

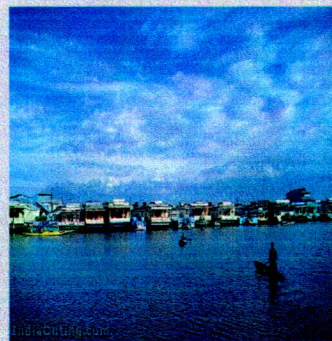


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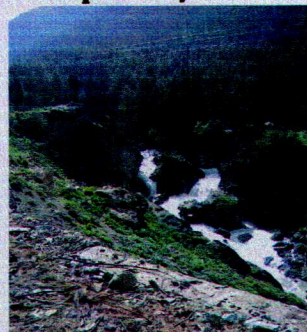
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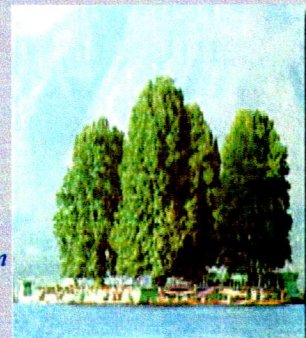
**STATE INDUSTRIAL PROFILE
OF
JAMMU & KASHMIR STATE
2014-15**

**MICRO, SMALL & MEDIUM ENTERPRISES -
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PREFACE

The State of Jammu & Kashmir is very rich in Agro, Forest, Horticulture & Live Stock resources. There is abundant availability of resources, which are quite suitable for setting up of different type of small scale industrial units in the State in the area of, Fruit/Food Processing, Spots Goods, Leather Goods, Engineering Products and units based on medical Plants and herbs etc. The climatic condition of the state is very favourable for setting of Electronics & IT Sector units. .

To provide valuable information on the scope and potential of new industries in the State along with the availability of various resources and infrastructure in the State, this institute has compiled this report (State Industrial Profile) which will be very useful for the prospective entrepreneurs, policy makers of the State and also for academicians (teachers, researchers and students who are doing research in industrial sector of the State.

E.I division of this Institute with secretarial help of staff of the Institute prepared this report after putting in considerable efforts . The earnest effort put in by the officer in preparing the report is praiseworthy.

My sincere thanks are also due to the officers of State Government Departments Directorate of Industries & Commerce , SIDCO, SICOP etc who are directly or indirectly engaged in development of the up of the MSE sector.

I sincerely hope that this report will be of immense use for the MSE and prospective entrepreneurs and also other concerned agencies

Place: Jammu

Dated: 31st March, 2015



Director

JAMMU & KASHMIR STATE – AT A GLANCE

S.No.	Figure as per Digest of Statistics , Economic Planning & Statistics, J&K Govt.	
1	Area in Sq. Kms	222236
2	Number of district	22
3	Number of tehsils	82
4	Number of CD blocks	143
5	Number of Panchayat	4128
6	Number of Village	6551
7	Total Population	12548926 (Census 2011)
8	Total Male population	6665561 (Census 2011)
9	Total Female Population	5883365 (Census 2011)
10	Percentage of Growth	23.71 %
11	Total Literates	7245053
12	RURAL	4898008
13	URBAN	2347045
14	Literacy rate	78.74 %
15	Total Area according to village paper records	2416 (thousand hectares)
16	Area Under Forest	20230 Sq Km
17	Total Area Sown	1161.11 (thousand hectares)
18	Total Net Area Sown	746 (thousand hectares)
19	Total Net Area Irrigated	319.26 Thousand hectare)
20	Total Bank Branches	1893
21	Total Industries	57193
22	Total Employment	277653

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STATE INDUSTRIAL PROFILE (JAMMU & KASHMIR STATE)

CHAPTER -I

1.1 Introduction:

At present, the Jammu & Kashmir State is comprising of 22 districts.. Government of India as well as the State Government has been continuously making efforts by providing the various special packages of incentives to attract the entrepreneurs to set up industrial units in the State. Most of the areas of the State are hilly and majority of the population is largely engaged in the agriculture and other allied activities but artisanship as an occupation is also found in some area of the State. Due to the Industrial backwardness, the economic development in the State is very much hampered.

1.2 Objective of the study:

The main objective of the study are given as under:

- To assess the level of industrial development that had taken place so far in the State.
- To assess the level of infrastructure and economic facilities which are available and required to expedite industrial growth in the district.
- To identify and analyze the problems faced by the existing industries and suggest their solutions.
- To study the existing structure in the district with a view to determines the scope of expansion of industries.
- To identify products having scope for development.
- To assess the demand for various groups and services which could be taken up for manufacturing and servicing locally.
- To assess the availability of various resources and skills in the State for their effective use for industrial development.

1.3 Scope of the Study:

In this report , an attempt has been made to analyze the growth trend in the industrial structure of the State and to assess the scope for the development of Small Scale as well as tiny industries with a view to formulate a suitable action plan to enhance industrial production by generating more employment opportunities in the State.

It is hoped that this report will be of considerable use to for Government Departments as well as Financial Institutions and agencies, which are directly or indirectly, involved in the industrial development activities of the State. Therefore, this may act as a guide to prospective entrepreneurs in selecting suitable product lines.

1.4 Methodology:

The present study is mainly based on the secondary sources which is collected from various Govt. offices and agencies located in the State (J&K). The discussions were also held with the officials of various department and knowledgeable persons connected with the industries. Discussions were also held with the existing industrial associations on various aspects of the survey.

Before going into detail, it is important to discuss the general characteristics of the State. The important characteristics of the study will be discussed in the next chapter.

CHAPTER –II

PHYSICAL FEATURES AND DEMOGRAPHIC PARTICULARS

The Jammu & Kashmir State is the head of the Indian Union and the State is divided into 22 districts. Being a border State of India, the J&K State has got its importance in many respects. The State is endowed with rich agricultural and mineral resources. The famous Basmati Rice is grown in a large area of the State. It has a very sound horticultural background. The important fruit crops grown in the state are apples, Cherries, pomegranate, peaches, walnut etc. which are being exported to all over the world, thereby earning a good amount of foreign exchange. Besides, scenic beauty, Jammu & Kashmir is also known as a famous Pilgrimage center. A large number of pilgrims visit Shri Mata Vaishno Devi in Jammu province, Amaranth in Srinagar province and Old Buddhist Monasteries/Gompas in Leh. It is worth-mentioning that the State of Jammu & Kashmir is one of the best tourist centers of India and is known as "Paradise on Earth". It attracts a large number of tourists round the year. Previously Jammu was the last Railway head in the Northern Railway, but at present with the extension of railway line to Udhampur now Udhampur is the last railway head. Railway department has spread rail track in Kashmir Valley also. The State with its summer and winter capitals at Srinagar and Jammu, respectively, consists of 22 districts, 10 in Kashmir Valley, 10 in Jammu Division and 2 in Ladakh. It has four geographical zones of (i) Sub-mountain and semi-mountain plain known as kandi or dry belt, (ii) the Shivalik ranges, (iii) the high mountain zone constituting the Kashmir valley, Pir Panchal range and its off-shoots including Doda, Poonch and Rajouri districts and part of Kathua and Udhampur districts and (iv) the middle run of the Indus river comprising Leh and Kargil.

2.1 TOPOGRAPHY:

Pakistan in the West, Afghanistan in the Northwest, East while USSR in the North and China in the Northeast bound the State. It is located between 32° to 72° longitudes and 72° to 80° latitude. Geographically the State of J&K has been divided into three regions viz: Jammu, Kashmir and Ladakh. Ladakh is situated in the extreme Northeast surrounded by Naga Parbat and Karkoram Range (K2). Ladakh Region touches the Godwin Austin peak, the world's second highest peak. The Jammu region falls in peer panchal range which is situated above the sea level of 2,000 Mts. Kashmir region lies totally within the Himalayas surrounded by high hills of peer Panchal range (K2) and Karakoram range. It is interesting to note that the culture, climate and conventions vary from region to region.

2.2 AREA:

The total area of J&K State is 2,22,236 Sq.Kms. which includes 37,555 Sq.Kms. under illegal occupation of China in Leh district and 78,114 Sq.Kms under occupation of Pakistan and 5,180 Sq.Kms. illegally handed over by Pakistan to China. Out of the 22 districts of the State, Leh district stands first in area wise with a total of 82,665 Sq.Kms followed by Kargil, Doda, Barmulla and Udhampur.

2.3 RIVERS:

The important rivers of the State are the river Indus, Jehlum, Chenab, Tawi, Ravi, Sheok, and Zanasakar. Besides these major rivers, there are a few small rivers and streams running through the state. These rivers facilitate irrigation to large part of the State.

2.4 CLIMATE:

Many parts of the State witnesses wide range of temperatures during the summer and winter seasons. The climate of Jammu & Kashmir State varies from region to region due to its strategic locations. Ladakh region being a high altitude desert area, severe cold during winter and dry summer persists, while the climate of Jammu region almost coincides with other northern parts of India. In general the climate is mostly very cold all over the State during winter and dry in summer. Low temperatures are being recorded in Kashmir and Ladakh regions every year during winter seasons.

2.5 RAIN-FALL:

Rainfall also differs from region to region in the State. Extreme north of the State receives less than 50 cms. of rainfall every year and western parts of the State receives 50 to 100 Cms.

2.6 DISTRICTS:

J&K State has been broadly categorized in to 3 divisions viz.: Jammu, Kashmir and Ladakh for administrative convenience and 22 districts . The following are the names of the districts.

	Districts of Jammu Region	No. of Tehsils	No. of Blocks
1	Jammu	05	08
2	Samba	1	04
3	Kathua	04	08
4	Poonch	03	06
5	Rajouri	06	08
6	Udhampur	05	07
7	Reasi	2	04
8	Doda	07	08
9	Kishtwar	4	08
10	Ramban	2	04
	Districts of Ladakh Region		
1	Leh.	02	09
2	Kargil	01	09
	Districts of Kashmir Region		
1	Srinagar	03	01
2	Ganderbal		04
3	Budgam	03	08
4	Anantnag	05	07
5	Kulgam	3	05
6	Pulwama	04	05
7	Shopian		02
8	Baramulla	08	12
9	Bandipora	3	05
10	Kupwara	03	11

Source : Digest of Statistics

Some of the important cities and commercial centers in the state are Jammu, Srinagar, Kathua, anantnag, Samba , Leh & Udhampur.

CHAPTER – III

IMPORTANT ECONOMIC ACTIVITIES:

J&K State has been endowed with rich agricultural and mineral resources. It has a very sound base of horticulture crops, which provides good scope for industrial development in the State. The climate of Srinagar gives scope for the development of electronic Industries; Limestone & Graphite are also available in the State. These resources are not yet fully exploited for industrial purpose. Besides traditional agricultural crops, now farmers of the state are moving towards growing commercial crops like sugar cane, oilseeds etc. which would facilitate good scope in the near future for industrial development. Allied activities such as floriculture, mushroom culture, sericulture are the other important economic activities of the people of the state. Mining, quarrying, construction activities and processing of minerals for industrial use are other important economic activities of the state. Transport is an important economic activity of the state as it is providing gainful employment to the many people of J&K. All financial institution are providing loans for purchase of transport vehicles since J&K is one of the best tourist centers in India. There is good scope to develop transport industry in the state, which in turn provides self-employment. There is scope in the areas of IT, BPO, Agro & Food Processing.

3.1 AGRICULTURE

Agriculture is the backbone of the State Economy. More than 70% people depend on agriculture for their lively-hood. It is endowed with rich soils, which is congenial for cultivation of food crops and non-food crops and horticulture crops. The state is predominantly a mono-cropped and rainfall economy. Jammu division is having assured irrigation of 40% where as Kashmir is having 60% assured irrigation. The main source of irrigation in the state is canals. The climate of the state is best suitable for the development of fruit crops and floriculture activities. The principle crops of the state are Rice, Wheat, Maize and Fruits & Vegetables. The area and production of these crops are discussed in the following paragraphs.

3.2 LAND UTILISATION:

The total area as per village records was 2416 thousand hectares. Out of which, 658 thousand hectares are under forest. The following table shows the land utilization pattern in the state.

Table: III.1

Sr. No	Category	Area (in 000 Hecht.)
1.	Total geographical area	2416
2.	Forest	658
3.	Land put to Non-Agricultural uses	293
4.	Barren & Un-cultivable land	289
5.	Permanent pastures & other grazing lands	125
6.	Land under miscellaneous tree crops not included in area sown	72
7.	Cultivable waste land	141
8.	Fallow land other than current fallows	13
9.	Current fallows	73
10.	Net area sown.	742

Source: Digest of Statistics,

3.3 HORTICULTURE:

The J&K State is basically an agrarian economy and endowed with rich horticulture resources, as the climate of the state is best suited for development of horticultural crops. The climate of the Kashmir Valley and Upper reaches of Jammu region is most suitable for fruit cultivation. The important fruit crops grown in the State are apple, cherries, plums, vines, apricot, peaches, mango, walnut, almonds, and pomegranate.

The area under major horticulture crops in the State were 341372 hectares. The areas of concentration of fruit crops in the state are Baramulla, Pulwama, Anantnag, Srinagar, Kupwara, and some part of Jammu & Udhampur and Leh districts. The area under horticulture is expected to go up in the coming years due to the efforts of the horticulture department in other region also.

District-wise area under Fruit Crops is as under :

Table: III.2

Sr. No.	Name of district	Area of cultivation (hec.)
1	Anantnag	34570
2	Kulgam	23409
3	Pulwama	22624
4	Shopian	26206
5	Srinagar	6980
6	Ganderbal	11049
7	Budgam	32102
8	Baramulla	30836
9	Bandipora	7558
10	Kupwara	27970
11	Leh	1590
12	Kargil	3537
13	Jammu	11814
14	samba	7557
15	Udhampur	10074
16	Reasi	7154
17	Doda	13065
18	Kishatwar	7788
19	Ramban	9065
20	Kathua	15604
21	Rajouri	14364
22	Poonch	16426
	Total	341372

Source: Digest of Statistics

Fruit production is also being exported to outside the State as well as to other countries and the state has been earning a fairly good amount of foreign exchange every year. It is reported that a total of 1053832.95 Metric Tonnes of fresh fruit and 27868.36 Metric Tonnes of dry fruits were exported from the state during 2011-2012(p). Based on the availability of abundant quantities of fruits, there is good scope to encourage fruit processing industries.

Horticulture in Kashmir

Nature has endowed Kashmir with innumerable gifts, its towering snow clad mountains, bubbling streams, transparent and sparkling lakes, flower meadows, colorful orchards and rare fauna have always attracted numerous tourists from all corners of the world. The age-old traditional fruit cultivation has profusely colored the serenity and tranquility of Kashmir's landscape. Kashmir, the land of fauna, flora and fruits possesses a rich history of fruit cultivation. Years before the time of warrior King 'Lalita



Ditya' and though the golden periods of benevolent kings like 'Awantiwaraman' and Sultan Zain-ul-Abdin 'Badshah', Kashmir has remained the symbol of fruits and flowers. The horticulture industry in Kashmir has become the bulwark of rural economy in the state. This industry earns a revenue of over Rs. 50 crores yearly and provides job facilities to the thousands of people directly and indirectly. Here are some choicest varieties of Kashmir fruit : Apple, Pear Cherry, walnut, Almond, Peach Saffron, Appricot Straw bery & Pulm etc.

3.3.1 APPLE

a) Amri (Ambri Kashmiri)

Lawrence describes it as "the most popular apple in Kashmir - a sweet fruit ripening in October and keeping its condition for a long time and finding favour with the natives of India for its sweetness and its handsome appearance" Ambri is indigenous to Kashmir and continues to enjoy superiority by virtue of its crisp, sweet flesh and excellent aroma. The fruit is blushed red, striped, medium-sized and oblong to conical in shape with longer storage life. The fruit matures in the last week of September to first week of October. It is an excellent dessert variety.



b) American trel (American Apiroque)



This variety has crisp juicy, greenish white and sweet flesh and is usually medium-sized, as a result of which it has become very popular with consumers. Oblate-shaped, blushed and patchy red with a smooth surface, it matures in the last week of September. A good dessert variety.

c) Delicious (Red Delicious)

A world-renowned variety. It is one of the most widely grown apples. The fruit is tapering in shape with characteristic five lobes at the apex. Skin is smooth, striped and blushed red. Flesh is fine grained, greenish white, sweet, very juicy and crisp with good aroma. Size is medium to large and it matures by the end of September. A good dessert variety.

d) Maharaji (White Dotted Red)

A large-sized apple with bright red color on a green base with conspicuous dots. Flesh is crisp, very juicy, acidic and aromatic. The variety sweetens in storage and in an excellent keeper. The fruit matures in late October. It is also a cooking and dessert variety.

e) Hazaratbali (Benoni)

A medium-sized apple with rounds to slightly conical in shape and red to striped skin; white juicy and sweet flesh. It is the earliest variety of apple available from the valley, maturing in mid-July.

f) Kesri (Cox's Orange Pippin)

An old English medium-sized apple; it is round to conical in shape with skin orange red deepening to bright red. The flesh is yellow, firm, crisp, tender and very juicy. A dessert apple with good aroma and sub-acidic taste. The fruit matures in mid August.

3.3.2 PEAR



a) Nakh Kashmiri (Chinese Sandy Pear)

This variety gets its name from grained flesh. A conical shaped, small to medium sized variety with crisp, white and juicy flesh. The skin is thick and green in color that turns yellow on ripening. Carries well in storage and is an excellent dessert variety.

b) Williams

A widely known English variety. The fruit is large-sized and symmetrical. Skin is yellow with faint blush. The flesh is fine, grained, juicy and sweet. The fruit matures in mid July. A good dessert variety and the choice of canners.

3.3.3 CHERRY

a) Gilas Double (Bigarreau Napoleon)

This variety is large-sized and attractive with cream-red color. The flesh is firm and juicy but slightly acidic. A good keeper; excellent for canning, and dessert purposes.



b) Gilas Awal Number (Guigne Pourpera Pecoce)

Medium-sized, light red colored and quite fleshy. The flesh is juicy and sweet with acidic tinge. First to come in the market in May. A good dessert variety.

c) Gilas Misri (Bigarreau Noir Grossa)

Large sized and red colored; its skin is firm and flesh is sweet and juicy. A good dessert variety

3.3.4 Walnut

Kashmir walnuts are popular within the country as well as in foreign markets; a source of substantial foreign exchange. On the basis of shell thickness these are grouped as "Burzil", "Kagzi" and "Wont"; corresponding to "Paper-shelled". Walnut Kernels are used in confectionery, as dessert and for extraction of oil.



3.3.5 Almond

Kashmir almonds are known for their superiority of taste and are very popular with the consumers. Like walnuts these are also grouped on the basis of shell thickness as "Papery", "Thin-shelled", and "Thick-shelled". Considered as highly nourishing and of great medicinal value, its kernels are used in confectionery as well as dessert. Its trees are the first blooming fruit trees and an enchanting sight that lends glamour to the spring in Kashmir.

