 Government Departments, introduced inspection reforms and simplified procedures.

# Telangana

#1 in Ease of Doing Business in India



## THRUST AREAS AND CORE SECTORS

The Telangana State Government has conducted detailed studies and consulted experts to identify the competitive advantages the State can have, given its geographical location, available resources and skill-base, raw material availability, existing manufacturing practices, and expertise. Accordingly, the Telangana State Government recognizes the following 14 sectors as thrust areas. However, other sectors are equally welcome.

- 1** **Life Sciences—including Bulk Drugs, Formulations, Vaccines, Nutraceuticals, Biologicals, Incubation Centres, R&D facilities, and Medical Equipment**

Hyderabad is the bulk drug and vaccine capital of the country. However, in the past 8-10 years the sector has stagnated. While the leadership in formulations and bulk drugs has to be maintained, new opportunities like life-saving drugs, new vaccines and biologicals have emerged. There is an urgent need to encourage this sector, especially in the emerging life sciences areas.
- 2** **IT Hardware including Bio-Medical devices, Electronics, Cellular Communications, and FAB**

Telangana has a robust IT Software sector which will complement IT Hardware. The Government of India has approved of the IT Investment Region for Hyderabad as well as two Electronic Manufacturing Clusters. The large Health Industry in Telangana will support bio-medical devices and medical electronics.
- 3** **Precision Engineering, including Aviation, Aerospace, and Defence**

Hyderabad is home to a large number of defence aero-space and defence research laboratories like DRDO, DRDL, RCI, BDL, MDN, Ordnance Factory, DMRL etc. In addition to the 5 large Tata investments in aero-space, there is also the GMR MRO. A group of innovative aero-space SMEs also exist in Hyderabad which has supplied components to the Chandrayan and Mangalyan initiatives. GOI has also announced 49% FDI in defence sector creating huge investment opportunities.
- 4** **Food Processing and Nutrition Products including Dairy, Poultry, Meat, and Fisheries**

Telangana is a large producer of agro-products like cereals, pulses, oilseeds, fruits and spices. It is also the market leader in the poultry and seed business. There is potential expand into greenhouse and exotic vegetable cultivation. To add value to agro-products and to maintain and expand the existing strengths as well as to partner with the national Food Processing Mission, there is a need to encourage this sector.
- 5** **Automobiles, Transport Vehicles, Auto-Components, Tractors, and Farm Equipment**

The automobile industry is an important sector for any State. The upstream and downstream supplier opportunities will boost the engineering SME sector also. The M&M tractor plant in Telangana and the auto-component SMEs will be the anchor around which the future growth and investments in the automobile sector will emerge.
- 6** **Textiles and Apparel, Leather and Leather value-added products like Shoes, Purses, Bags, Artificial Material-infused and Coated textiles, Paper, and Paper products**

Telangana is a large producer of long staple cotton. It is also one of the largest producers of raw hide. However, value-added production is not there within the State and raw material is exported from the State. The State has a strong base for the paper industry. There is tremendous potential for paper and paper products industry in the State due to the growing demand for such products.
- 7** **Plastics and Polymers, Chemicals and Petro-chemicals, Glass and Ceramics**

The former combined State of Andhra Pradesh had a PCPIR sanctioned by the GOI. This has gone to the residual State. Plastics, polymers and downstream petro-chemical industry are predominantly in the MSME sector with a huge employment potential. The products of this sector are consumed on a daily basis all over the country. This sector is critical for a large number of MSMEs.



8

**FMCG and Domestic Appliances**

The growth rates of the Fast Moving Consumer Goods and Domestic Appliances sector has been phenomenal, even when the country's economy was slow. Telangana is centrally located in India and for the FMCG and Domestic appliances sectors, transportation costs are very critical. It is important to capitalize on the locational advantage of the State, especially for this sector.

9

**Engineering and Capital Goods, including Castings, Foundry and Ferro-alloys and other Metallurgical industries**

This sector is very important if the State has to capture the entire value chain of the automobile, aero-space, petro-chemicals, domestic appliances, and paper and textile sectors. The thrust areas in this section will provide the supply chain to the other thrust area sectors.

10

**Gems and Jewellery**

Hyderabad pearls and lacquer bangles made by local artisans are known all over the world. Value-addition to these traditional products and diversification into other gems and jewellery items will provide the much needed relief to local artisans and craftsmen.

11

**Waste Management and Green Technologies**

This is the sector that will become mandatory for all industries. Green initiatives can be shown to be profitable. The Telangana State has functional models of SPV/JV efforts of waste management. This sector has tremendous growth potential.

12

**Renewable Energy and Solar Parks**

This sector is a priority all over the world. The State of Telangana has large extents of land eminently suitable for non-conventional and renewable energy installations.

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**Mineral-based and Wood-based Industries**

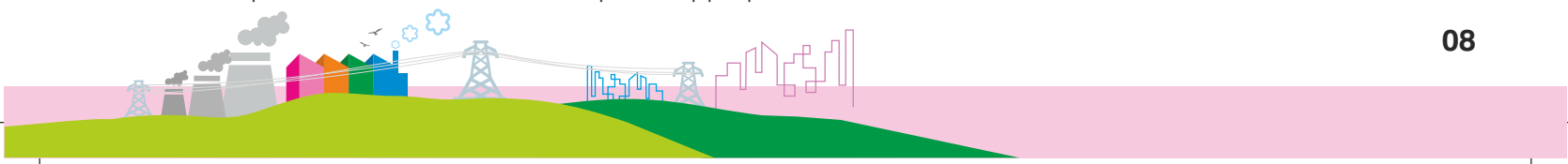
Much of the minor mineral wealth of the State like granite, quartz and silica-sand is exported in raw form with minimal processing within the State. Similarly, bamboo and other MDF-suitable plant material also need to be exploited so that sustainable incomes are generated and regular forests trees can be saved.

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**Transportation/ Logistic Hub/Inland Port/ Container Depot**

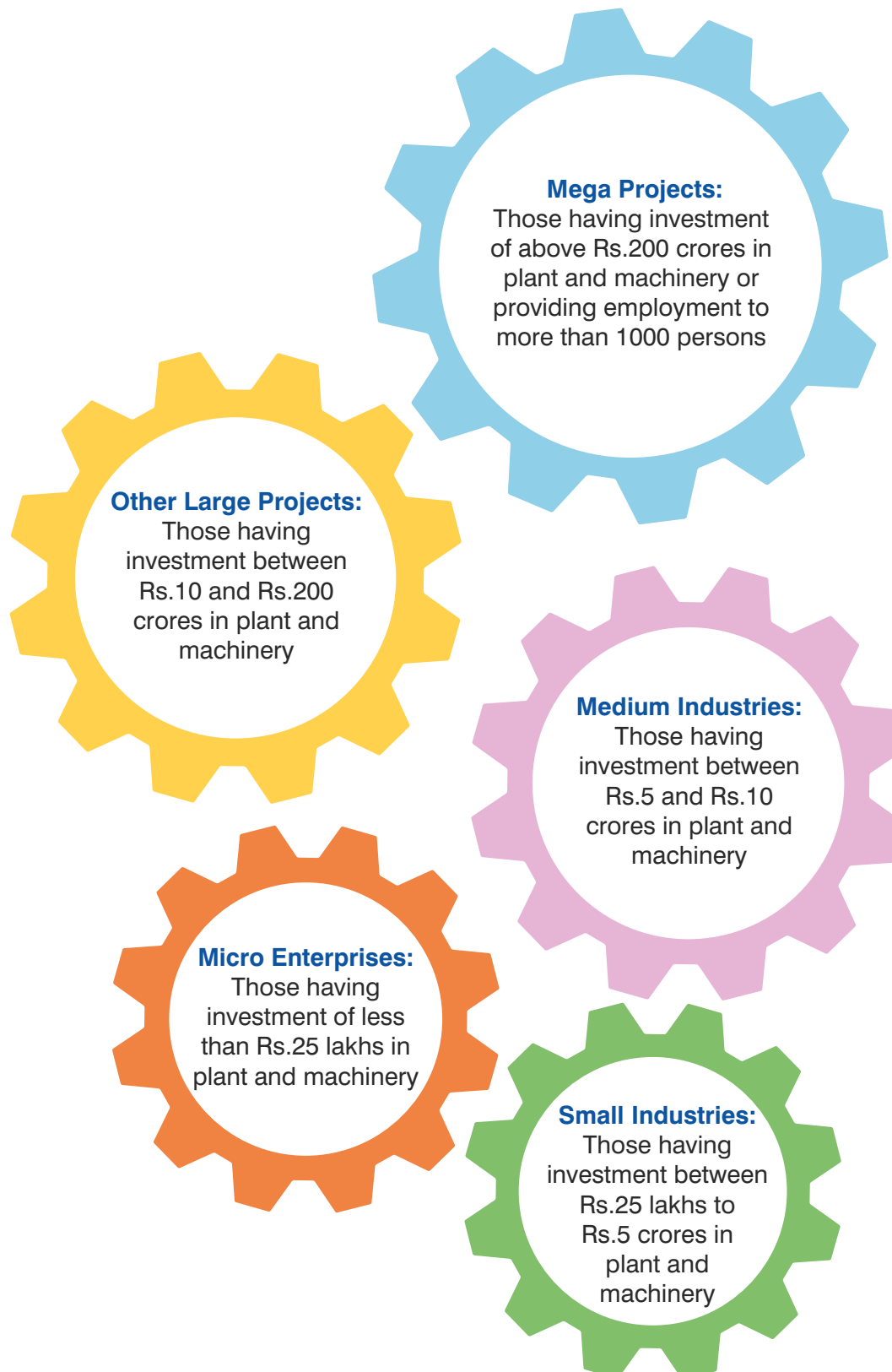
The State of Telangana is land-locked; yet it hopes to become a major destination for international investors. In addition, it is centrally located and has the potential to become a major transit and logistics hub.

Every thrust area mentioned above has its own sectoral policy and a structure of incentives. High level advisory panels with private sector and academia experts will be constituted for each of the sectors. An inter-departmental task force for each sector chaired by Special Chief Secretary/Principal Secretary of the Industries and Commerce Department is in place to achieve the required coordination. Frequent thrust area sector-centric investor meets will be organised to showcase the advantages that the State of Telangana offers for that sector. Thrust area sector-centric industrial parks with well-developed infrastructure required for that particular sector will be developed at appropriate locations in the State.



## CLASSIFICATION OF PROJECTS

The classification of projects into large, medium, small and micro sectors will be based on the Government of India MSME Ministry definitions as amended from time to time. The definition of a mega project is a Telangana State determined one. The Government of India has proposed to raise the investment limits under each category and the classification for now is as follows:



## **SPECIAL FOCUS ON SMEs/MICRO INDUSTRIES**

The SMEs and Micro-industries are expected to play a significant role in the new State of Telangana, both in terms of value addition and also in terms of creating employment opportunities. The new Telangana State Industrial Policy has made special provisions for the SME and Micro sectors as follows:

- ◆ Adequate number of smaller plots in Industrial parks for SMEs; developed sheds for Micro-units
- ◆ Special fund for addressing Incipient Sickness
- ◆ Special fund for IP Registrations Assistance
- ◆ Special fund for Anti-Pirating Assistance
- ◆ Special fund for Technology Transfer and modernization to MSME sector
- ◆ Reimbursement of land conversion charges for units in own land, subject to an upper limit
- ◆ Marketing assistance to participate in national and international trade shows and buyer-seller meets
- ◆ Consultant panel to respond to MSME entrepreneur needs
- ◆ Separate State Level Bankers Committee (SLBC) for industries, particularly SMEs

## **ANCILLARY/VENDOR DEVELOPMENT**

Within each of the core sectors, Telangana State Government is interested in the promotion of the ecosystem covering the entire value chain. The primary suppliers form an important component of the value chain, and provide the raw material or the component parts to the anchor manufacturing industry, and also provide basic inputs to the service industry. The Telangana State Government has planned each Industrial park in such a way that along with anchor units, enough plots are available for setting up Suppliers/Vendors Park. Since the ancillary units are usually in the SME category, these plots will be smaller in size. Mega projects will have to compulsorily set up a Suppliers/Vendors park to encourage growth of local ancillaries.

## **PREVENTING INCIPIENT SICKNESS AMONG SMEs**

The Telangana State Government intends to create a corpus fund jointly with the industries and their associations which will act as a safety net for SMEs that face any crisis and run the risk of imminent sickness. Telangana State Government will also work closely with the RBI constituted State Level Inter-Institutional Committee (SLIIC) to coordinate revival plans of sick and incipient SMEs.





## SPECIAL ASSISTANCE TO WOMEN ENTREPRENEURS

Like SC/ST entrepreneurs, the number of existing women-owned industrial enterprises is meagre. The Telangana State Government encourages women entrepreneurs in a big way. Each of the 9 districts of the state (excluding Hyderabad) will have one or more industrial parks exclusively for women. Organizations working for women entrepreneurs like COWE, ALEAP and FICCI-FLO are invited to partner with the government to identify and train women entrepreneurs, get their project proposals developed, link them to financial institutions and handhold and monitor the progress of their projects. Among women, the government would facilitate a higher number of entrepreneurs to emerge from socially deprived categories like SCs, STs, BCs and Minorities.

## SPECIAL SUPPORT FOR SC/ST ENTREPRENEURS

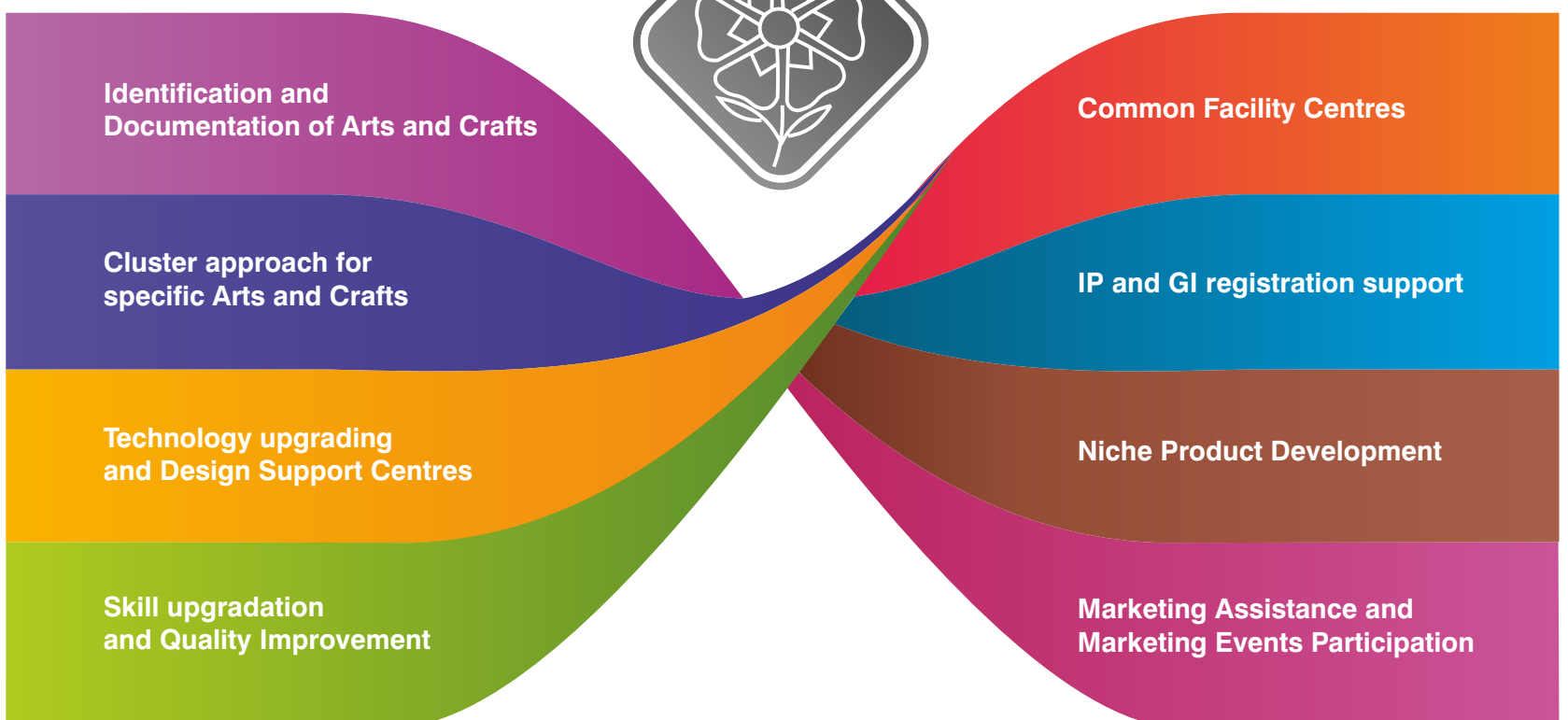
It is an unfortunate reality that SC/ST entrepreneurs own a miniscule proportion of existing industrial units in Telangana. There are a number of structural barriers which the SC/ST entrepreneurs find extremely difficult to overcome. Since the foundation of the new State of Telangana is based on the premise of social justice, the new Telangana State Industrial Policy has taken up a number of additional support measures meant to increase entrepreneurship among the SCs/STs. This program is implemented under the banner of TS-PRIDE—Telangana State Program for Rapid Incubation of Dalit Entrepreneurs and some of these initiatives under T-PRIDE are as follows:

- ◆ A special direct funding program for financing SC/ST entrepreneurs will be worked out to utilize the money available under the respective Sub-Plans
- ◆ Payment of Margin Money on behalf of the SC/ST entrepreneurs by the government
- ◆ Preferential allotment of plots in Industrial Parks
- ◆ Supplier diversity opportunities in large industries
- ◆ State departmental procurement policy in tune with GOI SME procurement policy (20%)
- ◆ Intensive Entrepreneur and Skill Development programmes
- ◆ Subsidy eligibility if funded by CRISIL Rated NBFCs
- ◆ No negative list
- ◆ Interest subsidy for service sector units (except transport sector)
- ◆ State supported CGTMSE-type scheme for SC/ST entrepreneurs
- ◆ Organizations like the Dalit India Chamber of Commerce and Industry (DICCI) will be involved in planning, implementing and monitoring special programmes for the SCs/STs
- ◆ Representation in all district and state level committees



## TRADITIONAL ARTS AND HANDICRAFTS

The State of Telangana has a number of internationally recognized forms of traditional arts and handicrafts. These are handicrafts like Nirmal Paintings, Dokra metal work, Bidri ware, Pambathi Brass ware as well as textiles like Pochampally Ikat, Gadwal saris and Warangal carpets. Many artisans and craft-personnel today continue to live on the production of these arts and handicrafts, but their income levels are declining. To improve the productivity and incomes in this sector, the Government of Telangana intends to take a number of actions, including:



This program will be implemented under the T-HART-Telangana State Handicrafts and Artisans Revival with Technology program.





## MARKETING BRAND TELANGANA

Telangana is the 29th and newest State of the Union of India. There is a need to create awareness about the State of Telangana and its brand image. To this end, Telangana State will participate extensively in a large number of national and international trade fairs, conferences and exhibitions so that the strengths and opportunities of the State can be showcased. The industrial policy of Telangana State has also to be publicised widely.

In addition to promoting the brand image of the State, it is also essential to promote the SMEs of the state. The State will actively promote the participation of Telangana SMEs in trade fairs, expositions, buyer seller meets and other such events. The State will also leverage all funds available from Government of India schemes under the MSME, Commerce, Textiles, and Pharmaceutical Departments and sector specific Export Promotion Councils to promote State SMEs. Adequate budget support is being provided for marketing the State and the industrial and craft products of the State.





## INDUSTRIAL LAND BANK

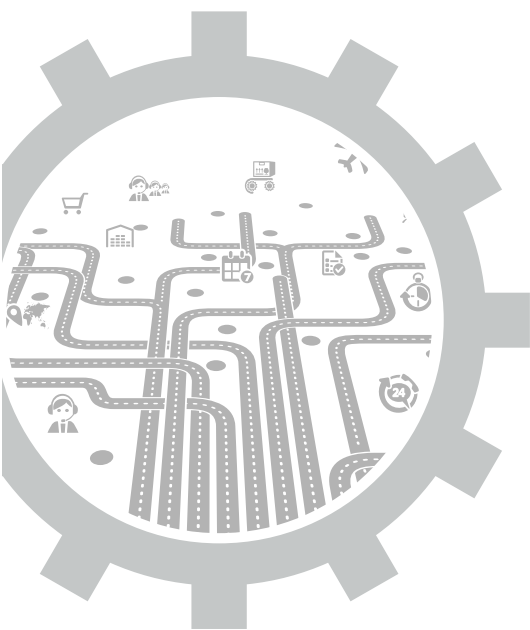
An extent of 150,000 acres of Government land has been transferred and is now vested with Telangana State Industrial Investment Corporation (TSIIC). This land is ready to be occupied for industrial purposes. This transferring of land to TSIIC will help save crucial time for industries and is an investment friendly initiative. In addition, TSIIC also has 150 ready to occupy Industrial Parks. Some of the industrial parks will also permit multi-sectoral activities and general manufacturing units.



## INFRASTRUCTURE DEVELOPMENT

The development of industrial and related infrastructure will be the responsibility of the Telangana State Industrial Infrastructure Corporation (TSIIC). The financial base of the TSIIC will be strengthened and it will be made to function as an effective organization. An extent of 150,000 acres in the State identified as fit for industrial use has been transferred to the TSIIC. This land asset base will be leveraged to raise finances from the market so that the TSIIC can become independent of Government over a period of time as far as budgetary support is concerned.

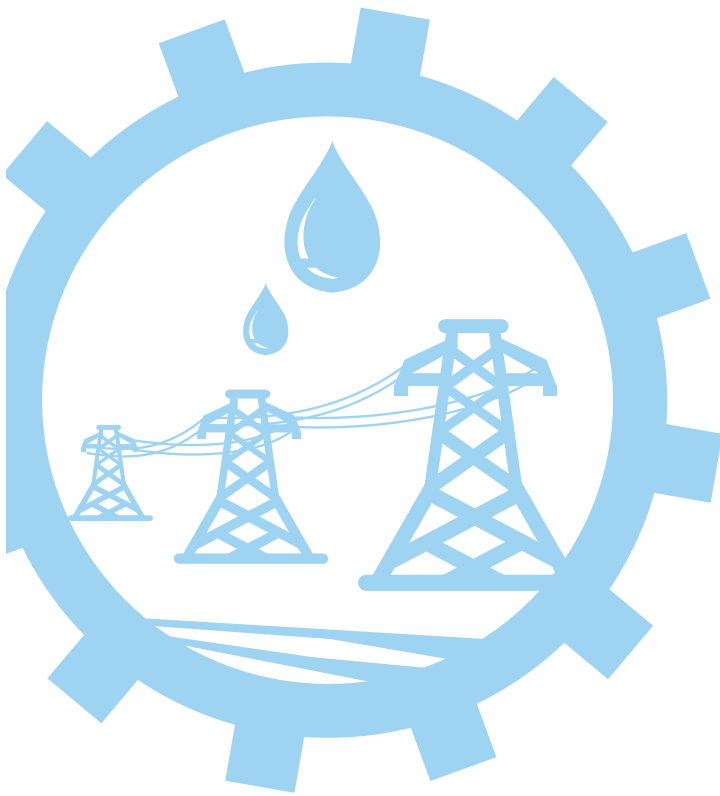
The TSIIC will develop all required infrastructure for the sector specific parks like approach roads, water supply, industrial power, and common effluent treatment facilities. TSIIC will raise market loans with Government guarantee and also get initial minimal budgetary support for the creation of the infrastructure in these new industrial parks. It will be ensured that at the time of allotment to industries, all infrastructural facilities are available in the industrial park, and the investor can begin the construction of his unit right from the first day.



## CONNECTIVITY

Approach roads of suitable dimensions, in accord with the nature of industrial activity likely to happen within the park, will be developed to provide connectivity to the nearest national/state highway, railway station and airport. Based on requirement, provision of a railway siding will also be considered.





## **INDUSTRIAL WATER**

To support industrialization, the Government of Telangana has earmarked 10% of water from all existing and new irrigation sources for industrial use. Water pipelines will be laid as a part of infrastructure creation for each industrial park by TSIC. The TSIC will coordinate with the appropriate department that is responsible for the creation of the Telangana Water Grid so that industrial water for local MSMEs is made available through the Grid.

## **INDUSTRIAL POWER**

The Government of Telangana recognizes that quality power and uninterrupted power supply are keys to the growth of the industrial sector. The State is self-sufficient so far as availability of 24 X 7 power for industries is concerned. Accordingly, uninterrupted power supply will be arranged for each industrial park.

The Telangana State Government will encourage usage of non-conventional energy for industrial purposes. Both the user industry and the non-conventional energy suppliers will be provided appropriate incentives to encourage investments in non-conventional energy projects, especially solar power. A dedicated Solar Policy is already in place.

## **COMMON EFFLUENT TREATMENT PLANT (CETP)**

Every industrial park will be provided with a common effluent treatment plant, depending on the nature of effluents expected from the specified industrial activity. The Telangana State Government will also encourage development of CETP through a Joint Venture / PPP model, since it is possible to operate and maintain a CETP on commercial lines.

## **INTERNAL INFRASTRUCTURE**

On similar lines, the entire internal infrastructure within an industrial park, comprising of internal roads, water distribution lines, drains, waste disposal facilities, etc., will be developed by the TSIC before the lands are allotted to the respective industrial units.



## STATUTORY CLEARANCES FOR THE INDUSTRIAL PARKS

It will be the responsibility of TSIIIC to obtain all basic statutory clearances for these Industrial Parks from the appropriate authorities like Land Conversion, Land Use, Layout Approval and Environmental Clearance from Ministry of Environment & Forests, Government of India, so that the industrial units need not obtain individual clearances.



## LAND ALLOTMENT PROCESS

Details of all land parcels that form part of the industrial land bank of the State have been made available on the website of TSIIIC and the Department of Industries and Commerce. All required information like distance of the Industrial Park from the nearest highway/railway station/airport/town, size of individual plots, photographs of the lands, Google maps, etc. will be displayed.