3.3.6 Peaches

Quetta

Fruit medium to above medium, pointed, halves acuminate. Skin thick, downy, Yellow base with scattered red patches. Flesh firm, creamy yellow, moderately juicy, sweet with acidic blend when fully ripe. Free stone. The fruit is ready for harvest in 3rd week of August.



3.3.7 Saffron

Saffron, the golden Condiment has a history of many centuries. It is a condiment medicine, a natural dyestuff. It is an expensive spice in the world used on various functions by adding delicate aroma, pleasing flavor and magnificent yellow color to food. Its color is sharp and peneptating. It is one of the potential foreign exchange earner and is cultivated in Kashmir and extended to Kishtwar. Its harvesting starts from mid of October to end of November.

3.3.8 Apricot

Gilgati Sweet

Fruit medium, from oblong to rather ovate, slightly irregular in shape. Cavity rather deep to medium in depth, regular and acute. Skin yellow when fresh (brown yellow when dried) sweet, moderately flavored, stone free kernel sweet. Ready for picking in the last week of June.



3.3.9 Strawberry

Strawberry is earliest fruit available in Srinagar market during April. Sub-tropical areas in Jammu have potential to grow the crop under irrigated condition. It is valued for easy propagation, early maturity, high yield with 5 to 9 percent sugar. Plants start bearing in second year. Over 2000 varieties of garden strawberry are known with large fruit, weighing 30-70 grams.



3.3.10 Plums

Santa Rosa

Fruit medium, roundish, regular, skin smooth and thin flesh deep red, juicy, sweet and soft full of aroma, stone cling type.

Table III.3

Table showing Area, Production & Productivity of Fruits (All Fruits), J&K State				
Year	Kind of Fruit	Area	Production	Productivity per Hect.
		(Lakh Ha)	(Lakh MTS)	
2011-12	Fresh	2.31	19.32	8.36
	Dry	1.11	2.29	2.06
	Total	3.42	21.61	6.32
2012-13	Fresh & Dry	3.47	17.42	5.02
2013-14	Fresh	2.43	18.55	7.63
	Dry	1.12	2.6	2.32
	Total	3.55	21.17	5.96
2014-15	Fresh	2.47	20.19	8.17
	Dry	1.13	2.57	2.27
	Total	3.6	22.76	6.32

Source : Economic survey, J&K

Table III.4

Table showing variety wise area under Fruit (area in 000 hectares)									
Year	Apple	Pear	Apricot	Cherry	Other fresh	Walnut	Almond	Other dry	Total fruits
2011-12	154.72	13.21	6.05	3.48	54.11	83.61	16.41	11.19	342.78
2012-13	159.16	13.21	6.05	3.48	45.11	83.61	16.41	11.19	347.22
2013-14	161.36	14.82	6.44	3.83	56.66	95.62	16.3	0.26	355.92
2014-15	163.36	15.53	6.44	3.83	58.66	95.62	16.3	0.26	360

Source : Economic survey, J&K

Table III.5

Area/Production data under fruit crops (J&K)		
Year	Area	Production
	(Hectares)	(M.Tonnes)
2007-08	295141	1636203
2008-09	305645	1690059
2009-10	315205	1712409
2010-11	325133	2220493
2012-13	347223	1742142
2013-14	355921	2117299
2014-15	360000	1947000

Source : Economic survey, J&K

Table III.6

Production of Fruits during 2007-08 to 2014-15	(000)
--	-------

Year	Fresh Fruits				Dry Fruits				Mts)
	Apple	Pear	Others	Total	Walnuts	Almonds	Others	Total	Total Fruits
2007-08	1311.85	45.86	120.31	1478.02	146.78	11.26	0.24	158.28	1636.3
2008-09	1332.81	47.38	150.74	1530.93	147.64	12.17	0.25	160.06	1690.99
2009-10	1373	47.98	113.73	1534.71	165.02	12.52	0.19	177.73	1712.44
2010-11	1852.41	62.5	130.64	2045.55	163.74	12.5	0.19	176.43	2221.98
2011-12	1747.22	58.21	127	1932.43	224.59	3.74	0.28	228.61	2161.04
2012-13	1500.25	48.31	61.41	1610	128.12	3.74	0.28	132.14	1742.14
2013-14	1662.36	72.65	120.4	1855.41	251.93	9.57	0.34	261.9	2117.29
2014-15 (Estimated)	1557.51	66.62	102.99	1727.12	209.94	9.73	0.21	219.88	1947

Source : Economic survey, J&K

Table III.7

Export of Fruit outside the State (Lakh Metric Tonnes)						
Year	Production			Exports		
2010-11	Fresh	Dry	Total	Fresh	Dry	Total
	20.46	1.76	22.22	10.87	0.25	11.12
2011-12	19.32	2.29	21.61	10.11	0.19	10.3
2012-13	16.1	1.3	17.42	7.05	0.16	7.21
2013-14	18.55	2.6	21.17	9.92	0.18	10.1
2014-15 (Estimated)	17.27	2.2	19.47	-	-	10.15

Source : Economic survey, J&K

Table III.8

Table showing Foreign Exchange earned on Horticulture Produce										
Kind	Quantity Exported (MTs)					Foreign Exchange earned (Rs. In crore)				
	2010-11	2011-12	2012-13	2013-14	2014-15*	2010-11	2011-12	2012-13	2013-14	2014-15*
Dry Fruits										
Almond	91	65	18099	1836.53	116.56	1.64	1.23	5.9	40.83	0.39
Walnut in Shell	382.72	485.05	309.17	409.2	61.54	3.01	2.99	3.52	3.01	0.26
Walnut in Kernal	9141.83	9246.6	4985.92	6315.3	1184	203.84	228.64	195.33	321.41	0.14
Total Walnut	9524.55	9731.65	5295.09	6724.5	1245.54	206.85	231.63	198.85	324.42	0.4
Total Dry	9615.55	9796.65	5476.08	8561.03	1362.1	208.49	232.86	204.75	365.25	0.79

• Ending November 2014

Source : Economic survey, J&K

3.4 FLOURICULTURE:

Floriculture has a vast scope and potential in the state of Jammu & Kashmir, which is evident from the fact during the year 1996 an area of 80 Hact was under flower cultivation in J&K and

now it has expanded upto 350 Hact with an annual turnover of Rs. 1350 Lacs. More than 1500 youths are directly engaged under commercial floriculture sector in Kashmir Division. An area of about 9.297 Hac has been covered under protected cultivation in private sector by raising Tubular Structure Poly Houses, High Tech Poly Houses, Shade Net Houses etc. Development of commercial floriculture has been assigned a top priority by the Government under Technology Mission and RKVY, as it holds a tremendous potential for employment generation

Forest:

Forest have assumed a great importance in our economy as a substantial revenue yielding industry. It is the most important component of the terrestrial environmental system and a complete resource base. They form an ecological system consisting of tree dominated vegetative cover. Forest have multidimensional role to play, they provide not only timber, fuel wood, pulpwood, fodder and fibre grass but also maintain the ecological balance and life support systems essential for food production and all round development of mankind. Jammu & Kashmir State have a total forest area of 20230.00 Sq.kms, constituting 9.10 % of the total geographical area of the State. The wild life area of the State is counted as 15410.50 Sq Kms. Forest has assumed great importance in the economy of any region as it is earning substantial revenue to the government. The total forest area of the state has been categorized in to 3 types. There is scope of growing of roses, tulips grass flowers. Proper infrastructure for export of these flowers is very important.

3.5 SERICULTURE:

Sericulture is an agro-based industry. This industry involves two important activities i.e. Mulberry cultivation and Silk reeling. This industry has caught the attention of the Govt. and entrepreneurs for its immense potential. In fact, it is a labour oriented industry, which provides employment to a larger number of rural masses. Mulberry cultivation provides employment to five persons per acre for 300 days as the mulberry is raised throughout the year. In fact women participation is much more in this industry as it is best-suited activity for rural women.

All the regions of the state are engaged in this activity. As per the source of Directorate of sericulture, there are 870 villages in Kashmir region and 1500 villages of Jammu are identified as Sericulture villages. Still there is good scope as J&K state climate

is most congenial for development of sericulture. In Jammu region , Rajouri and Udhampur are important centers, of sericulture activity. The areas of concentration of sericulture in Rajouri district are Sunderbani, Nowshera and kalakot. There are two nurseries in Rajouri district and 32 are located in Udhampur district.

3.6 FISHERIES:

Fisheries development had not been taken place in the state due to lack of adequate surface water. However, state Govt. is making efforts to develop this activity wherever possible. The state has some natural streams, lakes, which offers a little scope for fisheries development. The important types of fishes available in the state are trout, Minor carp, Country fish and Jammu fish. Among these varieties Kashmir trout is popular throughout the country.

The catchments of fish in Qtls. is given as under::

Table: III.3

Sr. No.	Year	Kashmir Region			Jammu Region	Total State Qtls
		Trout Qtls	Minor Qtls Carp	Country fish Qtls	Jammu fish Qtls	
1.	1998-1999	561.00	115296	42407	30246	188510
2.	1999-2000	680.00	115727	42634	31057	189608
3.	2000-2001	7922	114323	41295	28257	184667
4.	2001-2002	864	115405	42154	29642	188065
5	2002-2003	921	116492	42737	29950	190100
6.	2003-2004	958	116547	42795	30200	190500
7.	2004-2005	1350	116587	42380	30240	190557
8	2005-2006	1500	116675	42928	30397	191500
9	2006-2007	1520	116835	43028	30617	192000
10	2007-2008	1625	116942	43035	30898	192500
11	2008-2009	1680	116987	43041	30617	192325
12	2009-2010	1700	117013	43045	31242	193000
13	2010-2011	1950	117413	43395	34242	197000
14	2011-2012	2580	118025	43450	34496	198551
15	2012-2013	2600	118090	43570	35240	199500
16	2013-2014	2620	118340	43650	35390	200000
17	2014-2015 (ending 11/2014)	1980	83550	20690	21780	128000

Source : Directorate , Economic Planning & Statistics, J&K Jammu

Though the water resources for fisheries development are limited, yet the production of fish is increasing due to the efforts made by Fishery Department. It is noticed that 30453 population depends on fishing as a subsidiary occupation. As per 2011-2012 the total License Holders in the State were recorded as 15822.

Although availability of surface water is limited in Jammu region, still it has scope for development of fisheries and the department is maintaining a big fish farm at Jammu. The state Govt. is thinking to introduce quick growing species like Rohu, Mrigal silver carp, common carp and glass carp. Another farm has been identified for the development of reservoir fisheries. But all these production has been locally consumed with no surplus for industrial activity.

Trout, a cold water fish, is being formed in Srinagar and is considered a delicacy. Export of processed trout could be explored.

3.7 LIVESTOCK:

Livestock resources play an important role in the economy of J&K State. Most of the rural people depend on sheep and goat rearing as their subsidiary occupation. The state has a rich livestock population of 98.993 lakhs as per 2003 stock census. However, most of the livestock is local and inferior in quality. Therefore, the Govt. has been taking various steps to improve the quality and quantity of livestock. J&K State is regarded as one of the largest wool producing state of India. Wool is being exported from J&K to all over the world. There is good number of wool weaving small units in unorganized sector. The total wool production in the state during 2011-2012 was 338.58 Qtls.

The required infrastructure for the development of livestock in the State is available. There are about 2017 number of different veterinary institutions working all over the State as per 2011-2012p and 25 sheep farms & 1038 sheep centers are functioning for the development of livestock population. Pashmina is reared in Leh region at temperatures of minus 40 degree. The wool generated from these goats are processed in Srinagar & Basohli by about 2.5 lak women to make threads & woven into Pashmina shawls.

Based on the availability of a large number of live stock populations, there is a very good scope for leather-based industries and wool based industries in the state. At present only very few units are engaged the tanning of the leather and most of the raw material is being sent to other state for further processing. Therefore State Government has identified it as thrust industries and steps are being taken to develop Leather in a big way.

3.8 DAIRY INDUSTRIES:

The dairy industry in the state has made rapid strides with increase in the quality and quantity of milk animals. Despite of this, the demand for dairy and dairy products is increasing year by year in the

state. There is good scope to start milk chilling centers and Dairy products in the state. The consumption of milk, milk products are very high in the state. Last year , Government has restarted Milk supply plant at Satwari Jammu in collaboration with Amul and now supply of the milk in plastic packets is spread over in the State . In fact the existing demand for milk and milk products is not being met by the production of the state. It is interesting to note that milk is coming from Punjab to meet the existing demand. Therefore there is good scope for the development of dairy industry in the State.

3.9 SHEEP GOAT & RABIT REARING:

The rearing of sheep, goat and rabbit is a good subsidiary occupation of the people of J&K especially in rural areas. It provides fairly good revenue to the farmers. Sheep and Rabbit rearing provide a good quality of wool. Gujjar and Bakkerwals of Jammu district population depend on rearing of sheep and Goat for their livelihood. The activity is mostly found in the area of Dansal, Akhnor, Purmandal, Vijaypur, Samba, Bhalwal, and Khour block of Jammu district & in Kashmir and Ladhak regions. The state has a large population of sheep and goats, which accounts for 41.27 lakhs and 20.68 lakhs respectively. The state Govt. is also encouraging this activity by launching different Schemes with subsidy. There is good scope to develop wool weaving and blanket manufacturing unit in the state since the raw material is available in plenty.

3.10 POULTRY:

The total poultry population of the state is 55.67 lakhs as per 2003 livestock census. Poultry farms could be developed all over the state, as there is no marketing problem. The State Govt. is providing the entire required infrastructure for the development of poultry in the state. The egg production was 60.23 lakhs as per 2011-12p figure and is increasing rapidly year by year. NABARD and Nationalized banks are liberally financing for poultry development. One biological production center is located at R. S Pura, which would provide all types of vaccines for poultry and livestock purpose. Due to high consumption of poultry items in the state, there is good scope to encourage poultry farms. At the same time, egg trays, poultry feed industries also have scope in the state.

Table showing Import of Poultry products from outside the State			
Year	Milk (Qtls)	Eggs (Nos.)	Day Old chicks (Nos.)
2008-09	781509	4333.00 Lakhs	233.00 lakhs
2009-10	781255	4400.00 Lakhs	300.00 Lakhs
2010-11	868636	5253.00 Lakhs	353.00 Lakhs
2011-12	878600	5796.00 Lakhs	507.00 Lakhs
2012-13	721600	5969.00 Lakhs	513.00 Lakhs

2013-14	766100	6610.00 Lakhs	560.00 Lakhs
2014-15 (ending Dec.2014)	664300	5286.00 Lakhs	450.00 Lakhs

Source : Economic survey, J&K

Table Showing Import of Sheep & Goat from outside the state		
Year	Sheep	Goat
2008-09	1296732	96208
2009-10	1486757	94667
2010-11	1245876	44006
2011-12	1250717	43103
2012-13	1076694	20370
2013-14	1324058	46697
2014-15 (ending Dec. 2014)	1120961	13230

Source : Economic survey, J&K

3.11 MEDICAL PLANTS

There is good scope for cultivation & processing of medicinal plants in the State. Many people are coming towards cultivating and processing of medicinal plants in the belt of Kashmir valley as well as in Jammu division . Other information is available with Indian Institute of Integrative Medicine (CSIR unit), Canal Road jammu & Central Council for Research in Unani & Sardha, Srinagar Regional Centre.

CHAPTER – IV

INDUSTRIAL DEVELOPMENT

The Jammu & Kashmir State is on the path of Industrializations. The industries has been declared as the main vehicles for accelerating economic activities besides providing employment opportunities to the unemployed educated youth in the State. To restore industrial activities and to attract investment, the Govt has come up with a new Eco Friendly the industrial policy 2004 and will last till 2015.

In the industrial scenario of J&K State is lagging behind and occupies the place on the lowest side when compared to other states of the union India. The industrial sector of the State is confined to small scale & medium industries. The large-scale & heavy industries are not existing in the State. This sluggish industrial growth is mainly attribute to lack of sufficient infrastructure and considering the extreme geographical location of the State. The cost of raw material & transportation adds to manufacturing cost, thereby making the J&K products uncompetitive.

The State government is also encouraging progress industries by way of providing sheds in the industrial complexes and organizes industrial exhibition & trainings in collaboration with Central Government offices/ departments to share the technical know – how. These incentives resulted in the gradual increase of small & cottage industrial units. The number of small scale industrial units as on November, 2014 registered with the State Directorate of Industries & Commerce has crossed more than to fifty seven thousands providing employment

opportunities to 2.77 lakh people. The availability of land is a major constraint in developing new industrial estate.

Seven new industrial projects cleared by the Apex project clearance Committee, in the state involving an investment of Rs. 375 Crores, expected to generate employment opportunity for 56,397 persons in the coming year. These projects includes manufacturing of Mattresses, Quilts, and Pillows, by M/s GARWARE PETRO CHEMICAL Ltd., Mumbai in collaboration with MIJING OF SOUTH KORIEA with an investment of Rs. 21 Crores at Industrial growth center Samba, M/s SHASTRI FOOD AND VEGETABLES Ltd., Pune is proposed to venture in the dehydrated fruits and vegetables plant with a capacity of 35,600 tones/annum with an investment of 51.21 Crores. M/s CHENAB TEXTILE has already came in to production with an addition of 7,680 spindles. Like wise M/s SURYODAY SINTARED PRODUCTS, proposed to manufacturing of spare parts of automobile industry, fruit concentrate plant by M/s MANJARI GROUP, Mumbai, M/s PARLION INDUSTRIES Ltd., Mumbai, is going for venture for manufacturing of Socks in the coming Years. Above all Kathua town is being identified to develop as Textile city and when it is fully developed it is expected to generate employment avenues for more than 55000 persons. Besides these industries the state govt. have decided to give thrust to such kind of industries in the valley which will utilized local available resources like Fruits, Leather and Forest based. Similarly electronics industry which is totally ECO-FRENDLY has an enormous potential in the state. To tap these advantages state government is proposed to setup Software Technology Parks in the state, which would certainly pave the way for the development of electronic industry in the state in the years to come. It is reported that many mega investments both in large and small scale sector are at the different stages of finalization. Therefore it would be expected that once these proposals materialized there would be a big boost in the industrial sector of the state Government. The following categories of handicraft items are manufactured in Jammu & Kashmir:

1. Metal Craft

2. Sozni craft
3. Copper ware
4. Silver ware
5. Basohli Paining
6. Pashmina Shawls
7. Rugs
8. Carpets
9. Embroidery Products
10. Papier Machie
11. Wood Carft
12. Glass paining . etc.

Table: IV.1

Number of Industrial Units Registered Formally with Employment
(2008-09 to Onwards)

S. No	Name of the District	Ending 2007-08		Ending 2008-09		Ending 2009-10		Ending 2010-11		Ending 2011-12		Ending 2012-13	
		No.	Emp.	No.	Emp.	Nos	Emp	Nos	Emp	Nos	Emp	Nos	Emp
1	Anantnag	4003	17409	4078	17752	4200	18272	4312	18723	4452	19316	4560	19871
2	Kulgam	28	130	53	214	102	452	149	660	184	856	226	1159
3	Pulwama	2577	12070	2660	12564	2747	12953	2816	13307	2897	13893	2997	14344
4	Shopian	25	78	52	162	84	242	115	392	138	527	169	715
5	Srinagar	9368	45565	9605	46548	9869	47640	10021	48403	10163	49054	10313	49961
6	Ganderbal	25	98	64	265	112	474	137	641	175	917	202	1128
7	Budgam	3798	26047	3918	26626	4043	27316	4121	27873	4206	28552	4297	29076
8	Baramulla	3944	16255	4020	16536	4112	16969	4184	17216	4272	17588	4369	18015
9	Bandipora	26	1174	61	224	93	346	117	421	161	587	199	786
10	Kupwara	1686	5780	1731	5906	1776	6194	1812	6351	1866	6512	1917	6744
11	Leh	937	2598	942	2634	948	2662	953	2379	960	2706	977	2776
12	Kargil	639	1679	646	1709	654	1736	661	1773	671	1821	692	1970
13	Jammu	10015	64558	10098	65708	10241	67343	10357	68853	10547	71399	10671	73121
14	Samba	27	493	42	712	65	1031	95	1462	158	2352	179	2513
15	Udhampur	3859	10369	3875	10583	3883	10653	3895	10754	3907	10869	3920	10969
16	Reasi	-	-	-	-	2	21	5	52	7	65	8	75
17	Doda	1702	4169	1709	4182	1715	4204	1723	4230	1732	4282	1741	4328
18	Kishatwar	-	-	3	30	5	36	7	59	12	79	18	108
19	Ramban	-	-	1	25	1	25	3	35	7	48	11	68
20	Kathua	4824	18342	4842	18556	4874	19647	4892	19941	4944	20918	4969	21240
21	Rajouri	1360	3573	1381	3646	1419	3788	1477	3930	1547	4184	1596	4352
22	Poonch	1627	3588	1660	3699	1684	3770	1692	3796	1708	3868	1711	3875
	Total	50470	233915	51441	238281	52629	245774	53544	251551	54714	260393	55742	267194

Source : Directorate , Economic Planning & Statistics, J&K Jammu

The following table shows the growth in number of units and employment by the Small Scale Sector over the last years:

Table: IV.2

Sr. No	Year	No. of MSME Units	Employment
1	1998-99	40627	178004
2	1999-2000	41950	183698
3	2000-2001	42808	187399
4	2001-2002	43689	193285
5	2002-2003	44701	198238
6	2003-2004	45672	203328
7.	2004-2005	46818	209322
8	2005-2006	48224	219127
9	2006-2007	49426	225963
8	2007-2008	50470	232915
9	2008-2009	51441	238281
10	2009-2010	52629	245774
11	2010-2011	53544	251551
12	2011-2012	54714	260393
13	2012-2013	55742	267194
14	2013-2014	56660	274011
15	2014-2015 (Ending 11/2014)	57193	277653

Source : Directorate , Economic Planning & Statistics, J&K Jammu

It can be observed from the above table that there is a steady growth in respect of number of units as well as employment in small-scale sector. In 1998-99 there were 40627 units in the state and it has gone up to 50470 as on 2007-08 which has further increased to 57193 units up to 2014-2015. Due to geographical disadvantage & prevailing situation, units are not coming up in a big way in respect of Ladakh region. However Ladakh & Kargil districts are the best places to encourage demand based industries, as it is one of the best tourist centers of the state.

Table:IV.3

**MSME UNITS IN THE DISTRICTS OF J&K STATE AS ON
31-03-2014**

Sr. No	Name of the district	Cum. up to 2013	Items/Products manufactured in MSME.
1.	Anantnag	4560	Spices, Furniture, Food Products etc. Kitchen Racks, Wooden Products, Sports Products
2.	Pulwama	2997	Food products, Wooden Doors & Windows , Steel Rolling Shutter
3.	Srinagar	10313	Food products, Coir Foam, Cricket Bat, Spices, Mineral water, Jams , Jalley etc. Bus Truck Body Building
4.	Budgam	4297	Wooden Furniture, Food Products, Wool Weaving, Oil Extraction, saffron Processes etc.
5.	Barmulla	4369	Spices, Furniture, Food Products , Bee Keeping Honey Processing , Bakery Products etc
6.	Kupwara	1917	Dairy Products, Fruit Products, Confectionery, Jewellery, Agriculture Implements Steel Doors & Windows etc.
7	Shopian	169	Food Products, Weaving Products, Furniture wooden etc.
8	Gandherbal	202	Agriculture Implements, dairy Products, etc.
9	Bandi Pura	199	Food Products , Oil Extraction, Inverters & Converters etc.
10	Kulgam	226	Weaving Products (Blanket), Food Products, , Furniture wooden etc
	Total	29249	

11	Leh	977	Pickle products , Fruit & Dry Processing etc
12	Kargil	692	Pickle products , Fruit & Dry Processing etc
	Total	1669	
13	Jammu	10671	Steel Rolling Mill, Carpet Mfg., Food Products, Coir Foam Products, Confectionery, bakery Products, Dairy Products, Coir Foam Products, Wooden Products , Alminium Utensils etc.
14.	Udhampur	3920	Food Product Oil Extraction , bakery Products, Electric Items, Inverter/Converter
15.	Kathua	4969	Steel Rolling Mill, Carpet Mfg., Food Products, Coir Foam Products, Confectionery, bakery Products, Dairy Products,
16.	Doda	1741	Fruit Products, Food products, oil Extraction, Agriculture Implements etc.
17.	Rajouri	1596	Bakery Products, Dairy Products, Wooden products , Steel Products etc.
18.	Poonch	1711	Agriculture Implements, Food products, Hallow Bricks etc.
19	Samba	179	Chemical Industries, Food Products, Pharmaceuticals Industries, Pint Products etc
20	Reasi	8	Agriculture Implements, Food products, Hallow Bricks etc.
21	Ramban	11	Horticulture crops
22	Kishatwar	18	Food Products, etc
	Total	24824	
	Grand Total	55742	

Source: Digest of Statistics, Jammu & Kashmir

The detail of EM –II filed by Entrepreneur in the State is as under:

Table:IV.3(a)

EM-II filed by the Entrepreneurs in the State from
2010 to 2014-15

	Districts of Jammu Region	2010-11	2011-12	2012-13	2013-14	2014-15	Total
1	Doda	8	9	9	1	11	38
2	Udhampur	12	12	13	6	5	48
3	Poonch	8	16	3	1	4	32
4	Rajouri	58	70	49	3	10	190
5	Jammu	116	190	124	48	58	536
6	kathua	18	52	25	22	46	163
7	Samba	30	63	21	13	33	160
8	Kishatwar	2	5	6	2	3	18
9	Reasi	3	2	1	1	3	10
10	Ramban	2	4	4	2	3	15
	Districts of Kashmir Region						
1	Srinagar	152	142	150	73	144	661
2	Gandherbal	25	38	27	12	26	128
3	Budgam	78	85	91	34	70	358
4	Anantnag	112	140	108	85	159	604
5	Kulgam	46	35	42	12	33	168
6	Pulwama	69	81	100	46	55	351
7	Shopian	31	23	31	2	12	99
8	Baramulla	72	88	97	25	64	346
9	Bandipora	24	44	38	15	42	163
10	Kupwara	36	54	51	13	59	213
	Districts of Ladakh Region						
1	Leh.	5	7	17	5	20	54
2	Kargil	7	10	21	4	19	61
	Grand Total						4416

4.1 Important concentration of Industries/Cluster groups

- Leather goods Manufacturing
- Wooden Furniture
- Jams, jalley Pickle, Dried Druits- Leh
- Gun Manufacturing-jammu
- Mustard Oil- Sether Sangam, Dist Ananatnag
- Cricket Bat- Sether Sangam, Dist Ananatnag
- Spices Grinding—
- Wheat Products -Jammu Srinagar , Kathua
- Bread & Bakery, Srinagar, jammu, Pahalgam
- PVC Pipes
- Wire mesh and Wire nails-Rajouri, jammu
- Cements Products- Udampur, Kathua, Samba
- Insecticides/ Pesticides- Jammu , Samba
- Pharmaceuticals- Jammu , Samba
- Handicrafts items
- Pharmaceutical Industries
- Mini Cement Plant
- Packaging Industries
- Re rolling Mills
- Iron Casting
- Steel Furniture- jammu Udampur, Srinagar, Ananatnag
- AAC/ACSR Conductors- jammu
- Walnut export- jammu , Srinagar, Ananatnag
- Inverter, Voltage Stabilizer] - jammu
- Hosiery GarmentsJammu, Srinagar
- Tyre Retreating-Jammu
- Footwear Manufacturing

Kathua city is being developed as textile city at cost of Rs. 250 Crores under external aided project. Besides providing basic infrastructure, the state Govt. has announced many incentives to attract entrepreneurs from with in and outside the state to establish industries in the state. Therefore it is expected that the industrial climate would gear up in the near future.

The state Govt. has identified the following areas as thrust areas and these units are to be given full support and encouragement. These are electronics including Computer and Software, Food processing, Floriculture, Handicrafts, Leather Processing, and Leather Goods, Sports Goods, Forest Based industry [excluding saw mills and joineries] processing of aromatic plants and Herbal pharmaceuticals based on Herbs, Bulk Drugs, Silk reeling, Weaving, Cutting and polishing of Stones, Gems and Jewelry, Precision Engineering etc.

4.2 HANDICRAFTS DEVELOPMENT:

Handicrafts are the age- old industry of the state. This activity has been recognized as one of the important export earning activity of the state. Besides this, it provides employment to 3 Lakhs artisans and Self-employment to about 10000 persons annually directly or indirectly. The main activities of Handicrafts are Bamboo crafts, Straw Work, Leather embroidery, silver ware, Metal Ware, Pottery, Zari Embroidery, Wicker Crafts, Wood Carving, Chikery wood, Glaze Pottery, Precious jewelry etc..

Table: IV.4

The Production/Export sales of some important handicrafts in the state during 2013-2014:

Sr. No.	Name of the activity	Production (in Rs. Crores)	direct export of handicraft item
1.	Carpet	684.05	551.9
2.	Namda	-	-
3.	Crewel	-	-
4.	Wood-Carving	-	-
5.	Paper Machie	141.24	39.96
6.	Fur & Leather	-	-
7.	Chain Stich	-	-
8.	Woolen Shawls	631.2	579.72
9.	Other Handicrafts	559.37	524.07
	Total	2017.82	1695.65

Source: Digest of Statistics, Jammu & Kashmir

The State Govt. earned an amount of Rs. 1695.65 crores by exporting the handicraft items. The production of important handicrafts items is accounted as Rs 2017.82 crores. The total training centers and trainees trained are found to be 553 & 6918 respectively . The state Government is keen in promotion and development of this sector. The required infrastructure is very much existing in the state for development of this activity. There are 553 handicraft training center in the state imparting to training around 1 lakhs persons every year. The high value added activity in the handicrafts is carpets, shojni, woodcarving, leather embroidery, and Zari embroidery and willow wicker. The state government is also encouraging this activity by offering various schemes through different programmes.

4.3 HANDLOOM SECTOR:

Handloom sector also plays an important role in the economy of J&K state. It provides maximum employment especially in rural area. About , 89 handloom centers were working in the State . which has trained 845 trainees. Main products that are manufactured in the handloom sector are pattos, Blankets, Loies, Tweeds, Raffal, Pashmaina, Silk & Khadi. These units are mostly concentrated in Barmulla, Kupwara, Anantnag, Pulwama & Kathua district of State.

Table: IV.5

Name of the Craft	Centers	Trainees Trained
Handloom Weaving	61	598
Ready made Garments	22	307
Calico Printing	-	-
Othere Handloom Design Weaving centers	6	71
Total	89	976

Source: Digest of Statistics, J&K

The Department is setting up an exhibition place in New Delhi to promote sale of Handicrafts.

4.4 KHADI & VILLAGE INDUSTRIES:

Khadi & Village industries play a key role in providing employment to rural people by encouraging tiny enterprises in the rural as well as in urban areas also . KVIB of J&K has launched a comprehensive programme to generate employment opportunity for the unemployed youth of the country .

Some major important activities that are covered under Khadi Village Industries in J&K State is:

- Willow Wicker
- Hosiery
- Khadi
- Copper/Brass items
- Hand made Paper
- Processing of pulses
- Soap , Detergentsetc.
- Food Processing
- Handmade paper
- Village Leather Industries
- Village Oil Industries
- Pottery
- Smithy
- Carpentry
- Bee keeping
- Fibber Industries
- Fruit Preservation.
- Cottage Match

The detail of the PMEGP Scheme is as . The detail is as below under

PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME (PMEGP)

4.4.1 The Scheme

Government of India has approved the introduction of a new credit linked subsidy programme called Prime Minister's Employment Generation Programme (PMEGP) by merging the two schemes that were in operation till 31.03.2008 namely Prime Minister's Rojgar Yojana (PMRY) and Rural Employment Generation Programme (REGP) for generation of employment opportunities through establishment of micro enterprises in rural as well as urban areas. PMEGP will be a central sector scheme to be administered by the Ministry of Micro, Small and Medium Enterprises (MoMSME). The Scheme will be implemented by Khadi and Village Industries Commission (KVIC), a statutory organization under the administrative control of the Ministry of MSME as the single nodal agency at the National level. At the State level, the Scheme will be implemented through State KVIC Directorates, State Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs) and banks. The Government subsidy under the Scheme will be routed by KVIC through the identified Banks for eventual distribution to the beneficiaries / entrepreneurs in their Bank accounts. The Implementing Agencies, namely KVIC, KVIBs and DICs will associate reputed Non Government Organization (NGOs)/reputed autonomous institutions/Self Help Groups (SHGs)/ National Small Industries Corporation (NSIC) etc .

Objectives

- (i) To generate employment opportunities in rural as well as urban areas of the country through setting up of new self-employment ventures/projects/micro enterprises.
- (ii) To bring together widely dispersed traditional artisans/ rural and urban unemployed youth and give them self-employment opportunities to the extent possible, at their place.
- (iii) To provide continuous and sustainable employment to a large segment of traditional and prospective artisans and rural and urban unemployed youth in the country, so as to help arrest migration of rural youth to urban areas too.
- (iv) To increase the wage earning capacity of artisans and contribute to increase in the growth rate of rural and urban employment.

4.4.2. Financial Assistance Levels under PMEGP

Categories of beneficiaries under PMEGP	Beneficiary's contribution (of project cost)	Rate of Subsidy (of project cost)	
Area (location of project/unit)	Urban	Rural	
General Category	10%	15%	25%
Special (including SC / ST / OBC / Minorities/Women, Ex-servicemen, Physically handicapped, NER, Hill and Border areas etc.	05%	25%	35%

Note:

- (1) The maximum cost of the project/unit admissible under manufacturing sector is Rs. 25 lakh.
- (2) The maximum cost of the project/unit admissible under business/service sector is Rs. 10 lakh.
- (3) The balance amount of the total project cost will be provided by Banks as term loan

Eligibility Conditions of Beneficiaries

- (i) Any individual, above 18 years of age
- (ii) There will be no income ceiling for assistance for setting up projects under PMEGP.
- (iii) For setting up of project costing above Rs.10 lakh in the manufacturing sector and above Rs. 5 lakh in the business /service sector, the beneficiaries should possess at least VIII standard pass educational qualification.
- (iv) Assistance under the Scheme is available only for new projects sanctioned specifically under the PMEGP.
- (v) Self Help Groups (including those belonging to BPL provided that they have not availed benefits under any other Scheme) are also eligible for assistance under PMEGP.

- (vi) Institutions registered under Societies Registration Act, 1860;
- (vii) Production Co-operative Societies, and
- (viii) Charitable Trusts.
- (ix) Existing Units (under PMRY, REGP or any other scheme of Government of India or State Government) and the units that have already availed Government Subsidy under any other scheme of Government of India or State Government are not eligible.

4.4.3 Other eligibility conditions

- (i) A certified copy of the caste/community certificate or relevant document issued by the competent authority in the case of other special categories, is required to be produced by the beneficiary to the concerned branch of the Banks along with the Margin Money (subsidy) Claim.
- (ii) A certified copy of the bye-laws of the institutions is required to be appended to the Margin Money (subsidy) Claim, wherever necessary.
- (iii) Project cost will include Capital Expenditure and one cycle of Working Capital. Projects without Capital Expenditure are not eligible for financing under the Scheme. Projects costing more than Rs.5 lakh, which do not require working capital, need clearance from the Regional Office or Controller of the Bank's Branch and the claims are required to be submitted with such certified copy of approval from Regional Office or Controller, as the case may be.
- (iv) Cost of the land should not be included in the Project cost. Cost of the ready built as well as long lease or rental Work-shed/Workshop can be included in the project cost subject to restricting such cost of ready built as well as long lease or rental workshed/workshop to be included in the project cost calculated for a maximum period of 3 years only.
- (v) PMEGP is applicable to all new viable micro enterprises, including Village Industries projects except activities indicated in the negative list of Village Industries. Existing/old units are not eligible (Para 29 of the guidelines refers).

Note:

- ((1) The Institutions/Production Co-operative Societies/Trusts specifically registered as such and SC/ ST/ OBC/ Women/ Physically Handicapped / Ex-Servicemen and Minority Institutions with necessary provisions in the bye-laws to that effect are eligible for Margin Money (subsidy) for the special categories. However, for Institutions /Production Cooperative Societies/Trusts not registered as belonging to special categories, will be eligible for Margin Money (Subsidy) for general category.*
- (2) Only one person from one family is eligible for obtaining financial assistance for setting up of projects under PMEGP. The 'family' includes self and spouse.)*

During the financial year 2014-15, the financial institutional have disbursed an amount of Rs. 810.91 Lacs to 484 beneficiaries against the annual target of Rs 1414.91 Lacs for 1184 in the State of Jammu & Kashmir

Large & Medium industries :

There are number of large and medium scale industries in the state, which are playing pivotal role for industrial development of J&K State. There are 15 large and medium scale industries in the state public sector as on 31.03.2012, which have provided employment opportunities to 2305 persons.. These units are mainly engaged in manufacture of drugs and chemicals, leather industries, textile industries, wool industries, and mineral based industry, etc. The large/medium scale industries of the state give good scope for ancillary development in the state. The number of Medium scale Industries decreased from the previous year due to prevailing situation in the State.

Few Public Sector in the State have become sick due several reasons. The sick public sector units are listed below.

- Silk weaving factory – Rajbagh
- Joinery Mills – Kashmir
- Woolen Mills – Bemina in Kashmir Valley
- Silk Filature – Jammu
- Modern Rosin & Turpentine Factory – MiranSahib
- Government Joinery Mills – Jammu.