Three empowered bodies will manage the land allotment process in a transparent and objective manner. The State Industrial Promotion Committee (SIPC) headed by the Chief Secretary and including Special Chief Secretaries/Principal Secretaries/Secretaries from related linear departments will finalize land allotment for Mega Projects. A State Level Allotment Committee (SLAC) headed by Managing Director, TSIIIC will clear allotments for other Large Projects. All cases of Micro and SME applicants will be handled by the District Industrial Promotion Committee (DIPC) headed by the respective District Collector. The Joint Collector will be the Vice-Chairman of the DIPC.

The process of application has been simplified and made web-enabled. All documents required for making application are available on the website. An Online Application System will be followed, including the facility to upload all documents online. Facility will be available to the applicant to seek any clarification online. In addition, physical Help Desks will also be set up at the Head Offices and all the District Offices as well. The above Committees will meet frequently, and strict timelines for allotment according to the Citizen's Charter will be adhered to.

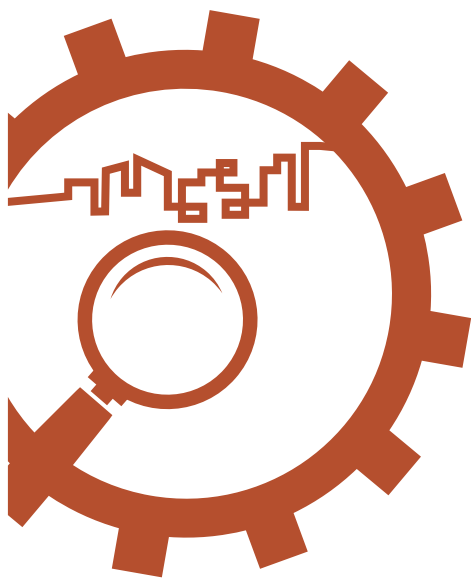
A mechanism is put in place to realistically assess the actual requirement of land by each applicant. Empanelled technical experts will scrutinize the Detailed Project Report, and based on standard norms for each line of activity, will recommend the actual extent that can be allotted to the applicant. The recommendations of the technical experts will be used by the Committees for finalizing land allotment to the applicant.

While making the allotment, the applicant will be required to submit a detailed implementation plan with clear milestones and timelines. The allottee will be held strictly accountable for the progress of his project as per the implementation plan. In case of any wilful default, the allotment will be cancelled and the land resumed.

Once the allotment is finalized by the relevant committee, the applicant will be required to enter into an 'Agreement to Sale' with the TSIIIC. This will allow him to raise financing by mortgaging the land for project development. However, the title over the land will be conferred through a 'Sale Deed' only when the project is completed and commercial production has started. During the construction and project development stage, the original promoter will not be permitted to dilute

his equity beyond 51% in the project. 'Agreement to Sale' will be cancelled in case any wilful default as mentioned above is observed.

Other than the outright sale method of land allotment, allotment of land on long-term lease to the SMEs will also be considered, particularly when no costs have been incurred by the TSIIIC in land procurement.





## COMMON FACILITY CENTRES AND UTILITY CENTRES

Every Industrial Park will have some number of plots earmarked for Common Facilities like Electricity Sub-stations, Police Outposts, Fire Stations, e-Seva Centres, Banks, Petrol Stations, Canteens, local shopping, etc. These will be allotted to concerned government agencies or private parties in an objective and transparent manner by following defined criterion.

The Government will also encourage setting up of Utility Centres with the involvement of the Private Sector. These Utility Centres will provide dedicated power, water, steam, waste management facilities and other industrial inputs to designated industrial parks or a specific group of such parks. There will be direct and independent contracts between the Utility Centre Company and the individual industries in the designated Industrial Parks.

## LAND PRICING

A Price Fixation Committee (PFC) constituted within TSIC will determine the prices of all the land parcels in different Industrial Parks by following an objective criterion. The final price will be the aggregate of the prevailing land price in that area as ascertained from the Registration records, the cost incurred in land development and infrastructure creation, and a nominal administrative charge. The land prices will also be displayed on the website, along with other information. The land price will have validity for a specified time period, and will get revised periodically. A separate pricing mechanism will be followed for the plots earmarked for Common Facilities. Land for location of industry will be available on outright purchase/sale or on a lease basis.

## LAND ACQUISITION FOR INDUSTRIES

In case none of the land parcels available in the industrial land bank of the government are found suitable by an applicant, and if he prefers a privately owned land, it is possible for the TSIC to acquire it on his behalf by following the provisions of the prevailing Land Acquisition Act.

## INDUSTRIAL DEVELOPMENT ON PRIVATE LANDS

Industry will be encouraged in private lands designated for industrial use in spatial planning of HMDA and other urban development authorities in Telangana. Private industrial park developers will be encouraged to pool their lands so that good quality infrastructure can be developed according to the TSIC standards. In case an industry has to be set up in private lands other than land which is zoned as industrial, the Government of Telangana will do its best to change the land use pattern, if such conversion is not prohibited by the spatial planning of the area.



## SKILL DEVELOPMENT

While encouraging industrial investments is a priority, the Telangana State Government also realizes that an important responsibility rests on its shoulders, which is to make trained and skilled manpower available for the industry's requirements. The Telangana State Government will accordingly take up appropriate skill development programmes so that technically qualified youth can find employment in the industry. These skill development programmes have to be industry sector specific and the training package has to be developed in consultation with the industry so that the trained candidates meet industry requirements. The Telangana State Government will take support of accredited Private Sector skill providers in this endeavour. Mega industries will also be especially encouraged to start their own skill development centres within the same industrial park where their unit is located. The Industrial Area Societies will also be encouraged to participate in design and implementing skill development programs.

Skill development programmes would aim to train the youth in getting entry-level jobs, and also upgradation of skills of the existing employees. The skill development programmes targeted at industrial sector jobs will be supported by the government under the ambit of the Telangana State's Skill Development Mission in general and the Telangana State Accelerated SSI Skills Training (T-ASSIST) program of the Industries and Commerce Department.



## INDUSTRIAL TOWNSHIPS

As part of the master plan for the sector specific industrial parks to be developed by TSIIC, provision for mini-industrial townships will be made. The townships will contain executive housing, workers housing, social infrastructure and other amenities. This township development can be initiated by the TSIIC in partnership with established industry groups who have the competence in this field and also other reputed real estate companies. Further, in the vicinity of industrial parks, land segments will be zoned as Residential, to enable the private sector to develop housing for the industrial employees. Separate norms and incentives for the township development will be released as a part of the State's urban development policy.



## INDUSTRIAL AREA LOCAL AUTHORITY

As a part of providing a hassle-free environment for the industrial units, the concept of Industrial Area Local Authority (IALA) will be strengthened. All new Industrial Parks that will be set up by the TSIIC will be covered under the IALA system. All existing TSIIC Industrial Parks which do not have an IALA will adopt the IALA system. This will enable industries to get faster clearances required for starting of construction since the IALA will take advance clearances. The IALA will play an important role in monitoring the compliance of the Industry with self-certified local and national Laws and Acts.



## INDUSTRIAL INCENTIVES

The Telangana State Government is committed to encourage the process of industrialization by making various kinds of incentives available to entrepreneurs. The Telangana State Government also assures an entrepreneur-friendly and graft-free regime of disbursing the incentives. The Telangana State Government guarantees that the incentives will be released on time, and direct to the respective bank accounts. There will be a transparent online application system; the process will involve minimal human interaction.

There are enhanced incentive packages available for Scheduled Castes, Scheduled Tribes, physically handicapped, and women entrepreneurs. Mega Projects with an investment of over Rs.200 crores in plant and machinery or employment above 1000 persons will receive tailor-made incentives in addition to standard large category industry incentives.

The Telangana State Government has considered providing incentives to the entrepreneurs in the following areas under its T-IDEA (Telangana State Industrial Development and Entrepreneur Advancement) incentive scheme:

- ◆ Stamp duty reimbursement
- ◆ Land cost rebate
- ◆ Land conversion cost
- ◆ Power cost reimbursement
- ◆ Investment subsidy
- ◆ VAT reimbursement
- ◆ Interest subsidy
- ◆ Seed capital for 1st generation entrepreneur
- ◆ Training and skill development cost reimbursement
- ◆ Quality/patent support
- ◆ Clean production measures
- ◆ Reimbursement of infrastructure development costs

Details of general and sector-specific incentives will be issued through Government Orders from time to time and publicized on the website and through other means. While providing incentives to upcoming industries, the Government will also ensure that the existing industries are also benefitted.



## RATIONALIZATION OF TAXES

A sound industrial policy has to ensure that the State's Taxation Structure is conducive to Industrial Growth and the State's Financial Resource Augmentation. Distortions in the tax structure leads to evasion of taxes and clandestine transport of industrial inputs and outputs to neighbouring states, which may have advantageous tax rates. To address this problem, inter-state tax rationalization on industrial inputs and outputs with neighbouring states like Karnataka, Maharashtra, Gujarat and Tamil Nadu will be brought out within a short span of time.