The annual production of medium scale industries in public sector during the year March 2012 is given below:

Industry group/products manufactured	Nos of unit	Employment	Value of products (in lakhs)
Drugs and chemicals			
a) Santonians	-	-	--
b) Rosin and turpentine	3	28	81.35
c) Matches	-	-	-
Leather Industries			
a) Tanned Hides	-	-	-
b) Leather Industries	-	-	-
Textile:			
a) Raw Silk	1	1	-
b) Silk Fabric	1	172	241.25
c) Woolen Fabrics	1	154	161.46
d) Raffal Yarn	1	7	1.83
e) Hosiery Goods	-	-	1.47
f) Shody Yarn	-	-	-
Wooden Industry			
a) Joinery articles & furniture	2	228	345.62
b) Cricket Bats	-	-	-
c) Ply Board	1	46	-
Mineral based industries:			
a) Bricks	-	-	-
b) Cement	2	778	1249.64
c) Concrete poles, & pun, Pipes, etc.	-	-	--
d) Briquettes	-	-	-
e) Lignite	-	-	-
f) Gypsum	2	84	144.86
g) Borax	-	-	-
h) Lime	-	-	-
i) Marble	-	-	-
j) Coal	1	1233	1021.78
Cement Related products & Mining Activities	-	-	-
Total	15	2731	3249.26
Miscellaneous			
a) Handicrafts items(Arts & Emporium Production Units	NA	NA	-
G. Total	15	2731	3249.26

There is proposal to set up *TEXTILE CITY* at Kathua. This city will be first of its kind in the country. In the proposed Textile City, 239 proposed units would be engaged in cotton, silk and wool with a thrust on export. The proposed textile city spread over an area of 6.000 Kanals with an investment of 197 Crores and it is expected to generate employment to 55,000 persons. The State Government is planning to produce high-tech milk processing and marketing in collaboration with the Gujrat Cooperative Milk Marketing Federation. The consumer now will get good quality of milk through an organized cooperative network along the lines of Amul in Anand (Gujrat) after the completion of this project. The project envisages increasing processing capacity of two milk processing units of Chashma Shai in Srinagar & Satwari in Jammu from existing 20000 ltrs to one lakh ltrs per day.

CHAPTER – VI

Export Worthy MSEs in the State**Kashmir Walnut Group**  (Ritin Nagpal)

Exporters of Dry Fruits and Nuts like **Walnut Kernels**, Inshell Walnuts, Dried Mushrooms (morels), Almonds and Walnut Shells Grit Also. Key Features Two Facilities, Laser Sorter, Vacuum 250g to 5kg, Cold Storage & Automated Packaging.

Address : Talab Tillo, Bohri,, kashmir, Jammu & Kashmir

Phone(s) : 91-191-2505735 **Fax(s)** : 91-191-2505543

Nutshell & Nimble  (Syed Ikram)

Exporters of Dried Morels, Shelled Walnut, **Walnut Kernels**, Walnut Shells, Dry Fruits, Spices and Pakaged Drinking Water.

Address : Polo Plaza Poloview, Srinagar, Jammu & Kashmir

Phone(s) : 91-194-2483218 **Mobile** : 91^9419000373 **Fax(s)** : 91-194-2483218

Sahil Enterpries (regd.)  (Showkat Hussain Shah)

Exporters of Indian **Walnut Kernels**.

Address : Umarabad Highway Road ,Zainakote,Srinagar, srinagar,kashmir, Jammu & Kashmir

Phone(s) : 91-194-2496244 **Mobile** : 09419007467 **Fax(s)** : 91-194-2496241

Kashmir Heritage Crafts  (Aadil Jeelani)

Exporters of Pashmina Shawls, Hand Knotted Kashmiri Silk Carpets, Home Decoration, Hand Embroidered Curtains, Wall Hangings, Rugs, Cushion Cover, Wooden Jewelry, Teenage Jewelry, Corporate Gifts, Christmas Ornaments, Walnut Furniture, Hand Carved Walnut, Wooden Tiles, Walnut, Vacuum Packed

Walnut Kernels, Halves, Quarters, Pieces & Shell Walnut.

Address :Jeelani House, Haider Colony, Lane: 4,H :19, Upper Soura, Srinagar
Kashmir, India - 190020, Jammu & Kashmir

Phone(s) : 91-941-9007776 **Mobile** : +91-9419007776 **Fax(s)** : 91-194-2401301

Wani Fruit Enterprises (Showkat)

Exporters of Walnut Inshell, **Walnut Kernels**.

Address :I. E. Rangreth, Srinagar, Jammu & Kashmir

Hansraj Balwantrai

Exporter of Walnuts and **Walnut Kernels**.

Address :27 C/C , Jammu 180 004, India, Gandhinagar,

Kashmir Heritage Crafts (Ajay Shah)

Exporters of Hand Made Home Decoration, Hand Made Home Furnishings, Pashmina Shawls, Hand Knotted Silk Carpetsh, Knotted Rugs, Pure Silk Carpets, Hand Made Silk Carpets, **Walnut Kernels** and **Walnut Kernel**.

Address :Jeelani House, Haider Colony,Lane No: 4, H.no: 19, Near Petrol Pump,Upper Soura, shrinagar, Jammu & Kashmir

King Indo Agro Products Pvt. Ltd. (Younis)

Exporters of Golden Spice, Dry Fruits, Walnuts, **Walnut Kernels** and Honey.

Address :A-20 3rd Floor Lajpat Nagar-1, New Delhi, Delhi

Rising Sun Enterprises (Mohsin Pasha)

Exporters of Coffee, Spices, Saffron, **Walnut Kernels** and Fresh Fruits.

Address :No. 168-2 1st floor SC Road, Sheshadripuram, Bangalore, Karnataka

Kashmir Heritage Crafts (Ajay Shah)

Exporters of Hand Made Home Decoration, Hand Made Home Furnishings, Pashmina Shawls, Hand Knotted Silk Carpets, Hand Knotted Rugs, Pure Silk Carpets, Hand Made Silk Carpets, **Walnut Kernels** and In-shell **Walnut Kernel**.

Address :Jeelani House, Haider Colony,Lane No: 4, H.no: 19, Near Petrol Pump,Upper Soura, shrinagar, Jammu & Kashmir

Royal Kashmiri Walnut Industries (Sajad/ Shabir Ahmad Wani)

Exporters of Shelled Walnut, **Walnut Kernels**, Dried Morels, Walnut Shells, Dry Fruits, Walnuts and Kernels.

Address :93 Post Office Road, Rajbagh, Srinagar -190008, Jammu & Kashmir **Kashmir Walnut Group** **DM**, Estd. 1979, (Ritin Nagpal)

Manufacturer Exporters of Inshell Walnuts, Shelled Walnuts, Dried Morels, Saffron and Bitter Apricot Kernels.

Address: Talab Tillo, Bohri, Jammu Tawi,India,Kashmir,Jammu & Kashmir
Phone(s): 91-191-2505735/2505093, **Fax(s)** : 91-191-2505543/2553945

Royal Saffron Company **SL**, Estd. 1986, (Modad Abdulla Sheikh)

Manufacturer Exporters of Saffron, Walnut, Kernels and Kashmir Almonds.

Address: Sambora Pampore,India,Pampore Kashmir,Jammu & Kashmir
Phone(s): 91-1933-265349, **Fax(s)** : 91-1933-265349, **Mobile** : 09419067921,9419068859,
GNK TRADERS , Estd. 2008, (Mohd Asgar Khan)

Manufacturers Exporters of Walnuts, Kernels and Walnut Shells.

Address: Tethar, Banihal, Ramban,India,Jammu,Jammu & Kashmir

Masoodi Dry Fruit Processing Centre , (Mohmad Tajamul Masoodi)

Manufacturer Exporters of Almonds in Shell & Without Shell, Saffron, Walnuts, Apricot, Salajeet Etc.

Address: Bagander, Pampore Srinagar, Jammu & Kashmir - 192 121 (INDIA),India

Wani Fruit Enterprises , Estd. 1993, (Showkat)

Manufacturer Exporters of Walnut in Shel, Vacuumised & Nitrogen Flushed Walnut Kernels, Walnut, Walnut Kernels, Dry Fruits, Walnuts, Walnut Shells, Walnut Oil, Green Walnut Peels (dried), Almonds, Almond Kernels Saffron, Fresh Apples Etc.

Address: I. E. Rangreth,,India,Srinagar,Jammu & Kashmir

VISION TRADERS , Estd. 1990, (mudasir showkat)

Manufacturer Exporters of Dry Fruits like Walnuts, Walnut Kernels,Almonds, Kernels Saffron, kesar

Address: nishat, srinagar jammu & Kashmir,India

Kashmir Heritage Crafts , Estd. 1985, (adil

Manufacturer Exporters of Pashmina Shawls, Hand Knotted Kashmiri Silk Carpets, Wooden Jewelry, Teenage Jewelry, Corporate Gifts, Christmas Ornaments, Home Decoration, Hand Embroidered Curtains, Wall Hangings, Rugs, Cushion Cover, Walnut Furniture, Wooden Tiles, Walnut Vacuum Packed, Walnut Kernels, Halves, Quarters, Pieces & Shell Walnuts.

Address: haider colony,h.n.19,lane 4,nr petrol pump, upper soura, India , Srinagar,Jammu&Kashmir

Rifco Trding Co. , (syed raouf)

Manufacturer Exporter of Kashmiri Saffron, Almond, Walnut, Beans, Spices Etc.

Address: Balgarden, Srinagar,India,Jammu & Kashmir

Hansraj Jain & Co. , Estd. 1970, (Sandeep Jain

Manufacturer Exporters of Walnuts, Walnut Kernels, Dried Morels, Sesame Seeds and Apricot Kernels.

Address: 83 A/D Extn. , Jammu 180 004, India,India,Gandhinagar,Jammu & Kashmir

CHAPTER – VII

Institutional Support for Industrial Development:

Institutional support plays an important role for the development of industries in any region. The following Central/State Govt. Offices/Financial institution working in J&K for industrial development are given as under:

7.1 Micro Small & Medium Enterprises Development Institute

Micro Small & Medium Enterprises Development Institute J&K Jammu Jammu is the field office of SIDO in J&K State. It has a Branch office (Workshop) at Industrial Estate, Digiana, Jammu . These Institutes provides a number of services to the micro small enterprises in the State. The main functions of the Institutions are to extend Techno-economic-managerial constancy to the existing and prospective entrepreneurs. They also extend various types of training programmes to develop entrepreneurship and Skill development. Necessary back-up supports for all industrial development activities are also extended to all DICs in the State.

MSME DI Srinagar , Camp Jammu has a workshop at I/E Santnagar, Barzulla, Srinagar & Branch MSME DI Jammu has a workshop at Industrial Estate, Digiana, Jammu. Both the workshops undertake the job work in the field of Turning, Machining, Lathe works etc. It also provides 6 months Training in the trades of Fitter, Machinists Trades, etc.

The main functions of the MSME DI , Jammu are as under:

Activities

The main activities of the institutions are as follows: -

- Assistance/Consultancy to Prospective Entrepreneurs
- Assistance/Consultancy rendered to existing units
- Preparation of State Industrial Profiles
- Preparation/Updating of District Industrial Potential Surveys
- Project Profiles
- Entrepreneurship Development Programmes
- Entrepreneurship Skill Development Programme
- Motivational Campaigns
- Production Index
- Management Development Programmes
- Skill Development Programmes
- Energy Conservation
- Pollution Control
- Quality Control & Up gradation
- Export Promotion
- Ancillary Development
- Common Facility Workshop/Lab
- Preparation of Directory of Specific Industry
- Intensive Technical Assistance
- Coordination with DICs
- Linkage with State Govt. Functionaries
- Market Surveys
- Other Action Plan Activities assigned by Headquarters



Officers from Americal Soyabean Association demonstrating cheese-making Soyabean from Soyabean during



Display Food products manufactured during EDP

For Further Details, please contact:

DIRECTOR

Micro, Small & Medium Enterprises-
Development **Institute** Industrial Estate,
Digiana, Jammu – 180010 Telefax : 0191-
2431077 Telephones: 0191-
2435425/2455529
e-mail : dcdi-jammu@dcmsme.gov.in
Website : www.msmedijammu.gov.in
w.dcmsme.gov.in

Micro Small & Medium Enterprises,
Development Institute Sanat Nagar,
Srinagar- 190005
Contact No 0194- 2438142

e-mail : dcdi-jammu@dcmsme.gov.in
Website : www.msmedijammu.gov.in
w.dcmsme.gov.in

7.2 The National Small Industries Corporation (NSIC)

The National Small Industries Corporation (NSIC) was established in 1955 with primary function of helping the small scale entrepreneurs by providing machinery both Indigenous and Imported on hire purchase basis. It also provided institutional marketing assistance by enlisting small-scale units for participation in Govt. Stores purchase programme. NSIC has introduced some years back a single point registration scheme with a view to avoid multiplicity of registration of small-scale units with various Govt. Agencies. The MSME DI is maintaining close liaison with NSIC for promotion of Small-Scale industries in the state. The office is located at Exhibition Ground Jammu.

7.3 Small Industries Development Bank of India (SIDBI)

Small Industries Development Bank of India (SIDBI) is an apex Bank for Small-Scale Industries Extends assistance to SSI Units through various schemes. The main activities of SIDBI are:

- Refinancing of loans and advances extended by the Primary lending institutions to industrial concerns in the small scale sector
- Extension of seed capital/soft loan assistance under National Equity Fund, Mahila Udyam Nidhi and seed capital scheme through specified lending agencies.
- Granting direct assistance as well as refinancing of loans extended by primary lending institutions for financing export of products manufactured by industrial concerns in the small-scale sector.
- Extending financial support to National Small Industries Corporation for providing leasing Hire – purchase and marketing support to SSI units.

7.4 Khadi And Village Industries Commission (KVIC)

KVIC is a central Govt. Organization and is working for the development of Khadi and Village industries in the country. It prepares all the policies and procedures to be adopted for the development of Khadi and Village Industries. It provides grants to banks, which in turns are financing to Khadi units. Under KVIC loans are to be provided both for institutional and individuals. In J&K, the main objective of KVIC is to generate rural employment by way of encouraging Khadi & Village Industries. In J&K State there are two KVIC offices working one at Srinagar and other at Jammu. To boost up self-employment opportunities in rural area of the state a new programme is being implemented known as National Programme on rural Industrialization in which office of the Development Commissioner will also participate. KVIC has identified certain cluster group of industries as a first step for implementing for this programme.

7.5 NABARD:

The National Bank for Agricultural and Rural Development is also playing an important role for the development of Small Scale Industries by way of direct and indirect financing especially for agro-base industries. It has a number of schemes for financing rural industries.

7.6 STATE GOVT DEPARTMENTS / AGENCIES/FINANCIAL INSTITUTIONS:

Directorate of Industries: Directorate of Industries, which is located at Jawahar Udyog Bhavan , Rail Head Complex , Jammu & opposite Partap Park, Srinagar is the Head office of all the DIC's and is responsible for industrial development of the State. It is maintaining all the industrial activities through different state Govt. offices, corporations. Directorate of Industries is implementing all the policies of the State Government for industrial development through District Industries Centers. There are two Directorate offices one at Jammu and the other at Kashmir responsible for development of industries in Jammu & Kashmir regions respectively.

7.6.1 District Industries Center:

There are 22 district in the state and the entire district is covered under the plan of District Industries Center. In DIC, General Manager is the Head of the Office and is assisted by Assistant General Manager and Project Manager for day to day office matters for the development of industries in the district. The main activities of DICs are registration of units, sanction of subsidy, implementation of PMEGP scheme etc. A list of address of all the DICs are Annexed at the end of the REPORT.

7.6.2` J&K State Financial Corporation:

J&K State Financial Corporation was established with an objective of industries especially for acquiring fixed assets The nature of scheme under which financial assistance is provided by S.F.C. as follows:

- **Composite Loan:** Composite loans given for establishing cottage/tiny units. It does not require any guarantee for financial assistance by S.F.C.
- **Long Term Loan:** Long Term Loans are to be provided for purchase of land, building and machinery both large and small scale industries could avail this facility for acquiring fixed assets in the from of term loan.
- **Scheme for Rehabilitation of Sick Industrial Units:** Any sick unit viable for revival with in a reasonable period of time is eligible for assistance under this scheme. Besides the above, scheme, there are separate schemes for women entrepreneurs, physically handicapped and for ex-servicemen.
- **Modernization Scheme:** Under the Modernization scheme, industrial units which are in existence for more than 5 years are eligible for assistance, provided that proposals for the assistance should establish the need for Modernization.

7.6.2a J&K State Development Finance Corporation:

J&K State Financial Corporation was established with an objective of industries especially for acquiring fixed assets. The office is located at Bahu Plaza, railhead Complex Jammu. The nature of scheme under which financial assistance is provided by S.F.C. as follows:

- Composite Loan: Composite loans given for establishing cottage/tiny units. It does not require any guarantee for financial assistance by S.F.C.
- Long Term Loan: Long Term Loans are to be provided for purchase of land, building and machinery both large and small scale industries could avail this facility for acquiring fixed assets in the form of term loan.
- Scheme for Rehabilitation of Sick Industrial Units: Any sick unit viable for revival within a reasonable period of time is eligible for assistance under this scheme. Besides the above, scheme, there are separate schemes for women entrepreneurs, physically handicapped and for ex-servicemen.

7.6.3 J&K Consultancy Organization

J&K ITCO was established as a joint venture of IDBI, IFCI, ICICI, for providing technical consultancy for starting industries in large medium and small-scale sectors. The office is located at Exhibition Ground Jammu. The assistance rendered by J&K ITCO is as follows:

- Services in promotion of new industries and diversification/Modernization of existing industries.
- Identification of feasible and profitable schemes in the small medium and large sector
- Conducting of Techno-economic feasibility studies.
- Conducting special studies in respect of certain specified group of industries like cluster studies.
- Conducting entrepreneurial development programmes.
- Preparation of reports for revival of sick units.

7.6.4 Khadi & Village Industries Board (KVIB)

The Khadi & Village Industries Board is a statutory body mainly intended for planning, organizing and implementation of programmes for the development of Khadi and village industries. KVIB has its offices in all the districts of J&K State. The Board provides financial assistance to the artisans, co-operative societies and institutions in the rural areas for starting Khadi & Village industries. The rate of interest charged by KVIB for village industries is very nominal and there is no interest on loans for Khadi. KVIB finances only to those units, which are to set up in rural areas of the state only. The activities eligible for assistance by the Board are village leather industry, village oil industry, black smithy and carpentry, bee keeping, fiber industry, willow wicker, soap, fruit preservation, cottage match, gur, khand and lime, etc. The office of the Directorate KVIB is located at Amphala, Jammu & Srinagar.

7.6.5 Small Industry Corporation (SICOP):

J&K Small Scale Industries Development Corporation Ltd. Was established in 1975 with the main objective of aiding, assisting

and promoting MSE sector in the state of J&K. The main activities of SICOP for the development of industries in J&K area:

- To aid, council assists, finance, protect and promote the interests of small-scale industries in the state.
- To undertake procurement and distribution of various raw materials whether imported or indigenous for supply to the SSI units.
- To set up and manage raw material depots.
- To work as stockiest in the state for Iron and steel materials, chemicals, etc and to supply for the industrial units.
- To undertake and provide marketing facilities to small-scale industries in the state.
- To acquire land for development of industrial states with a view to providing basic infrastructural facilities.
- And to maintain quality control testing centers for ensuring standard quality of industrial products.