## REVIEW OF ALL LAWS IMPACTING INDUSTRY

It is common knowledge that a number of laws and rules that impact industry and industrialization are outdated. For example, the Indian Boilers Act is of 1923 and the Indian Boilers Rules is from the year 1950. The Indian Factories Act is from the year 1948. The Electrical Inspector implements the provisions of the Indian Electricity Rules 1956. The Government of India has also announced its intention to review all legislation, and either remove from the books or completely revise these archaic laws. The Telangana State Government will also review the laws and rules on its books and either remove or completely revise archaic laws that are within the competence of the Telangana State Government.

## CENTRAL GOVERNMENT INCENTIVES

As per Section 94 (1) of the Andhra Pradesh Reorganization Act 2014, the Central Government shall take appropriate fiscal measures, including offer of tax incentives to the successor States, to promote industrialization and economic growth in both the States.

- ◆ 100% central excise benefit for 5 (or more) years
- ◆ 100% income tax benefit for 5 years; 30% for the next 5 years
- ◆ Other investment subsidy benefits

The government will pass on these benefits to the entrepreneurs once they get notified by the Government of India.





## KEY INDUSTRIES IN

### Adilabad:

- ◆ Cement
- ◆ Paper
- ◆ Textiles

### Karimnagar:

- ◆ Fertilizers
- ◆ Power
- ◆ Cement
- ◆ Textiles

### Warangal:

- ◆ Minerals
- ◆ Food Processing
- ◆ Textiles
- ◆ Leather

### Khammam:

- ◆ Minerals
- ◆ Power
- ◆ Granite
- ◆ Metallurgy
- ◆ Paper

### Nalgonda:

- ◆ Cement
- ◆ Pharma

### Nizamabad:

- ◆ Minerals
- ◆ Cement
- ◆ Food Processing

### Medak:

- ◆ Chemicals
- ◆ Engineering
- ◆ Automobiles
- ◆ Pharma

### Ranga Reddy:

- ◆ IT & BT
- ◆ Pharma
- ◆ Food Processing
- ◆ Defence and Aerospace

### Mahboobnagar:

- ◆ Textiles
- ◆ Minerals
- ◆ Pharma
- ◆ Consumer Products

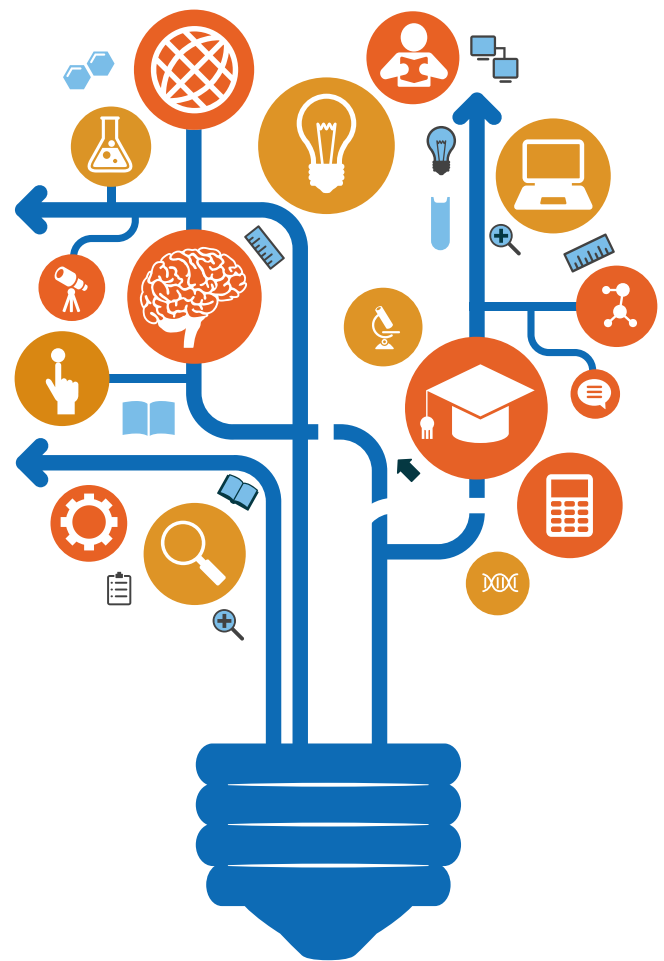




# RICH | RESEARCH AND INNOVATION CIRCLE OF HYDERABAD

Hyderabad is home to a number of internationally and nationally reputed educational and research institutions. ICRISAT, CRIDA, CCMB, IICT, DRDL, NIPER, IIT, BITS, IIIT, ISB, UOH and OU are some of them. The Government intends to harness the talent available in these institutions to the fullest, in order to benefit the industrial sector by bringing new ideas, new innovations, new technologies, new products and services to make the industries in Telangana globally competitive. The Government recognizes the present gaps in the innovation-entrepreneurship-investment ecosystem, that has prevented the full utilization of the research and development work taking place in these institutions. The Government therefore intends to create a platform to be named Research and Innovation Circle of Hyderabad or RICH in short, as a Section 25 Company that will link the research institutes, academia and industry along with venture capitalists, angel investors and Incubation Funds. Through this mechanism, innovation will be encouraged and commercialization of research will be promoted. The Government of Telangana will invest substantially in RICH so that it can become a self-sustaining organization. RICH will focus on the core industrial sectors outlined earlier in this Policy. To supplement RICH and encourage innovation and incubation, the Telangana State Government will create a Research to Market Fund (RMF) to fund entrepreneurial activity, and provide a matching contribution up to Rs.100 crores to the fund for amounts contributed by private venture capitalists and angel investors.

The endeavour of linking up the technical educational institutions, technical education students and the industry will also be taken up by RICH. RICH will create a model of strong industry-institution linkage that will ensure practical training for all technical graduates in the industry, making them readily employable on completion of their college courses.



## SPECIFIC INITIATIVES FOR NOW

During the year 2016-17, in addition to the other mandates of the Policy Framework, the following specific initiatives are being implemented:

- New Pharma City and Chemical City with well-developed infrastructure including Waste Management
- Development of the Hyderabad-Warangal Industrial Corridor
- Development of Warangal as the Textile Hub of Telangana
- Food Processing and Seed Production Initiatives
- Mini-industrial townships along with Industrial Park
- Direct loan facilitation to Dalit Entrepreneurs
- Creation of Venture Capital/Angel Fund
- Sector specific Industrial Parks like furniture, plastic, etc.
- Review and Reform of all age old Industry Sector Regulations, including labour laws





## HYDERABAD PHARMA CITY – A new international benchmark

Leveraging Telangana's leadership position in the Pharma sector, Government of Telangana is developing 'Hyderabad Pharma City' over an area of 14,000 acres, which will be the largest in Asia and the first of its kind. It would constitute a smart ecosystem creating a new international benchmark for sustainable industrial cities. With timely, plug-n-play infrastructure, Hyderabad Pharma City is designed to become the jump-start platform for the companies manufacturing Bulk Drugs (Antibiotics, Fermentation Products, Synthetic Drugs, Large Volume Chemical Synthesis, Intermediates, Vitamins, Vaccines, Drug Formulations, Nutraceuticals, Herbal Medicinal Products, Specialty Chemicals, Cosmetics, etc.)

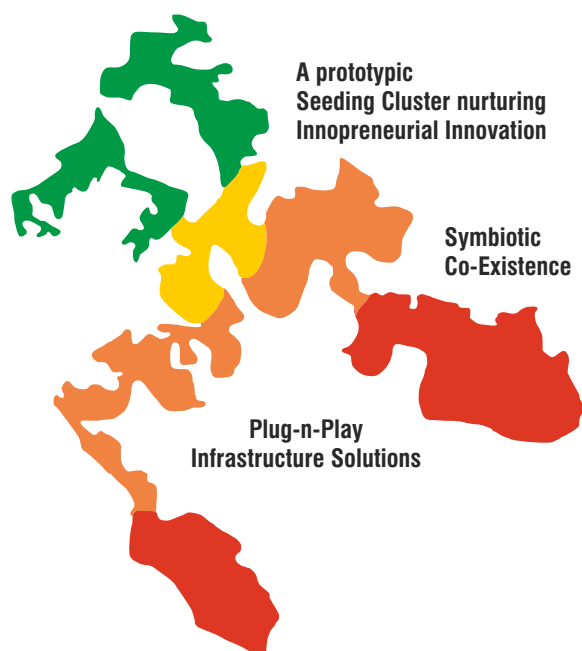
Situated about 25 km from the Hyderabad International Airport, the cluster will provide centralized smart infrastructure solutions for R&D and manufacturing units, thereby minimizing the capital outlay and harnessing the true value of symbiotic co-existence between the drug manufacturers and their ancillaries, thereby optimizing the operational footprint of the industries.