Raw material supply:

At present SICOP is engaged in procurement and distribution of the following raw materials to the MSE Units of the state.

- Iron and steel material from SAIL.
- Plastic granules of different grades from IPCC.
- Paraffin wax from IOC.
- Structural steel.
- Raw rubber and Chemicals.
- Steam coal from coal India Ltd.
- Wire rod from steel Authority of India.
- Cement.

Another important activity of the corporation is development of industrial estates. The details of the Industrial Estate developed and maintained by SICOP are given in Annexures

The Corporation has set up two testing centers in each Industrial estate, Gangyal Jammu and other at Industrial Estate, Zinakote, Kashmir. These Centers are well equipped with required machinery. Besides these centers, the corporation is planning to set up mini testing centers at major districts of the State. The MSE Units, which are interested to avail the marketing facility of SICOP, are to be registered first with SICOP. The corporation made efforts to procure supply order on behalf of MSE / Units from industry departments and other agencies within and outside the State.

The important products marketed through SICOP are given below: -

- Wire products.
- Structural steel items

- AAC/ACSR conductors/Distributions Transforms.
- Steel & Wooden furniture.
- Fabrication items,
- Insecticides and pesticides.
- Angle Iron Poles, etc,
- Water fittings.
- PVC cable, storage tanks, located abrasives
- Electrical appliances.

SICOP also provides financial assistance under marketing assistance scheme for the procurement of raw material for the execution of the supply orders to be executed through SICOP. Under this scheme, financial assistance to the tune of 75% of the value of the supply order is released to the supplier of raw material at the request of MSE /SSI unit after fulfilling some formalities.

7.6.6 State Industrial Development Corporations (SIDCO)

SIDCO was established in 1976 for the development of industries in the State. It is one of the main sources of providing term finances to the industries in J&K. The main activities can be broadly classified as follows:

1. To acquire land and establish industrial development areas and industrial estate.
2. To provide and maintain infrastructural facilities in the Estates like power, roads, sheds, water supply, and communication facilities.
3. To identify and develop potential growth centers in the state.
4. To provide term loan assistance through different schemes.
5. To develop industrial parks.

The Bari Brahamana Industrial Estate was developed by SIDCO in an area of 5240 Kanals. This is the well-developed Indl. Estate and almost all the important industries are located in this Indl. Estate. Besides, the development of Bari Brahmana, Indl. Estate, SIDCO has also established Export promotion industries parks (EPIP) in all-important commercial centers of the state. The industrial Estate's developed by SIDCO in J&K State is discussed in coming *Chapter* .

J&K SIDCO is the nodal agency for developing food-processing industries in J&K state {AGRICULTURE PROCESSED FOOD PRODUCTS EXPORT DEVELOPMENT AUTHOUUEITY (APEDA)}. It is implementing various schemes for the development of the food processing in the state by providing financial assistance.

INFRASTRUCTURE:

Infrastructure plays an important role for the industrial development of any area. It is most critical input for fast Industrialization. It is very difficult to attract the entrepreneurs without proper infrastructure like power, roads, and water etc. . J&K is an industrially developing economy and at present has all the minimum infrastructure for starting small scale industries. The existing infrastructure facilities in J&K for industrial development are discussed in this Chapter.

Important Industrial Areas :

- Industrial Complex, Bari Brahmana, Jammu
- Industrial Estate, Gangyal, Jammu
- Industrial Growth Centre, Samba, Jammu
- Integrated Infrastructure Development Project, Udhampur
- Export Promotion Industrial Park, Kartholi, Jammu
- Industrial Area, Kathua
- Electronic Complex, Rangreth, Srinagar
- Industrial Complex Lassipora, Pulwama, Kashmir
- Industrial Complex, Khonmoh, Srinagar
- Industrial Estate, Zainakote, Srinagar
- Industrial Estate, Zakura, Srinagar
- Industrial Growth Centre, Ompora, Budgam

10.1 THE LOCATION OF INDUSTRIAL ESTATES:

In J&K State, the responsibility of establishment of industrial areas/estates lies with SIDCO & SICOP. These two organizations are developing industrial estates at different places in the State from time to time as per the needs of the industrialists. SICOP has so far developed six industrial estates in J&K in an area of 3200 Kanals & 1000 numbers of plots have been carved out for SSI units which are to be leased in at subsidies rates. One IID centre at Govindsar, Kathua is being set up by SICOP with the assistance from DC(MSME, New Delhi. The project is under implementation and likely to be completed by 2011. Textile Park & Handicraft Park is set up at Zakura at Srinagar.

Industrial Estates in the State of Jammu and Kashmir
Under the Control of Small Industrial Development Corporation(SICOP)

S.No.	Name of Districts	Name of Industrial Estates		Area		No . of		No.of Units	
				Kanals	Marlas	Govt.Sheds	Pvt.Sheds	Functional	Non-Functional
1	2	3		4	5	6	7	8	9
A . Kashmir Division				.	.	.	.	.	.
1	Srinagar	Ind/Estate	Zakura	128	0	0	0	7	46
.	.	-do-	Zainakote	525	0	0	0	37	84
2.	Anantnag	-do-	Sports Goods Complex Bejbehara	206	0	0	0	0	0
Total A :				859	0	0	0	44	130
B. Jammu Division				.	.	.	.	.	.
1.	Jammu	-do-	Gangyal	988	0	0	0	184	66
.	.	-do-	Birpur	306	0	0	0	64	12
2.	Udhampur	-do-	Battal Ballian	1051	0	0	0	3	0
3.	Kathua	-do-	Kathua II	417	0	0	0	29	3
Total B :				2762	0	0	0	280	81
Total J&K :				3621	0	0	0	324	211

The name /addresses and details of units in various Industrial Estate is placed at Annexure

SIDCO

SIDCO was established in the year 1967 to develop small-scale industries in the state by way of financing as well as providing infrastructural facilities in the State. SIDCO has developed Bari Brahamna, Industrial Estate at Jammu in the area of 5270 Kanals. This Estate is at present occupied important places in the industrial map of J&K as all the major units are concentrated here. The details of the Industrial Estates developed by SIDCO are as follows:

Table No. 10.2

Industrial Estates in Jammu and Kashmir Under the Control of State Industrial Development Corporation (SIDCO)									
S.No.	Name of Districts	Name of Industrial Estates		Area		No. of Sheds		No. of Units	
				Kanals	Marlas	Govt.Sheds	Pvt.Sheds	Functional	Non-Functional
1	2	3		4	5	6	7	8	9
A. Kashmir Division :				.	.	.	.	.	.
1.	Srinagar	Ind/Estate	Khanmoh	1104	0	0	0	6	39
.	.	-do-	Shalteng	105	0	0	0	19	7
2.	Badgam	-do-	Rangrath	1152	19	0	0	16	30
		EPIP	Ompora	1000	0	0	0	0	0
3.	Pulwama	-do-	Lethpora	168	0	0	0	0	3
		-do-	Lassipora	6300	0	0	0	2	2
4.	Baramulla	-do-	Doabgah	152	0	0	0	0	0
Total A :				9981	19	0	0	43	81
B. Jammu Division :			.						
1.	Jammu	Ind. Estate	Bari Brahmana	5240	0	0	0	174	22
.	.	I.G.C.	Samba	1882	0	0	0	0	0
.	.	EPIP	Kartholi	1000	0	0	0	0	0
2..	Kathua	I.C.	Kathua	209	0	0	0	0	0
Total B :				8331	0	0	0	174	22
Total J&K :				18312	19	0	0	217	103

Besides establishment of Industrial Estates, SIDCO also develops industrial parks in the state besides SICOP. At present, the following industrial parks are proposed to be established/ in the state.

1. Export Promotion Industrial Park: This park is being setup at Ompora Budgam district of the State. One similar park is already established at Kartholi in Jammu.
2. Software Technology Park: software Technology Park is likely to come shortly at Electronic Complex Rengreth.
3. Export Promotion Industrial park: It is proposed to develop one EPIP at Srinagar.

Besides developing these Industrial Estates, these Industrial Estates are maintained including power, water supply and common facilities by SIDCO & SICOP.

I.I.D. GROWTH CENTER:

SICOP has developed one I.I.D. growth Center at Battle Ballian, Udhampur in an area of 524 Kanals having 280 plots. The greatest advantage of growth center is that all the required infrastructures are available at one place with minimum costs. SICOP is proposing to set up another I.I.D Center at Budgam in Kashmir Division in an area of 500 Kanals.

Lack of adequate infrastructure facilities is one of the major impediments in the Industrialization of backward areas. To review this and other impediments the Govt. of India decided to set up Industrial Growth Centres spread across the Country for infrastructural development and for onward allocation to small and medium scale units. J&K State has been allotted two Industrial Growth Centres one at Samba (Jammu) located between National Highway on Jammu-Pathankot Road at about 40 Kms. from Jammu city and covering an area of 1833 kanals in phase-I and 1217 kanals in phase-II. Jammu district has made unprecedented progress on the industrial front in the last few years. A number of policy initiatives announced by the Central and State Government of J&K from time to time have provided impetus for a rapid growth of industries in the district. The factors like, its ideal location on the National Highway (Jammu-Pathankot), being in proximity to Punjab, its well developed infrastructural base like extensive roads and communication network all over the district, total electrification, a large pool of skilled manpower, all supportive social environment and above all the development of various industrial areas/ estates, such as, Bari Brahamana Industrial Complex, Gangyal Industrial Estate, etc. have made Jammu the choicest location for industries and as such high-tech and high value projects involving foreign collaborations and investment have come up in this area.

The other at Ompura, Budgam (Kashmir Valley) is located 14 Kms. from National Highway, and 40 Kms. from Srinagar. It covers an area of 6193 kanals. The Nodal Agency for its management is J&K State Industrial Development Corporation Ltd. (SIDCO).

Table No. 10.3

Industrial Estates at Various Locations in J&K
Under the Control of Directorate of Industries and Commerce,
Jammu and Kashmir Govt.

S.No.	Name of Districts	Name of Industrial Estates		Area		No. of		No.of Units	
				Kanals	Marlas	Govt.Sheds	Pvt.Sheds	Functional	Non-Functional
1	2	3		4	5	6	7	8	9
A . Kashmir Division				.	.	.	.	.	.
1	Srinagar	Ind/Estate	B. A. M.K	144	0	10	90	79	27
.	.	-do-	Ganderbal	21	0	6	21	7	21
.	.	-do-	Duderhma	85	6	0	0	0	0
2.	Badgam	-do-	Barzulla	102	0	54	0	40	14
3.	Anantnag	-do-	Anantnag	51	8	26	17	26	13
.	.	-do-	Kulgam	19	8	8	0	0	8
.	.	-do-	Anchidora	86	7	0	28	14	14
.	.	-do-	Bijbehara	27	0	8	8	4	4
4.	Pulwama	-do-	Pulwama	24	0	8	0	1	3
.	.	-do-	Shopian	62	18	19	0	1	5
.	.	-do-	Chathpora	96	0	0	0	0	0
5.	Baramulla	-do-	Baramulla	58	0	9	15	14	9
.	.	-do-	Sopore	82	0	10	11	6	15
.	..	-do-	Sumbal	45	0	12	3	3	8
.	.	-do-	Bandipora	16	2	5	0	0	5
6.	Kupwara	-do-	Kupwara (Branwari)	15	1	0	3	1	2
.	.	-do-	Kupwara (Handwara)	105	12	0	0	0	0
7.	Leh	-do-	Leh	237	0	0	0	21	36
8.	Kargil	-do-	Chencik	116	0	0	14	7	7
Total A :				1394	2	175	210	224	191

Table No. 10.4

B. Jammu Division			.	.	.	.	.	.	.
1.	Jammu	-do-	Digiana	137	0	78	38	56	33
.	.	-do-	Jammu Cantt	96	0	3	31	32	3
.	.	-do-	Akhnoor	29	15	8	7	10	5
.	.	-do-	Samba	20	0	12	4	4	0
2.	Udhampur	-do-	Udhampur	49	4	9	10	11	8
		-do-	Reasi	25	0	0	0	0	0
3.	Kathua	-do-	Kathua I	376	8	14	77	60	17
.	.	-do-	Hiranagar	20	6	12	2	4	3
.	.	-do-	Billawar	53	18	0	0	0	0
4.	Doda	-do-	Sangrambata	42	15	0	0	0	0
5.	Rajouri	-do-	Kheora	51	17	22	21	9	0
6.	Poonch	-do-	Poonch	26	7	0	19	13	6
.	.	-do-	Ext. Area Poonch	9	17	0	3	2	1
Total B :				938	7	158	212	201	76
Total J&K :				2332	9	333	422	425	267

In order to boost up the Industrialization, government is planning to establish more & more Industrial Estates/ Growth Centers as well as also develop cluster group of industries in different parts of the State. **The detail of the Industrial Estates are placed in the Annexure.**

10.2 POWER

Jammu & Kashmir have vast potential for development of hydraulic power reserves. The installed capacity of the state has gradually risen up to 397 Megawatts from a negligible 4 Megawatts in 1950 – 51. Except a few, the entire power is generated in the state by the hydropower projects and gas turbine. There is a thermal unit for generation of power at Kalakote. Most important projects of the state is the lower Jehlum with 105 Megawatts Gas-turbine, pampre with 175 Megawatts, Chenani with 23.30 Megawatts.

The upper Sindh with 22.60 Megawatts and Kalakote. Thermal with 22.50 Megawatts not in operation at present. Power production in the State would get boost when the central project of Salal is fully completed. Work is going on some other project also. The important proposed projects for power generation in the State is Dulhasti Project, Uri Project and Baghliar Project. The total installed capacity of power in the State during 2007-2008 was 503.44 Megawatts. The distribution of installed capacity of power stations of the state is as follows:

INSTALLED CAPACITY OF POWER:

Sr. No.	Year	Installed Capacity (MVs)
1	1994-95	362.920
2	1995-96	390.300
3	1996-97	391.490
4	1997-98	396.630
5	1998-99	405.480
6	1999-2000	537.760
7	2000-2001	537.760
8	2001-2002	537.760
9	2002-2003	537.760
10	2003-2004	537.760
11	2004-2005	537.760
12	2005-06	502.850
13	2006-07	502.850
14	2007-08	503.440
15	2008-09	504.44

Source: Digest of Statistics, Planning & Development
Department J&K

INSTALLED CAPACITY OF POWER STATIONS 2008-09

Sr. No.	District	Power House	Installed capacity (MWs)
1.	Srinagar	Ganderba (Hydro) Upper Sindh Kangan (Hydro) Total:	15.000 105.000 120.000
2	Bandipora	Upper Sind Sumbai II(Hydro) Total	22.600 22.600
3	Baramulla	Lower Jhelum (Hydro) Total	105.000 115.000
3.	Kupwara	Karnah (Hydro) Total :	2.000 2.000
4.	Pulwama	Pampore (Gasturbine – I) Pampore (Gasturbine II) Total:	75.00 100.00 175.00
5(a)	Anantnag	Phalgam Total	3.000 3.000
6	Leh (R)	Satakna (Hydro) Leh & kargil (Diesel Gen Set) Samoor (Hydro) Bazqoo (Hydro) Hunder (Hydro) Merchelongs(Hydro) Total :	4.000 20.740 0.100 0.300 0.400 3.000 28.540
7.	Kargil	Iqbal Bridge (Hydro) Marpachoo Heftal Sanjak Total	3.750 0.750 1.000 - 5.500
8.	Udhampur	i) Chenani (Hydro – I) ii)Chenani (Hydro – II) iii)Chenani (Hydro – II) Total:	23.300 2.000 7.500 32.800
9.	Rajouri	Kalakote (Thermal)* Rajouri (Hydro) Total :	22.50 0.56 23.06
10	Kathua	Sewa-III Total	9.000 9.000
11.	Doda	Bhaderwah (Hydro)	1.000
		State:	504.440

*Indicates not in operation.

Source: Directorate of Economic Planning and Statistics, J&K

The total power generated in the state in the year 2011-2012 was 25800.83 Lakhs KWHs. and purchased the power in a tune of 85340.57 Lakhs KWHs. The revenue realized by the department during 2011-12 was Rs.120000.14 Lakhs rupees. It is reported that there is good scope to generate power through Hydel sources in the State. Power production in the state would get a boost when the central project of Salal is fully completed. It is understood that the state has tremendous hydel power, which is estimated to be over 15,000 Megawatts. Power sector has been identified as a thrust area and earmarked 30% of the plan outlay. The two fold strategy in this field is to be adopted for better use of power firstly to increase the installed capacity by tapping available resources and secondly to strengthen the distribution and transmission system. At present state relies heavily on the import of power from outside the state to meet its requirement.

10.3 ROADS:

Roads are the main sources of transport in the State. Lack of adequate Railways line and very limited scope for water transport leaves the state with roads as the only means of transport. Therefore, the state Govt. has been taking all round steps for the development and maintenance of roads in the State. In J&K all the roads are maintained by the state P.W.D. Department. However, a negligible Kms. of roads are in the control of Forest Departments, Irrigation and Flood Control, Border Roads Organization, Electricity Department. The total length of roads maintained by P.W.D. was 23304.65 Kms as per 2011-2012(p) estimates.

Due to lack of good net work of roads in the State, industrial development has not been taken place as expected. Lack of good transport facilities due to its topography in the state has become a bottleneck for industrial development in the state.

10.4 RAILWAYS:

All the important towns of J&K has not been connected with Railways Line . Recently, the railway lines has been extended to Udhampur district of the State which would helpful to some extent for the industrialists of Udhampur. This railway lines has been further extended to Srinagar & Kupwara. This will usher new era in industrial development of J&K State. Railway Line has been spread over in Budgam district of Kashmir Division(Kajikund to Budgam) and recently train has been started from Banihal to Baramulla . The The rail line from Udhampur to Katra is likely to be started very soon. Due to lack of railways line, the industrialists of state are facing great problems for quick transportation of their finished goods as well as for getting raw materials from outside the State.

10.5 AIRWAYS

The domestic airports in the State are located in Jammu Leh and Srinagar. J&K is connected with Delhi and other parts by air. Direct flight Dubai from Srinagar is available twice a week.

10.6 TELECOMMUNICATION:

Telecommunication is the lifeline of an industrial society. All the industrial areas and business centers are well connected with telecommunication network in the State. At present, there are 9 head post office and 1683 Sub office, branch Post Office & Telegraph office functioning in the State. Fax and other communication facilities are available at all commercial centers in the State. As per 2011-12, 1148390 number of connection recorded in the State, out of this 279486 were main connection. Information technology has made rapid strides in the state also. As a result of this revolution, the communication facilities across the world are available, which is helping especially of industrialists in a big way. Cyber café facilities are available in all the industrial towns of the State. Now the mobile services has also been started in the State , which has improved the communication to large extent in the State. The Mobile Service of Airtel, BSNL, Vodafone, Tata Indicom & Aircel is now available in the State, BSNL has introduced 3G Service.

10.7 BANKING FACILITIES:

The J&K State has got good network of commercial banks. There were about 1893 bank branches working in the state at the end of September, 2014. These banks are scattered all over the state in which Jammu district stands first with 238 & Srinagar stands 2nd with 155 bank branches. The kishatwar district stands last one with 8 branches. It is noticed that all branches have registered considerable deposits and advances. There is one Special SSI Bank Branch located at Bari Brahamna, and is liberally financing for the development of MSME sector in J&K.

10.8 TESTING FACILITIES:

The state does not have adequate testing facilities for industrial units in the State. However, SICOP has established two testing centers one at Industrial Estate Gangyal, Jammu and other at Indl. Estate Zainkote Kashmir. These centers are equipped with required machinery for testing, under the central scheme of upgrading the testing centers, the SICOP is proposing to establish another testing centre with an expenditure of 68 Lakhs.

10.9 MINI TOOL ROOM:

A quick service has been done by LTR, Ludhiana for establishment of a Mini Tool Room at Bari Brahamana Industrial Estate for which discussions are in progress

CHAPTER –IX

THE MSME ACT 2006

Definitions of Micro, Small & Medium Enterprises

In accordance with the provision of Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 the Micro, Small and Medium Enterprises (MSME) are classified in two Classes:

(a) **Manufacturing Enterprises-** The enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the industries (Development and regulation) Act, 1951). The Manufacturing Enterprise are **defined in terms of investment in Plant & Machinery.**

(b) **Service Enterprises:** The enterprises engaged in providing or rendering of services and are **defined in terms of investment in equipment.**

The limit for investment in plant and machinery / equipment for manufacturing / service enterprises, as notified, vide S.O. 1642(E) dtd.29-09-2006 are as under:

Manufacturing Sector	
Enterprises	Investment in plant & machinery
Micro Enterprises	Does not exceed twenty five lakh rupees
Small Enterprises	More than twenty five lakh rupees but does not exceed five crore rupees
Medium Enterprises	More than five crore rupees but does not exceed ten crore rupees
Service Sector	
Enterprises	Investment in equipments
Micro Enterprises	Does not exceed ten lakh rupees:
Small Enterprises	More than ten lakh rupees but does not exceed two crore rupees
Medium Enterprises	More than two crore rupees but does not exceed five crore rupees

GENERAL POLICIES

Policy of Reservation

Price & Purchase Preference

Reservation of Items

Licensing

Trade Policy

Foreign Direct Investment Approval

NRI Investment Approval

Foreign Investment Regulations

Labour Policies

PRIORITY SECTOR

Policy for Tiny Sector, Cottage & Village Industries, Handicrafts, Khadi & Handlooms

Development of Backward Areas

FUNDING & FINANCE

Taxation-Excise Duty

Credit Policy

MODERNISATION & TRAINING

Quality Standard Policy

ENERGY & ENVIRONMENT

Pollution Control Measures

Environmental Control

THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

An act to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises and for matters connected therewith or incidental thereto. WHEREAS a declaration as to expediency of control of certain industries by the Union was made under section 2 of the Industries (Development and Regulation) Act, 1951; AND WHEREAS it is expedient to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises and for matters connected therewith or incidental thereto; BE it enacted by Parliament in the Fifty-seventh Year of the Republic of India as follows:-

PRELIMINARY

This Act may be called the Micro, Small and Medium Enterprises Development Act, 2006. Short title and commencement. (2) It shall come into force on such date as the Central Government may, by notification, appoint; and different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision. Definitions. 2 In this Act, unless the context otherwise requires,-

(a) "Advisory Committee" means the committee constituted by the Central Government under sub-section (2) of section 7;

(b) (c) "appointed day" means the day following immediately after the expiry of the period of fifteen days from the day of acceptance or the day of deemed acceptance of any goods or any services by a buyer from a supplier. Explanation For the purpose of this clause,- (i) "the day of acceptance" means 65 of 1951(a) the day of the actual delivery of goods or the rendering of services; or (b) where any objection is made in writing by the buyer regarding acceptance of goods or services within fifteen days from the day of the delivery of goods or the rendering of services, the day on which such objection is removed by the supplier; (ii) "the day of deemed acceptance" means, where no objection is made in writing by the buyer regarding acceptance of goods or services within fifteen days from the day of the delivery of goods or the rendering of services, the day of the actual delivery of goods or the rendering of services; "Board" means the National Board for Micro, Small and Medium Enterprises established under section 3;

(d) "buyer" means whoever buys any goods or receives any services from a supplier for consideration;

(e) "enterprise" means an industrial undertaking or a business concern or any other establishment, by whatever name called, engaged in the manufacture or production of goods, in any manner, pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 or engaged in providing or rendering of any service or services;

- (f) "goods" means every kind of movable property other than actionable claims and money;
- (g) "medium enterprise" means an enterprise classified as such under sub-clause (iii) of clause (a) or sub-clause (iii) of clause (b) of subsection (1) of section 7;
- (h) "micro enterprise" means an enterprise classified as such under sub-clause (i) of clause (a) or sub-clause (i) of clause (b) of subsection (1) of section 7;
- (i) "National Bank" means the National Bank for Agriculture and Rural Development established under section 3 of the National Bank for Agriculture and Rural Development Act, 1981;
- (j) "notification" means a notification published in the Official Gazette;
- (k) "Prescribed" means prescribed by rules made under this Act;
- (l) "Reserve Bank" means the Reserve Bank of India constituted under section 3 of the Reserve Bank of India Act, 1934;
- (m) "small enterprise" means an enterprise classified as such under sub-clause (ii) of clause (a) or sub-clause (ii) of clause (b) of subsection (1) of section 7;
- (n) "supplier" means a micro or small enterprise, which has filed a memorandum with the authority referred to in clause (a) of sub-section (1) of section 8, and includes, (i) the National Small Industries Corporation, being a company, registered under the Companies Act, 1956; (ii) the Small Industries Development Corporation of a State or a Union territory, by whatever name called, being a company registered under the Companies Act, 1956; (iii) any company, cooperative society, society, trust or a body, by whatever name called, registered or constituted under any law for the time being in force and engaged in selling goods produced by micro or small enterprises and rendering services which are provided by such enterprises;
- (o) "Small Industries Bank" means the Small Industries Development Bank of India established under sub-section (1) of section 3 of the Small Industries Development Bank of India Act, 1989;
- (p) "State Government", in relation to a Union territory, means the Administrator thereof appointed under article 239 of the Constitution.

3. (1) With effect from such date as the Central Government may, by notification, appoint, there shall be established, Establishment of Board. for the purposes of this Act, a Board to be known as the National Board for Micro, Small and Medium Enterprises.

(2) The head office of the Board shall be at Delhi

(3) The Board shall consist of the following members, namely:- (a) the Minister in charge of the Ministry or Department of the Central Government having (b) the Minister of State or a Deputy Minister, if any, in the Ministry or Department of the Central (c) six Ministers of the State Governments having administrative control of the departments of small (d) three members of Parliament of whom two shall be elected by the House of the People and one by the Council of States; (e) the Administrator of a Union territory to be appointed by the Central Government, ex officio; (f) the Secretary to the Government of India in charge of the Ministry or Department of the (g) four Secretaries to the Government of India, to represent the Ministries of the Central (h) the Chairman of the Board of Directors of the National Bank, ex officio; (i) the chairman and managing director of the Board of Directors of the Small Industries Bank, ex officio; (i) the chairman and managing director of the Board of Directors of the Small Industries Bank, ex officio; (j) the chairman, Indian Banks Association, ex officio;

(k) one officer of the Reserve Bank, not below the rank of an Executive Director, to be appointed by the Central Government to represent the Reserve Bank;

(l) twenty persons to represent the associations of micro, small and medium enterprises, including not less than three persons representing associations of women's enterprises and not less than three persons representing associations of micro enterprises, to be appointed by the Central Government;

(m) three persons of eminence, one each from the fields of economics, industry and science and technology, not less than one of whom shall be a woman, to be appointed by the Central Government;

(n) two representatives of Central Trade Union Organization, to be appointed by the Central Government; and

(o) one officer not below the rank of Joint Secretary to the Government of India in the Ministry or Department of the Central Government having administrative control of the small and medium enterprises to be appointed by the Central Government, who shall be the Member-Secretary of the Board, ex officio

4. The term of office of the members of the Board, other than ex officio members of the Board, the manner of filling vacancies, and the procedure to be followed in the discharge of their functions by the members of the Board, shall be such as may be prescribed; Provided that the term of office of an ex officio member of the Board, shall continue so long as he holds the office by virtue of which he is such a member. Removal of member from Board.

5. No act or proceedings of the Board shall be invalid merely by reason of- (a) any vacancy in, or any defect in the constitution of, the Board; or (b) any defect in the appointment of a person acting as a member of the Board; or (c) any irregularity in the procedure of the Board not affecting the merits of the case. Functions of Board. (c) any irregularity in the procedure of the Board not affecting the merits of the case.

6. The Board shall meet at least once in every three months in a year. Powers and functions of Member-Secretary of Board

7. The Board may associate with itself, in such manner and c for such purposes as it may deem necessary, any person or persons whose assistance or advice it may desire in complying with any of the provisions of this Act and a person so associated shall have the right to take part in the discussions of the Board relevant to the purposes for which he has been associated but shall not have the right to vote.

8. Without prejudice to sub-section (7) the Chairperson of the Board shall, for not less than two of the meetings of the Board in a year, invite such Ministers of the State Governments having administrative control of the departments of small scale industries or, as the case may be, the micro, small and medium enterprises, or the Administrators of Union territories and representatives of such other associations of micro, small and medium enterprises, as he may deem necessary for carrying out the purposes of this Act. 9. It is hereby declared that the office of member of the Board shall not disqualify its holder for being chosen as, or for being, a member of either House of Parliament.

4. 1) The Central Government may remove a member of the Board from it, if he (a) is, or at any time has been, adjudged as insolvent; or (b) is, or becomes, of unsound mind and stands so declared by a competent court; or (c) refuses to act or becomes incapable of acting as a member of the Board ; or (d) has been convicted of an offence which, in the opinion of the Central Government, involves moral turpitude; or (e) has so abused, in the opinion of the Central Government, his position as a member of the Board as to render his continuance in the Board detrimental to the interests of the general public 2) Notwithstanding anything contained in sub-section (1), no member shall be removed from his office on the grounds specified in clauses (c) to (e) of that sub-section unless he has been given a reasonable opportunity of being heard in the matter.

5. The Board shall, subject to the general directions of the Central Government, perform all or any of the following functions, namely:- (a) examine the factors affecting the promotion and development of micro, small and medium enterprises and review the policies and programmes of the Central Government in regard to facilitating the promotion and development and enhancing the competitiveness of such enterprises and the impact thereof on such enterprises; (b) make recommendations on matters referred to in clause (a) or on any other matter referred to it by the Central Government which, in the opinion of that Government, is necessary or expedient for facilitating the promotion and development and enhancing the competitiveness of the micro, small and medium enterprises; and (c) advise the Central Government on the use of the Fund or Funds constituted under section 12.

Subject to other provisions of this Act, the Member- Secretary of the Board shall exercise such powers and perform such functions as may be prescribed.

**CLASSIFICATION OF ENTERPRISES, ADVISORY COMMITTEE AND
MEMORANDUM, OF MSME DI**

Classification of enterprises. 65 of 1951 65 of 1951. 1) Notwithstanding anything contained in section 11B of the Industries (Development and Regulation) Act, 1951, the Central Government may, for the purposes of this Act, by notification and having regard to the provisions of sub-sections (4) and (5), classify any class or classes of enterprises, whether proprietorship, Hindu undivided family, association of persons, co-operative society, partnership firm, company or undertaking, by whatever name called, - (a) in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the Industries (Development and Regulation) Act, 1951, as (i) a micro enterprise, where the investment in plant and machinery does not exceed twenty five lakh rupees; (ii) a small enterprise, where the investment in plant and machinery is more than twenty five lakh rupees but does not exceed five crore rupees; or (iii) a medium enterprise, where the investment in plant and machinery is more than five crore rupees but does not exceed ten crore rupees; (b) in the case of the enterprises engaged in providing or rendering of services, as (i) a micro enterprise, where the investment in equipment does not exceed ten lakh rupees; (ii) a small enterprise, where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees; or (iii) a medium enterprise, where the investment in equipment is more than two crore rupees but does not exceed five crore rupees

Explanation 1 For the removal of doubt, it is hereby clarified that in calculating the investment in plant and machinery, the cost of pollution control, research and development, industrial safety devices and such other items as may be specified, by notification, shall be excluded. Explanation 2 It is clarified that the provisions of section 29B of the Industries (Development and Regulation) Act, 1951, shall be applicable to the enterprises specified in sub-clauses (i) and (ii) of clause (a) of sub-section (1) of this section. Advisory Committee

2) The Central Government shall, by notification, constitute an Advisory Committee consisting of the following members, namely:- (a) the Secretary to the Government of India in the (b) not more than five officers of the Central enterprises, members, ex officio ;

(c) not more than three representatives of the State Governments, members, ex officio ; and (d) one representative each of the associations of micro, small and medium enterprises, members, ex officio ;

3) The Member- Secretary of the Board shall also be the ex officio Member-Secretary of the Advisory Committee.

4) The Central Government shall, prior to classifying any class or classes of enterprises under sub-section (1), obtain the recommendations of the Advisory Committee.

5) The Advisory Committee shall examine the matters referred to it by the Board in connection with any subject referred to in section 5 and furnish its recommendations of the Board.

6) The Central Government may seek the advice of the Advisory Committee on any of the matters specified in section 9, 10, 11, 12 .

7) The State Government may seek advice of the Advisory Committee on any of the matters specified in the rules made under section 30. 65 of 1951

8) The Advisory Committee shall, after considering the following matters, communicate its recommendations or advice to the Central Government or, as the case may be, State Government or the Board, namely:- (a) the level of employment in a class or classes of enterprises; (b) the level of investments in plant and machinery or equipment, in a class or classes of enterprises; (c) the need of higher investment in plant and machinery or equipment for technological up gradation, employment generation and enhanced competitiveness of the class or classes of enterprises; (d) the possibility of promoting and diffusing entrepreneurship in micro, small or medium enterprises; (e) the international standards for classification of small and medium enterprises.

9) Notwithstanding anything contained in section 11B of the Industries (Development and Regulation) Act, 1951 and clause (h) of section 2 of the Khadi and Village Industries Commission Act, 1956, the Central Memorandum of micro, small and medium enterprises Government may, while classifying any class or classes of enterprises under sub-section (1), vary, from time to time, the criterion of investment and also consider criteria or standards in respect of employment or turnover of the enterprises and include in such classification the micro or tiny enterprises or the village enterprises, as part of small enterprises. 65 of 1951 8. 1) Any person who intends to establish,- (a) a micro or small enterprise, may, at his discretion; or (b) a medium enterprise engaged in providing or rendering of services may, at his discretion; or (c) a medium enterprise engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951, shall file the memorandum of micro, small or, as the case may be, of medium enterprise with such authority as may be specified by the State Government under sub-section(4) or the Central Government under sub-section (3): Provided that any person who, before the commencement of this Act, established— (a) a small scale industry and obtained a registration certificate, may, at his discretion; and (b) an industry engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951, having investment in plant and machinery or more than one crore rupees but not exceeding ten crore rupees and, in pursuance of the notification of the Government of India in the erstwhile Ministry of Industry (Department of Industrial Development) number S.O.477(E), dated the 25 TH July, 1991 file an Industrial Entrepreneurs' Memorandum, shall within one hundred and eighty days from the commencement of this Act, file the memorandum, in accordance with the provisions of this Act. 2) The form of the memorandum, the procedure of its filing and other matters incidental thereto shall be such as may be notified by the Central Government after obtaining the recommendations of the Advisory Committee in this behalf.

3) The authority with which the memorandum shall be filed by a medium enterprise shall be such as may be specified, by notification, by the Central Government. 4) The State Government shall, by notification, specify the authority with which a micro or small enterprise may file the memorandum. ` 5) The authorities specified under sub-sections (3) and (4) shall follow, for the purposes of this section, the procedure notified by the Central Government under sub-section (2).

MEASURES FOR PROMOTION, DEVELOPMENT AND ENHANCEMENT OF COMPETITIVENESS OF MICRO, SMALL AND MEDIUM ENTERPRISES

Measures for promotion and development 9. 1) The Central Government may, from time to time, for the purposes of facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises, particularly of the micro and small enterprises, by way of development of skill in the employees, management and entrepreneurs, provisioning for technological upgradation, providing marketing assistance or infrastructure facilities and cluster development of such enterprises with a view to strengthening backward and forward linkages, specify, by notification, such programmes, guidelines or instructions, as it may deem fit.

10. The policies and practices in respect of credit to the micro, small and medium enterprises shall be progressive and such as may be specified in the guidelines or instructions issued by the Reserve Bank, from time to time, to ensure timely and smooth flow of credit to such enterprises, minimize the incidence of sickness among and enhance the competitiveness of such enterprises. Credit facilities

11. For facilitating promotion and development of micro and small enterprises, the Central Government or the State Government may, by order notify from time to time, preference policies in respect of procurement of goods and services, produced and provided by micro and small enterprises, by its Ministries or departments, Procurement preference policy. as the case may be, or its aided institutions and public sector enterprises.

12 There shall be constituted , by notification, one or more Funds to be called by such name as may be specified in the notification and there shall be credited thereto any grants made by the Central Government under section 13. Funds.

13. The Central Government may, after due appropriation made by Parliament by law in this behalf, credit to the Fund or Funds by way of grants for the purposes of this Act, such sums of money as that Government may consider necessary to provide Grants by Central Government.

14. 1) The Central Government shall have the power to administer the Fund or Funds in such manner as may be prescribed. 2) The Fund or Funds shall be utilised exclusively for the measures specified in sub-section (1) of section 9. 3) The Central Government shall be responsible for the coordination and ensuring timely utilization and release of sums in accordance with such criteria as may be prescribed Administration and utilization of Fund or Funds.

DELAYED PAYMENTS TO MICRO AND SMALL ENTERPRISES

15. Where any supplier supplies any goods or renders any services to any buyer, the buyer shall make payment therefore on or before the date agreed upon between him and the supplier in writing or, where there is no agreement in this behalf, before the appointed day: Provided that in no case the period agreed upon between the supplier and the buyer in writing shall exceed forty five days from the day of acceptance or the day of deemed acceptance. Liability of buyer to make payment.

16. Where any buyer fails to make payment of the amount to the supplier, as required under section 15, the buyer shall, notwithstanding anything contained in any agreement between the buyer and the supplier or in any law for the time being in force, be liable to pay compound interest with monthly rests to the supplier on that amount from the appointed day or, as the case may be, from the date immediately following the date agreed upon, at three times of the bank rate notified by the Reserve Bank. Date from which and rate at which interest is payable.

17. For any goods supplied or services rendered by the supplier, the buyer shall be liable to pay the amount with interest thereon as provided under section 16. Recovery of amount due.