Conceived with the idea of creating an innovative seeding cluster symbolizing the culture of "Work, Live, Learn and Play", the cluster is designed to elevate the environmental standards and garner its support from the world class social infrastructure facilities including:

- ◆ Tertiary Pharma University
- ◆ Centres of Excellence and Incubation Centers
- ◆ Common testing facilities and vivarium
- ◆ Efficient and cost effective common effluent treatment plants working on Zero Liquid Discharge models
- ◆ Solid Disposal Facility
- ◆ Remote Surveillance System
- ◆ An enabling ecosystem that helps fully comply with Good Manufacturing Practices making international accreditation and benchmarking a breeze
- ◆ Logistics Hub and Dry Ports
- ◆ Availability of uninterrupted water, power and gas
- ◆ On premises social infrastructure like schools, hospitals, etc.

### A new standard for Smart and Sustainable Pharma Ecosystem

- MANUFACTURING
- SUB CLUSTERS
- KNOWLEDGE
- RESIDENTIAL



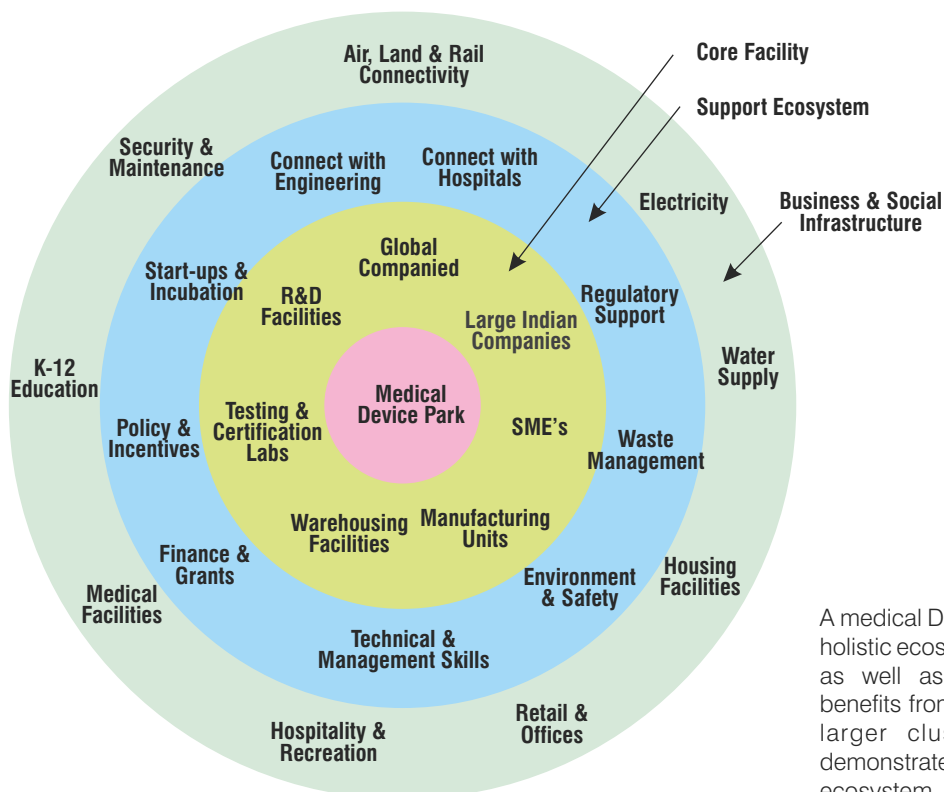
## MEDICAL DEVICES PARK: A dedicated ecosystem for MedTech innovation and manufacturing

Government of Telangana is developing a first of its kind Medical Devices Park in India for Medical Devices & Electronics, focused on Medical Innovations, R&D and Manufacturing. Hyderabad already has a holistic ecosystem in terms of research facilities, engineering and medical talent, including an established nexus between research and medical ecosystems, manufacturing infrastructure, a strong local market, and supply chain connectivity to the all-important global export market.

The Government's overall ecosystem coupled with the Government's commitment makes us the most attractive destination for the medical devices companies across the world.

### HIGHLIGHTS:-

- ◆ Best-in-class infrastructure over an area of 250 acres
- ◆ Proximity to Rajiv Gandhi International Airport
- ◆ Comprehensive facilities to support innovation, research & development, and industrial scale manufacturing
- ◆ Dedicated support ecosystem in terms of warehousing and logistics, electricity & water, waste management, etc.
- ◆ Government support to facilitate approvals and tailored business-friendly policies
- ◆ Education, training, research and incubation facilities to encourage entrepreneurship and innovation
- ◆ Dedicated social infrastructure for the people working in the cluster



A medical Devices Park brings together a holistic ecosystem for setting up research as well as manufacturing units, and benefits from the scale and facilities of a larger cluster. The diagram here demonstrates key components of the ecosystem.

## NIMZ IN TELANGANA

The Government of India has given its final approval to set up a National Investment and Manufacturing Zone (NIMZ) in Zaheerabad, Sanga Reddy district, Telangana. NIMZs are mega industrial zones or integrated townships with world class supporting infrastructure.

### HIGHLIGHTS:-

- ◆ The NIMZ, Zaheerabad is strategically located on the Hyderabad- Mumbai Road (National Highway 65 ) at a distance of 100 km from Hyderabad covering the Nyalkal and Jharsangam mandals of Sanga Reddy district in Telangana.
- ◆ NIMZ is expected to attract an investment of around Rs. 60,000 crores, and With a potential to generate employment of about 2.61 lakh people
- ◆ An extent of 12,635 acres of land has been identified and about 3000 acres is already in the possession of Telangana State Industrial Infrastructure Corporation (TSIIC) which is the implementing agency
- ◆ TSIIC will develop the enabling infrastructure suitable to the needs of the sector specific industry to set up shop
- ◆ A Special Purpose Vehicle (SPV) has been formed under the Aegis of TSIIC for grounding the project at the earliest



### Major sectors which are expected to come in the zone include:

- ◆ Engineering goods
- ◆ Defence
- ◆ Aerospace
- ◆ Pharmaceuticals
- ◆ Textiles
- ◆ Electronics and Telecom hardware

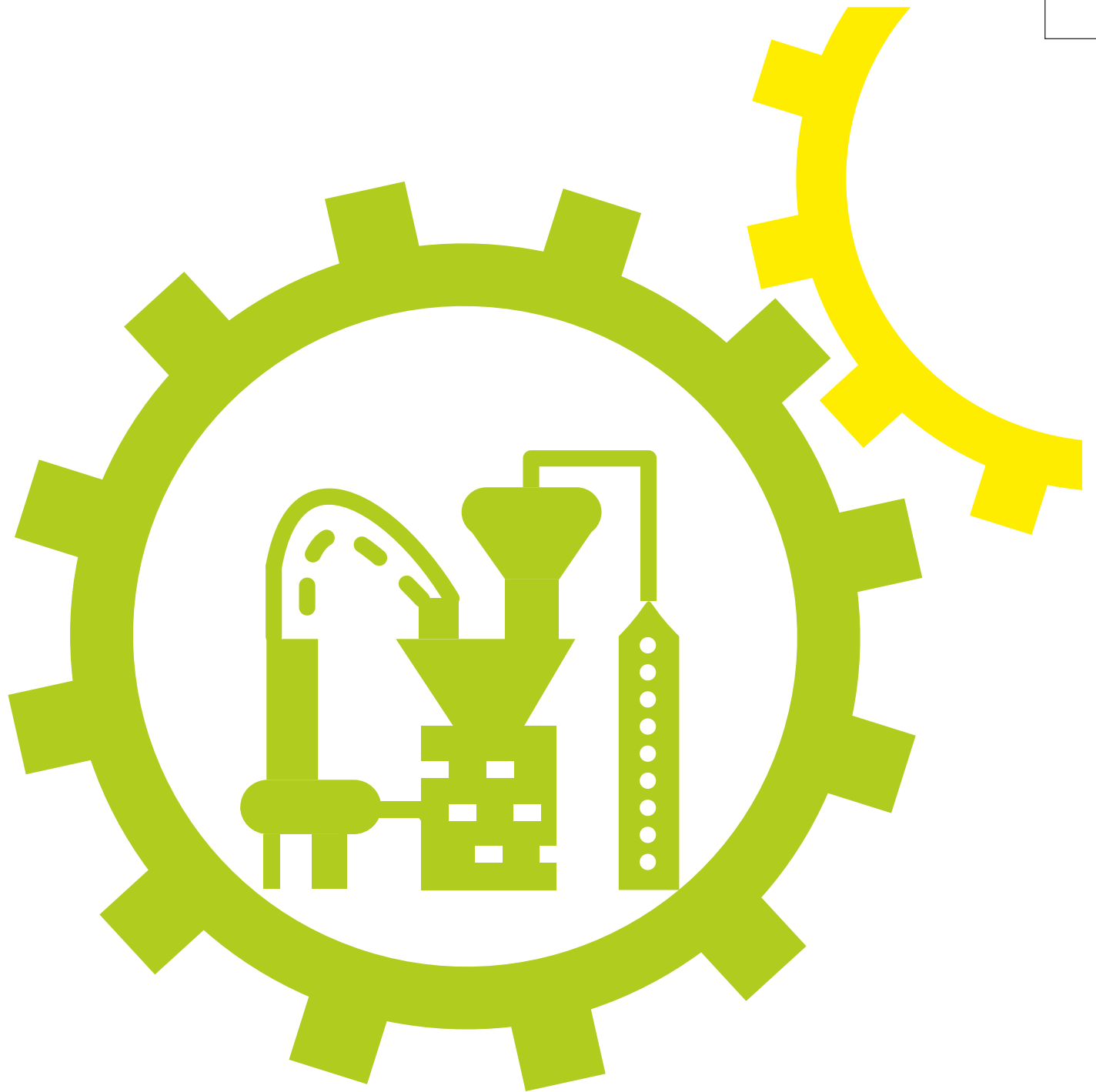
The investors intending to invest in NIMZ will be provided escort services and facilitated in obtaining all the mandatory clearances in a time bound manner under the TS iPASS policy of the Telangana Industries Department which is lauded as one of the best industrial policies in the country.

The Government of India is offering a host of incentives like exemption from capital gains tax and liberalized norms to promote these zones. In addition, special incentives packages of the State Government are also applicable for the industries set up in the NIMZ zone.

### Country Specific Industrial Zone

It is planned to demarcate specific zones in NIMZ to cater to the needs of country specific sectors to encourage bi-lateral cooperation in ease of doing business.





## PLASTIC PARK

### HIGHLIGHTS:-

- ◆ Proposed to establish Plastic Park on an allotted area of 100 acres in Tumaloor village, Maheshwaram mandal, Ranga Reddy district
- ◆ Estimated project cost: Rs.123.34 crores
- ◆ Expected Employment (direct and indirect): 5000

### RESOURCES AVAILABLE:-

- ◆ The Central Institute of Plastics Engineering & Technology in Hyderabad trains nearly 2500 people every year.
- ◆ The Government of India will very soon sanction financial assistance to set up a new Central Institute of Plastics Engineering & Technology (CIPET) campus in Rudraram village of Sanga Reddy district at a cost of Rs 50 crore. The new campus, which will be amongst the biggest CIPET campuses, will extend over 20 acres and increase the institution's intake capacity from 2,500 (current) to about 5,000, in about two years.



## TELANGANA - TEXTILE AND APPAREL SECTOR (T-TAP)

Telangana is one of the largest producers of long staple cotton with production marked around 50 lakh bales per annum. The state stood third in the country in cotton production during the year 2014-15. The high cotton production and availability of labour presents an opportunity to create large integrated textile manufacturing capacities in the state. This will also support the state's overall industrial development. It is felt that due to specific needs of the sector, there is an urgency to address specific nuances of the textile and garment industry such as creation of common infrastructure for organizing SMEs, enabling the setting up of common facilities such as ETP, R&D centres, providing capacity building support to the industry and most importantly organizing quality skill development programs at the middle management and the shop floor level within the sector.

Government of Telangana has framed the New Textile Policy T-TAP (Telangana Textile & Apparel Policy) which is all encompassing in nature i.e. a policy that would address the entire gamut of issues of the textile industry and has great potential for employment generation and achieving balanced, higher and sustainable growth for the entire textile value chain from fiber to finished products by attracting national and international investment to the sector. The Textile and Garment industry to be covered under this policy will include all units engaged in various value chain activities such as Spinning, Weaving (Power loom and Handloom, including pre-loom activities), Knitting, Processing, Garmenting and Home Furnishing, units engaged in manufacturing Technical Textiles and all other supporting ancillary activities including Textile Machinery Manufacturing.

Further, to promote and develop the textile sector in the state, it has been proposed to provide the industry with incentives for investing in the sector and augmenting the state's overall capacity and contribution of the sector to the economy. The set of incentives proposed is intended to provide a right balance of hard and soft inputs to the industry so that they can face competition.



### Integrated Textile and Apparel Clusters

For Telangana in particular, the need for integrated textile clusters is more pronounced to harness the opportunity for value addition, employment creation, and improving the quality of life of the local population. Further, establishment of the integrated textile cluster in Telangana would help in stemming the migration of skilled textile workers to other states in search of livelihood. In order to address the above issues and the growing challenge of competition for the Indian textile industry at a global level, it is proposed to develop a Mega Textile Park in Warangal district that would create an integrated ecosystem in which the textile value chain can operate effectively and efficiently.

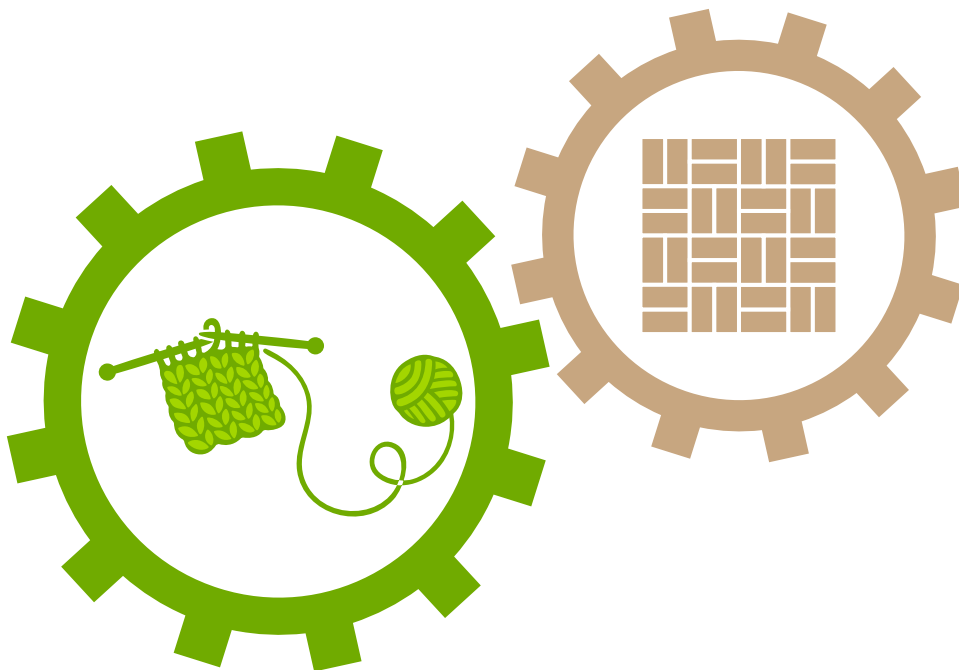




## MEGA TEXTILE PARK – WARANGAL

The Mega Textile Project will be located in a district which is a major cotton producer and a trading centre in the state. There has been presence of textile clusters (Warangal durries) and skilled manpower in the region. As the proposed project has all the activities in the textile sector value chain, it will help in plough back the economic benefit of the activity to the locals. Some of the key socioeconomic benefits of the project are listed below:

- A. Investment-** The investment in the Textile Park is estimated to be more than Rs. 11,000 crores including cost of infrastructure and common facilities, factory buildings, plant and machinery and other social infrastructure.
- B. Production-** The Mega Textile Park would facilitate production of quality products across the textile value chain ranging from spinning, weaving, knitting, processing and readymade garments/ made-ups. The total value addition potential of the Mega Textile Park is to be around Rs. 8,300 crores per annum.
- C. Employment-** Textile sector is the second highest-employing industry in the country and is characterized by higher potential of labour employment in the high-value added segments. With an envisaged employment of over 2.0 lakh persons, the project at Warangal is expected to substantially enhance the livelihood and income generating activities in the district as well as the state.
- D. Ancillary units-** In addition to the textile activities, a large number of ancillary activities are likely to come up to cater to the requirements of the Park.



The Government of Telangana has proposed to develop a mega textile park in Geesukonda and Sangem Mandals, Warangal district. The integrated textile industry proposed by the State government requires 3000 acres and 60% of the land acquisition process is completed. The rest is under active consideration. Draft concept note has been prepared by TSIC and IL&FS and submitted for documentation concerning Environmental Clearance. The draft DPR & Master plan is under preparation and will be completed by Jan 31, 2017 and is expected to be completed in consultation with anchor developer for final plan by March 15, 2017



## RETAIL POLICY OF THE STATE OF TELANGANA

Telangana has firmed up its Retail Trade Policy with the intention of promoting the sector and boosting the state's position as an ideal retail trade destination.

**OBJECTIVE:-** Creation of employment opportunities, promoting grass-root and SME entrepreneurship, empowerment of women and farmers, creating demand, and supporting industries manufacturing 'Made in India' commodities.