18. 1) Notwithstanding anything contained in any other law for the time being in force, any party to a dispute may, with regard to any amount due under section 17, make a reference to the Micro and Small Enterprises Facilitation Council. Reference to Micro and Small Enterprises Facilitation Council. 26 of 1996 2) On receipt of a reference under sub-section (1), the Council shall either itself conduct conciliation in the matter or seek the assistance of any institution or centre providing alternate dispute resolution services by making a reference to such an institution or centre, for conducting conciliation and the provisions of sections 65 to 81 of the Arbitration and Conciliation Act, 1996 shall apply to such a dispute as if the conciliation was initiated under Part III of that Act. 3) Where the conciliation initiated under sub-section (2) is not successful and stands terminated without any settlement between the parties, the Council shall either itself take up the dispute for arbitration or refer it to any institution or centre providing alternate dispute resolution services for such arbitration and the provisions of the Arbitration and Conciliation Act, 1996, shall then apply to the dispute as if the arbitration was in pursuance of an arbitration agreement referred to in sub-section (1) of section 7 of that Act. 26 of 1996 4) Notwithstanding anything contained in any other law for the time being in force, the Micro and Small Enterprises Facilitation Council or the centre providing alternate dispute resolution services shall have jurisdiction to act as an Arbitrator or Conciliator under this section in a dispute between the supplier located within its jurisdiction and a buyer located anywhere in India. 5) Every reference made under this section shall be decided within a period of ninety days from the date of making such a reference.

19. No application for setting aside any decree, award or other order made either by the Council itself or by any institution or centre providing alternate dispute resolution services to which a reference is made by the Council, shall be entertained by any court unless the appellant (not being a supplier) has deposited with it seventy-five per cent of the amount in terms of the decree, award or, as the case may be, the other order in the manner directed by such court: Provided that Application for setting aside decree, award or order. pending disposal of the application to set aside the decree, award or order, the court shall order that such percentage of the amount deposited shall be paid to the supplier, as it considers reasonable under the circumstances of the case subject to such conditions as it deems necessary to impose.

20. The State Government shall, by notification, establish one or more Micro and Small Enterprises Facilitation Councils, at such places, exercising such jurisdiction and for such areas, as may be specified in the notification. Establishment of Micro and Small Enterprises Facilitation Council 21. 1)) The Micro and Small Enterprise Facilitation Council shall consist of not less than three but not more than five members to be appointed from among the following categories, namely:-(i) Director of Industries, by whatever name called, or any other officer not below the rank of such Director, in the Department of the State Government having administrative control of the small scale industries or, as the case may be, micro, small and medium enterprises; and (ii) one or more office-bearers or representatives of associations of micro or small industry or enterprises in the State; and (iii) one or more representatives of banks and financial institutions lending to micro or small enterprises; Or (iv) one or more persons having special knowledge in the field of industry, finance, law, trade or Commerce 2) The person appointed under clause (i) of sub-section (1) shall be the chairperson of the Micro and Small Enterprise Facilitation Council. 3) The composition of the Micro and Small Enterprise Facilitation Council, the manner of filling vacancies of its members and the procedure to be followed in the discharge of their functions by the members shall be such as may be prescribed by the State Government. 22) Where any buyer is required to get his annual accounts audited under any law for the time being in force, such buyer shall furnish the following additional information in his annual statement of accounts, namely:-

(i) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any Requirement to specify unpaid amount with interest in the annual statement of accounts. (ii) the amount of interest paid by the buyer in terms of section 18, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year; (iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act; (iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and (v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23. 43 of 1961.

23. Notwithstanding anything contained in the Income-tax Act, 1961, the amount of interest payable or paid by any buyer, under or in accordance with the provisions of this Act, shall not, for the purposes of computation of income under the Income-tax Act, 1961, be allowed as deduction. Interest not to be allowed as deduction from income.

24. The provisions of sections 15 to 23 shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force. Over-riding effect. 1 of 1996

25. Notwithstanding anything contained in any law for the time being in force, the Central Government may, with a view to facilitating closure of business by a micro, small or medium enterprise, not being a company registered under the Companies Act, 1956, notify a scheme within one year from the date of commencement of this Act. Scheme for closure of business of micro, small and medium enterprises

MISCELLANEOUS

26. 1) The Central Government or State Government may appoint such officers with such designations and such other employees as it thinks fit for the purposes of this Act and may entrust to them such of the powers and functions under this Act as it may deem fit. Appointment of officers and other employees. 2) The Officers appointed under sub-section (1) may, for the purposes of this Act, by order require any person to furnish such information, in such form, as may be prescribed.

27. 1) Whoever intentionally contravenes or attempts to Penalties contravene or abets the contravention of any of the provisions contained in sub-section (1) of section 8 or sub-section (2) of section 26 shall be punishable - (a) in the case of the first conviction, with fine which may extend to rupees one thousand; and (b) in the case of any second or subsequent conviction, with fine which shall not be less than rupees one thousand but may extend to rupees ten thousand 2) Where a buyer contravenes the provisions of section 22, he shall be punishable with a fine which shall not be less than rupees ten thousand.

28. No court inferior to that of a Metropolitan Magistrate or a Magistrate of the first class shall try any offence punishable under this Act. Jurisdiction of courts.

29. 1) The Central Government may, by notification, make rules to carry out the provisions of this Act. Power to make rules. 2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:- (a) the term of office of the members of the Board, the manner of filling vacancies, and the procedure to be followed in the discharge of functions by the members of the Board under sub-section (4) of section 3; (b) the powers and functions of the Member-Secretary under section 6; (c) the manner in which the Fund may be administered under sub-section (1) of section 14; (d) the criteria based on which sums may be released under sub-section (3) of section 14; (e) the information to be furnished and the form in which it is to be furnished under sub-section (2) of section 26; and (f) any other matter which is to be or may be prescribed under this Act. 3) Every notification issued under section 9 and every rule made by the Central Government under this section shall be laid, as soon as may be after it is made, before

each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the notification or rule or both Houses agree that the notification or rule should not be made, the notification or rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that notification or rule.

30. 1) The State Government may, by notification, make rules to carry out the provisions of this Act. Power to make rules by State Government. 2) In particular, and without prejudice to the generality of the foregoing power, such rule may provide for all or any of the following matters, namely:- (a) the composition of the Micro and Small Enterprise

Facilitation Council, the manner of filling vacancies of the members and the procedure to be followed in the discharge of their functions by the members of the Micro and Small Enterprise Facilitation Council under sub-section (3) of section 21; (b) any other matter which is to be or may be, prescribed under this Act. 3) The rule made under this

section shall, as soon as may be after it is made, be laid before each House of the State Legislature where there are two Houses, and where there is one House of the State Legislature, before that House.

31. 1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act as may appear to be necessary for removing the difficulty: Provided that no order shall be made under this section after the expiry of two years from the commencement of this Act. Power to remove difficulties. 2) Every order made under this section shall, as soon as may be after it is made, be laid before each House of Parliament.

32. 1) The Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertakings Act, 1993 is hereby repealed. Repeal of Act 32 of 1993 . 2) Notwithstanding such repeal, anything done or any action taken under the Act so repealed under sub-section (1) shall be deemed to have been done or taken under the corresponding provisions of this Act

ANNEXURE-I

MINISTRY OF FOOD PROCESSING INDUSTRIES OFFERS GRANTS UP TO 25% / 33.33% OF THE CAPITAL COST & TECHNICAL CIVIL WORKS OR Rs. 50/75 LAKHS, WHICH EVER IS LOWER FOR GENERAL /DIFFICULT AREAS RESPECTIVELY

LIST OF SCHEMES ON FOOD PROCESSING INDUSTRIES ELIGIBLE FOR GRANT/SOFT LOAN FROM MINISTRY OF FOOD PROCESSING INDUSTRIES ARE GIVEN AS UNDER:

I. For Setting up/Expansion/Modernization of units in various sectors of Food Processing Industries:

- ❑ Fruits & Vegetable Products:- Frozen/Dehydrated/Caned Fruits and Vegetables, Fruits Juices/ Concentrates/Pulps, Ready to Eat Vegetables, Pickles Jams , Jellies, Squashes etc.
- ❑ Milk Products:- Mozzarella Cheese, Frozen Desserts, Yoghurts, Whey Protein, Casein Malted Foods, Baby Foods, other Value added Milk Products.
- ❑ Grain Milling:- Value Added Products from Cereals such as Wheat , Paddy , Millets ,Pulse, Seeds, Maize.
- ❑ Cereal Products:- Bakery Products, Breakfast/ Energy/ Supplementary Foods, Snack Foods , Starch and its Derivatives, Value Added Guar Gum Products etc.
- ❑ Meat & Poultry Products:- Meat Processing Units Integrated Poultry Processing, Poultry by Products Processing, Specialty Egg Products.
- ❑ Fishery Products:- Fish Processing , Fish Handling/ Pre-Processing Units, Low Value Fish Utilization, Propagation of Traditional Fish processing Technologies.
- ❑ Oil Seeds Processing:- Processing & Value Addition of Oil Seeds including the tree born Oil seeds.

II. Post Harvest Infrastructure:

- ❑ For Setting up Food Park with common Facilities Like, Warehouse Cold storages, Quality control Lab, Effluent Treatment Plant, packaging Facilities etc.
- ❑ For Setting up Post harvest Infrastructure (such as grading , sorting and packaging facilities)
- ❑ Integrated cold chain (mobile / stationary, coolers, refrigerated transport freezers cabinets at the retail end etc.)

- ❑ For setting up Cold Storages:
 - i. For Non Horticulture products (Provided by National Horticulture Board for horticulture produce.)
 - ii. As an Integral Part of the Food Processing Units or Food Park
 - iii. Special type of cold Storages with modified controlled atmosphere facility.
- III. Backward linkages:
 - ❑ Reimbursement to the processors for contract farming @ 10 % of the value of raw material produce up to 10 Lakhs per year for 5 years. Processors have to provide best extension services/ practices, technical know how and physical inputs (like seeds, fertilizers, pesticides etc.) to the produce of the raw materials.
- IV. Quality upgradation:
 - ❑ If you already own a Food Processing unit and wish to upgrade to ISO/HACCP certificate, grant is admissible up to Rs 10 Lakhs.
- V. Essential:
 - ❑ Apply in the prescribed format through the State Nodal Agency .The project should be appraised by a Bank/Financial Institution, be technical & financial viable required loan/working capital being tied up. Technical/managerial /operational/ marketing manpower, marketing etc. be arranged for the success of the project.
 - ❑ For details , please contact:
 1. K.K Vyawahare, Director, Tel: 6492089 (Fruit & Vegetables, Infrastructure Cold chain, Panchsheel Bhavan, August Kranti Marg, New Delhi : 110049.
 2. Mohanjeet Singh, Dy. Secy. Tel: 6492089 (Fruit & Vegetables, Infrastructure Cold chain, Panchsheel Bhavan, August Kranti Marg, New Delhi : 110049
 3. J.P. Shukla , Dy. Secy, Tel: 6492089 (Fruit & Vegetables, Infrastructure Cold chain, Panchsheel Bhavan, August Kranti Marg, New Delhi : 110049

Following are the empanelled Project Management Consultants (PMC) for the Scheme of Mega Food Park of the Ministry of Food Processing, Industries, New Delhi:

Sl. No. Name of Empanelled Agency

1. APITCO, Hyderabad
2. Yes Bank, Gurgaon
3. IL&FS, New Delhi
4. ICICI Winfra, Kolkata
5. UP Industrial Consultants Ltd., Kanpur
6. MITCON consulting Services, Pune
7. Rabo Bank, New Delhi
8. Feedback Ventures Pvt. Ltd., Gurgaon

Eligibility Criteria of the Project Management Consultant for the Scheme of Mega Food Park

The SPVs (Special Purpose Vehicle) would be required to use a professional agency to act as PMC (Project Management Consultant) for preparation of feasibility report, DPR (Detailed Project Report) etc. and considering the nature of the elements of the proposed scheme as well as the likely role of PMC in such implementation, the agencies intending to bid for such empanelment shall fulfill the following eligibility conditions:

- a) Shall be an Institution, corporate house, NGO, consulting firm, which has minimum three years experience in development and execution of large agro/industry infrastructure projects and setting up/up gradation food testing labs. .
- b) PMC should have personnel having qualification in Food technology/ Food Science /Agriculture/ CA with MBA or any other foreign degree pertaining to Food technology and management.
- c) Shall be technically sound with practical knowledge in preparing precise feasibility reports, DPRs with respect to objectives of the scheme and possess good knowledge in the stepwise implementation of the projects.
- d) Should have prepared DPRs and assisted in implementation of at least one agro/industry infrastructure project of more than Rs. 10 crores and Rs. 5 crores for setting up/up gradation of food testing laboratories.

e) Should have at least Rupees **Ten (10)** crores of turn over in one of the preceding three years in case applying for Mega Food Park and Integrated Cold Chain & Strategic Distribution Centre. Govt. organizations/institutions are exempted from the eligibility condition of having a minimum turnover of at least Rs. 10 crore.

f) Should have financial strength to undertake such projects considering various steps/ tasks to be performed from the conception to the completion of the project (i.e.) conducting feasibility study, preparation of DPRs, implementation of the project and to help in achieving financial closure of the project.

Nodal officer of state for food processing industries

- ❑ Managing Director, Jammu & Kashmir, State Industrial Development Corporation, Sheri Kashmir Bhavan, Vir Marg, Jammu, Tel: 0194-2430036/2430039
- ❑ Managing Director, Jammu & Kashmir, State Industrial Development Corporation, Jawaher Udhog Bhavan, Bahu Plaza Jammu 0191 2474777

ANNEXURE-I

A GUIDE LINE TO PROSPECTIVE ENTREPRENEURS

1. Promoter:

- Bio – data of proprietor/Partners/Directors together with certificate in support of experience, age & qualification
- Statement of Assets & Liabilities of Proprietor/Partners/Directors.
- Statement of affairs – balance sheet with profit & loss account of associated Concerns for the last three years.
- Two photographs of Proprietor/Partners/Directors duly attested by gazetted officer.
- Income tax clearance certificate as on a recent date.

2. Constitutions:

- Copy of partnership deed in case of firm have more than one partner.
- Articles of Association & Certificate of incorporation in case of Pvt. Ltd. Companies.

3. Project :

- Copy of provisional registration in case of MSE/ SSI units.
- Permission from Tourism Deptt. in case of Hotels/Houseboats.
- Project report/scheme duly prepared by Technical Agency of repute like J&K ITCO/ MSME DI Jammu etc.

4. Land :

- Document in case land is owned indicating the ownership of land
- Allotment letter of land from DIC, SICOP, SIDCO as the case may be .
- Lease deed of land for minimum period of 20 years.
- Gift deed or Agreement to sell.

5. Site Development :

- Detailed estimates for leveling of land, raising of boundary wall fixing of gates etc. duly certified by an Engineer.

6. Factory buildings:

- Detailed estimates and plan of factory building certified by an Engineer.
- Permission from Municipal Committee/Town Area Committee/Notified Area Committee/Development Agency SICOP/SIDCO etc. as per the requirement.
- Plan & estimate in respect of Hotels/Houseboats prepared by an Architect a duly approved by Tourism Deptt.

7. Plant & Machinery:

- 2 or 3 quotations in respect of each item of machinery from the reputed suppliers together with the illustrated literature indicating specifications, capacity guarantee etc.
- In case Plant & Machinery is envisaged to be acquired on turn – key basis necessary agreement entered into to be submitted.
- In case Plant & Machinery is to be fabricated locally, details where of are to be give indicating the advantages.
- Quotations of tools spare parts etc. to be furnished.
- Technical knows how fee if any, to be indicated together with the agreement copy.

8. Misc. Fixed Assets :

- 2 or 3 Quotation in respect of each item of misc. fixed assets like laboratory equipment, vehicles, fixture, furniture, sanitary equipments, kitchen equipment, air conditioning etc.
- Provision for distribution power, cabling etc.

9. Sanction letter of power from PDD department

10. Sanction letter of water from PHE dept.

11. NOC from pollution Control Board.

12. NOC from various financial institutions located in the area.

13. NOC from all the branches of SFC that the borrowers has not raised loan from them.

14. Income Tax clearance certificate in respect of promoter/companies as the case may be.

15. Letter from the banker that necessary working capital will be provided to the unit.

16. Indicate the source of Investment in the project.

17. Details about: -

- Raw material quality cost & sources.
- Market of the end Products.
- Process of Manufacturing.

18. Particulars of the collateral security being offered.

1. Micro Small & Medium Enterprises Development Institute,
Industrial Estate, Digiana Jammu
Jammu – Tawi: 180004
Phone: 0191-2431077, 2435425,
E.mail: dcdi-jammu@dcmsme.gov.in
Wrbsite: www.msme_dijammu.gov.in
2. J&K Industrial and Technical Constancy Organization Ltd.,
Exhibition Ground ,
Jammu – Tawi: 180004,
Phone : 0191 2435211.

1. The General Manager,
District Industries Center of respective district.
2. Director Industries & Commerce
Bahu Plaza Jammu
E-mail : sdi@sdi.jk.nic.in
3. Director of Industries & Commerece., Jawaher Udyog Bhavan, Bahu Plaza
jammu
0191-2474085
4. Director of Industries & Commerece, Oppsite Partap park Srnagar, Kashmir
0194-2479546, 2472935

1. J&K State Financial Corporation,
Sehkari Bhavan,
Railway Head,
Jammu – Tawi: 180004,
Phone : 2432772 Fax : 2432785
&
J&K SFC,
Durga Nagar,
Srinagar,
Phone 2452048 Fax : 2450572

2. Small Industries Development Bank of India,
Grid Bhavan, Railhead complex , Jammu.
3. National Small Industries Corporation Ltd,
Exhibition Ground ,Jammu
Jammu.
4. Managing Director Jammu & Kashmir Development Financial Corporation (JKDFC), 24-A IInd Extension, Gandhinagar Jammu180004 , Mob: 9419000233
Tele: : 01912431498,FAX: 01912431498, contact@jkdfc.org
5. Managing Director Jammu & Kashmir Development Financial Corporation (JKDFC), 121-Green avenue, I/G Road Peer Bagh Haderpora Srinagar 190014 ,
Tele: 01942440250, FAX: 01942440250

D INFRASTRUCTUR E / RAW MATERIAL (SELECTED) SUPPLY AND MARKETING/ PRODUCT TESTING

1. Managing Director,
J&K State Industrial Development Corporation Ltd.
Drabu House, Rambagh, Shere Kashmir Bhavan ,
Vir Marg, Srinagar, J&K 190001, J&K -180001
Jawaher Udyog Bhavan, Rail Head Complex Jammu
FAX -(0194) 430036, Phone(0194)-430036
FAX- (0191) 542875, Phone(0191)- 549794
2. Managing Director,
J & K Small Industries Corporation Ltd
2nd & 4th Floor, Jawaher Udyog Bhavan, Rail Head Complex Jammu - 180004,
Telephone-(0191) 431644 Fax-(0191) 431733
SICOP, Boulevard, Srinagar-190012 Telephone-(0194) 477043
3. Managing Director, J&K Handicrafts(Sales & Export) Corporation Ltd ,
Corporate Office: Emporium Garden, Residency Road, Srinagar
Phone 0191 452376
4. Sericulture Development Department , Directorate of Sericulture, J&K Government, Jammu/Srinagar, Telephone (0191) 546318
5. J&K Agro Industries Limited , 20-B D/C,Gandhi Nagar,Jammu,
Ph.No. 430443, Shivpura, Srinagar Ph.475982/473139
6. Indian Institute of Integrated Medicine , Canal Road ,Jammu
7. State NIC, Mini Seceretrare, Jammu
8. National Small Industries Corporation, Exhibition Ground Jammu
9. Khadi Village & Industries Commission, Shastrinagar jammu. Tel/Fax:
0191-2433412

ANNEXURE-III

SHORT DETAIL OF THE DISTRICT OF J&K STATE

1. **Baramulla**

The headquarters of the district is the city of Baramulla, which was founded by Raja Bhimsina. The district was once a prominent gateway of the valley into the cities of Rawalpindi and Muzaffarabad now in Pakistan.