### HIGHLIGHTS OF THE POLICY:-

The following are some key features of the policy (yet to be approved):

- ◆ Appointment of nodal officer by Government of Telangana to facilitate single window clearance.
- ◆ Simplification of labor laws — Relaxations of rules under the Shops and Establishment Act with regard to working hours, work shifts and employment of part-time workers and maintenance of records.  
Inclusion of Food and Grocery Retailing in 'essential' services — No interruption of services during industrial action / civic unrest. (ESMA)
- ◆ Relaxation of stocking limit under Essential Commodities Act. (Esscom) (except those specifically prohibited by the State Govt. from time to time)
- ◆ Creation of REZ ( Retail Entertainment Zones )
- ◆ Treating Distribution Centres at par with service industries
- ◆ Exclusion of Retail Trade from prior permissions and charges/fees with regards to store sign boards displaying trade name of the company at the place of business of the company.
- ◆ Providing for gross and net metering for solar roof-top/any other captive solar generation by the units.
- ◆ Retail enterprises will also be given the option of self-certification and filing of consolidated annual returns under various acts administered by the labour department.
- ◆ Setting up of world class warehouses on public-private-partnership (PPP) basis.



## IKEA IN TELANGANA

### ABOUT IKEA

IKEA is the world's largest home furnishing company with about 389 stores in 46 countries and a sales volume of 34.2 billion Euros. It was founded in Sweden more than 65 years ago and its vision is to 'create a better everyday life for the many people'. This vision is achieved by offering a wide range of home furnishings solutions with good design and function, at prices so low that as many people as possible, will be able to afford them.

### IKEA IN INDIA

The IKEA Group has been sourcing from India for over 30 years and in this time brought in many processes and best practices that have improved the way we work with our suppliers and helped to continuously grow our sourcing operations. Today IKEA does business worth 315 million Euros yearly from India and the plan is to double the purchase volume by 2020. IKEA Foundation, the philanthropic arm has been present in India the last 15 years enhancing social and economic empowerment of women and children. The IKEA Foundation focuses on health, education and nutrition but has recently launched a skill building program aiming to skill 10,000,00 women. IKEA cooperates with social entrepreneurs in a program called Next generation reviving local craft and giving the artisans market access in selected IKEA stores. More than 1200 women in India are now involved in the Next Generation projects.

The IKEA Group was approved in July 2013 by the Government of India as Single Brand Retailer through Foreign Direct Investment (FDI) to start operations in India and bring modern retail practices under single brand category into the country. Single brand retailers by definition control whole supply chain and are manufacturer, packer, importer and seller of all goods. This means IKEA retail stores can only sell IKEA products.

The total investment for first phase of retail store expansion is 10,500 crores. We aim to open 25 stores in India by 2025. Each store cost would be between 700-1000 crore investments. IKEA bought 13 acres of land in Hyderabad in 2015 and construction is on for the store to open the first IKEA India store by send 2017. IKEA has also bought 25 acres of land in Maharashtra, Navi Mumbai and construction work on this store has already started. We are now exploring land in Bangalore, Delhi NCR, and other prioritized cities.



### **IKEA India Retail Store Facts & Figures:-**

- ◆ Plot size from 13 acres and up
- ◆ Store size about 400,000 square feet only selling IKEA products
- ◆ 700-1000 crores investment per store including land
- ◆ Direct employed 500, indirect employment around 1000-1500
- ◆ Focus on diversity with 50/50 women and men at all levels
- ◆ Parking space for 1500-2000 vehicles for all IKEA customers
- ◆ About 9500 articles wide range in IKEA each store
- ◆ 1000 seater restaurant in the store

### **Ways in which Hyderabad IKEA store will positively impact the State:-**

- ◆ Positive impact on the local economy, through GDP, taxes and job creation;
- ◆ Positive impact the manufacturing sector by expanding the supplier base;
- ◆ Creation of an important number of qualified jobs and transfer of specialized training and retail competence;
- ◆ Positive contribution towards gender equality and diversity;
- ◆ Transfer of knowhow and best practices to suppliers and partners;
- ◆ Contribution to sustainable development in the supply chain and retail;



## CORPORATE SOCIAL RESPONSIBILITY

As part of Corporate Social Responsibility (CSR), companies that have a turnover above a particular financial limit as prescribed by the Government of India, are expected to spend a portion of their profits from time to time on activities that benefit the community at large. Usually, these companies have their own CSR Plans and in many cases, the CSR Plans are formulated at their corporate headquarters that may not be located within the State of Telangana. In addition, individual amounts being spent by individual corporate may not be substantial to make a significant impact on the local community. The Telangana State Government intends to coordinate with the industry groups to ensure that a systematic and comprehensive annual state-wide plan is created by all companies so that CSR in Telangana will have maximum impact.



## SAFETY NET AND EXIT POLICY

Other than Statutory Provident Fund type instruments, there is no safety net for industrial workers at present. In the event of closure of an industry, many of the employees are likely to face a serious economic crisis. The Government of Telangana will explore the possibility of creating a safety net scheme with contribution of the industry and the Government to create a safety net for industrial workers.

Similarly, over the past few years, industry groups have been requesting Governments to craft an exit policy for the industry. Once an industry is set up, there is no exit policy at present by which the interests of the investor, the employees and the financial institutions are protected. Though an industry exit policy is in the domain of the Central Government, the Government of Telangana will work closely with the GOI in the formulation of an exit policy.





## CONCLUSION

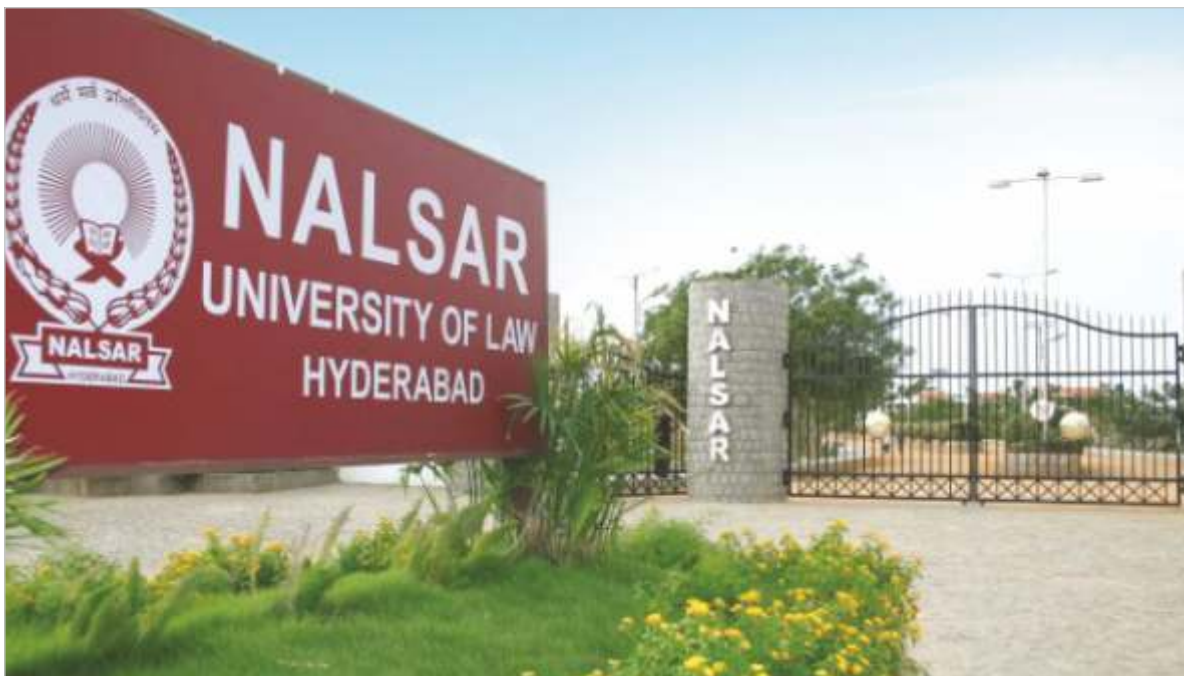
The new Industrial Policy brought out by the Government of Telangana promises to revolutionize the way industrial sector has been viewed by successive governments in this country. A day is not far when the new Industrial Policy of Telangana will shine as an exemplar among the best in the world. "Innovate in Telangana, Invest in Telangana, Incorporate in Telangana" will become the motto of industrialization in the new State. It is strongly believed that with the new Industrial Policy in place, a growth rate of 4-5% greater than the national growth rate in the Manufacturing Sector can be achieved.

The Telangana State Government welcomes industrialists, investors and entrepreneurs to this new State and promises to fulfil their expectations both in letter and in spirit as espoused in the new Industrial Policy.

**TELANGANA IS HOME TO PREMIER INSTITUTIONS,  
MULTINATIONAL CORPORATIONS  
AND WORLD CLASS INDUSTRY INFRASTRUCTURE.**



ISB



Nalsar





Dr. Reddy's Lab



Microsoft







ICICI Bank



Thermal Power Stations







**K. Taraka Rama Rao**

Minister for Industries & Commerce,  
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