2. **Budgam**

The district was formed from the district of Srinagar in the year 1979-80. The district is divided into three tehsils of Budgam, Beerwah and Chadoora.

3. **Doda**

The district of Doda is one of the largest districts of the state of Jammu and Kashmir covering an area of 11,691 square kilometers. The district is divided into seven tehsils.

4. **Jammu**

The district is the winter capital of the state of Jammu and Kashmir. The administrative offices shift from Srinagar to Jammu during the months of November to April. Covering an area of 3097 square kilometers, the district is one of the most populated districts of the state.

5. **Kargil**

The rocky district of Kargil was created out of the district of Ladakh in the year 1979. The district is situated in the heart of the Kashmir Valley at a distance of 205 kilometers from Srinagar.

6. **Kathua**

The district of Kathua is situated in the southeastern end of the state of Jammu and Kashmir. The total area of 2651 square kilometers is divided into the four tehsils of Kathua, Billawar, Basholi and Hiranagar.

7. **Kupwara**

At a distance of 90 kilometers from Srinagar lies the district of Kupwara. The district was created out of the district of Baramulla in the year 1979.

8. **Leh**

The district of Leh and Kargil are a part of the region of Ladakh. The district covers an area of 44,000 square kilometers. The district has 1 tehsil and 112 villages.

9. **Poonch**

The smallest district of the state of Jammu and Kashmir is the district of Poonch. The district comprises of three tehsils. It district is of great historical importance to the state.

10. **Pulwama**

The district of Pulwama was created out of the district of Anantnag. Of the total geographical area of 1398 square kilometers, 1011 square kilometers are occupied by the forest areas. The district is reputed for the saffron cultivation and the growth of Ambree apples.

11. **Rajouri**

The district of Rajour shares its borders with the Mirpur area of Pakistan occupied Kashmir. The district was earlier a part of the district of Poonch. It covers an area of 2630 square kilometers.

12. **Srinagar**

The district of Srinagar is centrally located in the valley of Kashmir and is the flanked by five districts on all sides. The district is the summer capital of the state and is the commercial hub of Jammu and Kashmir.

13. **Udhampur**

The district has its headquarters in the city of Udhampur. It is one of the largest districts of the state. The district is subdivided into 5 tehsils and 12 community blocks.

14. **Anantnag**

The district Anantnag is beginning of the valley of Kashmir

The following are the newly formed districts of Jammu and Kashmir State which are as under :

Samba, Reasi, Kishtwar, & Ramban are part of Jammu region and Ganderbal, Kulgam, Shopian and Bandipore are part of Kashmir Region

ANNEXURE-IV

GIST OF NEW INDUSTRIAL POLICY FOR JAMMU & KASHMIR PACKAGE OF INCENTIVES NOTIFIED BY GOVERNMENT OF INDIA

The Government has notified a comprehensive package of incentives for the State of Jammu & Kashmir as part of a New Industrial policy for the State. The notification dated 14th June 2002 issued by the Department of Industrial policy & promotion, Ministry of Commerce and industry, states that " Keeping in view the fact the State of Jammu & Kashmir lags behind in industrial development, a need has been felt for structured interventionist strategies to accelerate industrial development of the State and boost investors' confidence. The new initiatives would provide the required incentives as well as an enabling environment for industrial development, improve availability of capital and increase market access to provide a fillip to the private investment in the State."

The package provides major fiscal incentives to new industrial units and substantial expansion of existing units whereby new industrial units under expansion set up in growth Centre, industrial infrastructure development centers and other locations like industrial estates, parks, Export processing Zones (EPZs), commercial estates, etc, are entitled to 100% excise duty exemption for a period of 10 years from the date of commencement of commercial production. All new industries in the notified location would be eligible for capital investment subsidy @ 15% of their investment in plant & machinery, subject to a ceiling of Rs. 30 lakh. The existing units will be entitled to this subsidy on substantial expansion, as defined. An interest subsidy of 3% on the working capital loan would be provided to all new industrial units in notified locations for a period of 10 years after commencement of commercial production. This benefit would also be extended to existing units in notified locations on expansion, as defined, as well as to notified thrust industries.

The insurance premium to the extent of hundred per cent on capital investment for a period of 10 years would be extended by the Central Government to all new units and to existing units on substantial expansion. Further, the present income tax exemption would continue as per the existing dispensation applicable to Jammu & Kashmir. The State Government may consider extending sales tax exemption to the units, which avail of concessions under this policy.

The financing pattern for development of integrated industrial infrastructure will change from 2:3 between Government of India (Gol) and Small Industries Development Bank of India (SIDBI) to 4:1 and the Gol funds would be in the nature of a grant, so as to provide the required infrastructural support.

Other incentives include assistance for Design-cum-resource Centre for footwear & leather Industry, leather goods and shoes as well as items of fur which are being manufactured in the Small Scale Industry/Tiny sector traditionally in Srinagar and Jammu. The central Government would make an initial contribution of Rs.1 crore as grant for setting up a Design/Resource Centre and National leather Development Programme (NLDP) which would provide assistance for machinery, training and salaries of professional. Under the National Development Programme (NLDP) , exclusive assistance would be provided to market finished leather products of the artisans of the State in the form of buyers – sellers meet and exhibitions.

The Ministry of Textiles will extend their package of assistance as applicable to the North- Eastern Region, to the State of Jammu & Kashmir on the same terms and conditions. According to the notification, Jammu & Kashmir Development Finance Corporation (JKDFC) will be set up by the Central Government with a one time provisions of Rs. 50 crores on the lines of North – East Development Financial Corporation. This corporation will provide term loan, working capital and other infrastructural support in the State of Jammu & Kashmir on the lines of NEDFI in the North East.. JKDFC would be designated as the Nodal Agency for routing the subsidies/ incentives under various schemes notified under this policy.

The above concessions / subsidies will be available to all new units / existing industrial units on their substantial expansion, in the notified industrial areas by the Central Government and thrust industries irrespective of location.

The Thrust Industries notified under the new policy are:

S.No.	Activity
1	Food Processing and Agro-Based Industries (excluding conventional grinding / extraction units) such as : Sauces Ketchup, etc. Fruits Juices & Fruit pulp , Jams Jellies, Vegetable Juices, Puree, Pickles etc. , Fruit Waxing Packaging Grading
2	Leather Processing and Leather Goods
3	Tissue Culture
4	Silk Reeling Yarn & Yarn Spun from Silk Waste Woven Fabric of Silk or Silk waste
5	Wool and Woven Fabric of Wool
6	Woven Fabrics of Cotton
7	Floriculture
8	Medicinal Herbs- Processing
9	Green House only Ladakh
10	Computer Hardware / Electronics (Integrated Circuits and Micro Assemblies)
11	Sports Goods & Articles and Equipment for General Physical Exercise
12	Auto Ancillaries
13	Eco – Tourism - Hotels, Houseboats, Resorts, Adventure and Leisure Sports, Amusement Parks, Cable Car. Guest House only Ladakh
14	Handicrafts
15	Precision Engineering
16	Exploration of Minerals

According to the Notification, the ineligible industries under the policy are: Cigarettes / Cigars of Tobacco, Manufacture Tobacco and Substitutes, distillation / Brewing of Alcoholic Drinks and manufacture of branded Soft Drinks and its Concentrates i.e. these industries are excluded for the purpose of concessions under this policy.

ANNEXURE: V

ADDRESSES OF OFFICE /AGENCIES RELATED TO MSE SECTORSADDRESSES & TELEPHONE NUMBERS OF GENERAL MANAGER,
DISTRICT INDUSTRIES CENTRES, JAMMU AND KASHMIR

SNO	Name of District	Tele No./Mobile No./Contact Person/GM
1.	EXHIBITION GROUND, JAMMU	0191 -2544771,2466217, 9419185209
2.	I/E HATLI MORE KATHUA	01922-234707, 2465834, 9419169466
3.	UDHAMPUR	01992-270461, 2438860 ,
4.	BEHIND BUS STAND, POONCH	01965 , 220116 , 9469357331
5.	DODA	01996-233540 , 9469212388
6	KHEORA, RAJOURI	01962-263403, 9419171052
7	SAMBA	01923-243329, 9419190868
8	RAMBAN	01996-233540, 9469212388
9	KISHATWAR	01996-233540, 9469212388
10	REASI	01992-270461, 2438860, 9419169466
11	BEHIND MARDAN KHAN I/E SRINAGAR	0194-2452024, 2427478, 2455144, 9419944871
12	BUDGAM	01951- 255504,2431093, 9417760624
13	INDUSTRIAL ESTATE ANANTNAG	01932-222504 ,2434315, 9419709317
14	BARAMULLA	01952- 234991,234381,990660624
15	KUPWARA	01955-252323 ,245227 ,9419074434
16	PULWAMA	01933-241209,2430703, 9419079158(GM)

TELEPHONE NUMBERS OF GENERAL MANAGER,
DISTRICT INDUSTRIES CENTRES, JAMMU AND KASHMIR

17	POLO GROUND, LEH	01982-252147, 252108, 9906975433
18	KARGIL	01985- 22219, 22226
19	SHOPIAN	01933- 241209, 2430703, 9419079158
20	GANDERWAL	0194-2452024, 2427478, 2455144, 9419944871
21	BANDIPURA	01952- 234991, 234381, 990660624
22	KULGAM	01932- 222504, 2434315

TELEPHONE NUMBERS OF DIRECTOR, INDUSTRIES & COMMERECE, JAMMU
AND SRINAGAR, J&K

	Name of Directorate	OFFICE T. No.	RESIDENCE
1	Additional Chief Secretary, Industry & Commerce	0194-2452265 0191-2544050	- -
2	JAMMU	0191-2474084 0191-2474085(Fax)	- -
3	SRINAGAR	0194 -2472935 2472609	-

TELEPHONE NUMBERS OF N G Os , J&K

	Name	T.No/Mobile No.	Residence
1	Mrs. Indu Chopra, CATCH, Jammu	9469169944	-
2	Sh K.D. Sharma, Helpage, Muthi Camp jammu	9906099627	-
3	Mrs Santosh, LALDED, 47- Bakshinagar jammu	94192-41092	-
4	Mrs Suman Sharma, Shiv Sadhana,	9419183200	-
5	Sh Pawan Shrama Hymalayan Society for promotion of Health & Rural Development	9606304927	-

TELEPHONE NUMBERS OF PRESIDENT INDUSTRIAL ASSOCIATION

S NO	Name of District	Code No	Contact Numbers
1	President, The Kashmir Chamber of Commerce & Industry, Residency Road, Srinagar , Kashmir 190001	0194	2452517.2455416, 2482176
2	Federation Chamber of Commerece & Industry, Sanat nagar, Industrial Estate Baruzula Srnagar	0194	2430775
3	Sh Anil Suri , President, Industrial Association , SIDCO Complex, Bari Brahamana, jammu 181132	-	9419188586
4	President, Industrial Association, Gangyal jammu 1800010	0191	24837781, 2482249 Mob. 9419183546
5	President Industrial Association, Bir pur bari Bri Brahamana jammu	01923	01923- 220117
6	President , Chamber of Commerce & Industry, Panama Chowk , Jammu, Chairman, PHD Chamber of Commerce & Industry, J&K	0191	Fax 2473333, 2472255 (Chamber)- 2472266 Ph. No. 2476777, 2473333 Mob. 9419198282
7	President. Chamber of Industries & Commerece , Kashmir(CCIK), Bishamber Nagar Srinagar	0194	0194-2475336,
8	Other Important addresses & Phone Numbers		
9	Sh. S.K International Conference, Nenter, Cheshma Shahi	0194	2455283, 2455193
10	Jammu & Kashmir Road Transport Corp.	0191	2476758
11	Kashmir Govt Arts Emporium	0191	2471962
12	Regional Passport office, Boulevard, Srinagar	0194	2451193, 2451203
13	Indian Air Lines Office, Boulevard, Srinagar	0194	2452328, 2450247, 2303334, 23109, 2431450
14	Independent News Services(INS)	-	2132836
15	United News of Indai(UNI)		2452071
16	Press Information Bureau (PIB)		2452137 Mob. 941907627
17	Current News Service(CNS)	0194	2455425
18	Kashmir News Services(KNS)	0194	2485024

The concerned offices/Agencies/Organization providing Assistance to MSME sector

- General Manager , District Industries Centers of all districts
- Khadi & Village Industries Boards/ Commission,
- Directorate of Handloom
- Directorate of Employment
- Directorate of Handicraft
- Directorate of Industries & Commerce,
- Managing Director, SIDBI,
- Branch Manager, National Small Industry Corporation, Shastri Nagar Jammu
- State Financial Corporation, Rail Head complex, Near Panama Chowk Jammu
- J&K ITCO, Gandhi Nagar Jammu
- Managing Director SICOP, Aquaf Building, Jammu
- Managing Director SIDCO, Residency Road , Jammu
- Director , Micro Small & Medium Enterprises Development Institute , Industrial Estate , Digiana Jammu

To boost up the Industrialization especially in rural area a new programme known as National Programme on Rural Industrialization is going to be launched shortly by the office of the Development Commissioner and Khadi Village industries commission in J&K state. As part of this programme different cluster group of industries have been identified as a first step by surveying in all the rural areas of the district of the state. It would be expected that this programme could boost-up industrialization in the rural areas, which in turn provides employment opportunities to the rural masses of the state.

SOME IMPORTANT SCHEMES

In order to tackle the problem of growing unemployment, a few schemes viz, PMEGP, State Self Employment Scheme, National Scheme for Liberalization of Scavengers, Swarna Jayanti Shehri Rozgar Yojna. etc. are in operation. The salient features of the PMEGP Scheme and SSE Scheme are given in the Table as under: -

1 PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME (PMEGP)

1.1 The Scheme

Government of India has approved the introduction of a new credit linked subsidy programme called Prime Minister's Employment Generation Programme (PMEGP) by merging the two schemes that were in operation till 31.03.2008 namely Prime Minister's Rozgar Yojana (PMRY) and Rural Employment Generation Programme (REGP) for generation of employment opportunities through establishment of micro enterprises in rural as well as urban areas. PMEGP will be a central sector scheme to be administered by the Ministry of Micro, Small and Medium Enterprises (MoMSME). The Scheme will be implemented by Khadi and Village Industries Commission (KVIC), a statutory organization under the administrative control of the Ministry of MSME as the single nodal agency at the National level. At the State level, the Scheme will be implemented through State KVIC Directorates, State Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs) and banks. The Government subsidy under the Scheme will be routed by KVIC through the identified Banks for eventual distribution to the beneficiaries / entrepreneurs in their Bank accounts. The Implementing Agencies, namely KVIC, KVIBs and DICs will associate reputed Non Government Organization (NGOs)/reputed autonomous institutions/Self Help Groups (SHGs)/ National Small Industries Corporation (NSIC) / Udyami Mitras empanelled under Rajiv Gandhi Udyami Mitra Yojana (RGUMY), Panchayati Raj institutions and other relevant bodies in the implementation of the Scheme, especially in the area of identification of beneficiaries, of area specific viable projects, and providing training in entrepreneurship development.

1.2. Objectives

- (i) To generate employment opportunities in rural as well as urban areas of the country through setting up of new self-employment ventures/projects/micro enterprises.
- (ii) To bring together widely dispersed traditional artisans/ rural and urban unemployed youth and give them self-employment opportunities to the extent possible, at their place.
- (iii) To provide continuous and sustainable employment to a large segment of traditional and prospective artisans and rural and urban unemployed youth in the country, so as to help arrest migration of rural youth to urban areas.
- (iv) To increase the wage earning capacity of artisans and contribute to increase in the growth rate of rural and urban employment.

1.3. Financial Assistance Levels under PMEGP

Categories of beneficiaries under PMEGP	Beneficiary's contribution (of project cost)	Rate of Subsidy (of project cost)	
Area (location of project/unit)	Urban	Rural	
General Category	10%	15%	25%
Special (including SC / ST / OBC / Minorities/Women, Ex-servicemen, Physically handicapped, NER, Hill and Border areas etc.	05%	25%	35%

Note:

- (1) The maximum cost of the project/unit admissible under manufacturing sector is Rs. 25 lakh.
- (2) The maximum cost of the project/unit admissible under business/service sector is Rs. 10 lakh.
- (3) The balance amount of the total project cost will be provided by Banks as term loan

1.4. Eligibility Conditions of Beneficiaries

- (i) Any individual, above 18 years of age
- (ii) There will be no income ceiling for assistance for setting up projects under PMEGP.
- (iii) For setting up of project costing above Rs.10 lakh in the manufacturing sector and above Rs. 5 lakh in the business /service sector, the beneficiaries should possess at least VIII standard pass educational qualification.
- (iv) Assistance under the Scheme is available only for new projects sanctioned specifically under the PMEGP.
- (v) Self Help Groups (including those belonging to BPL provided that they have not availed benefits under any other Scheme) are also eligible for assistance under PMEGP.
- (vi) Institutions registered under Societies Registration Act,1860;
- (vii) Production Co-operative Societies, and
- (viii) Charitable Trusts.
- (ix) Existing Units (under PMRY, REGP or any other scheme of Government of India or State Government) and the units that have already availed Government Subsidy under any other scheme of Government of India or State Government are not eligible.

1.5 Other eligibility conditions

- (i) A certified copy of the caste/community certificate or relevant document issued by the competent authority in the case of other special categories, is required to be produced by the beneficiary to the concerned branch of the Banks along with the Margin Money (subsidy) Claim.
- (ii) A certified copy of the bye-laws of the institutions is required to be appended to the Margin Money (subsidy) Claim, wherever necessary.
- (iii) Project cost will include Capital Expenditure and one cycle of Working Capital. Projects without Capital Expenditure are not eligible for financing under the Scheme. Projects costing more than Rs.5 lakh, which do not require working capital, need clearance from the Regional Office or Controller of the Bank's Branch and the claims are required to be submitted with such certified copy of approval from Regional Office or Controller, as the case may be.
- (iv) Cost of the land should not be included in the Project cost. Cost of the ready built as well as long lease or rental Work-shed/Workshop can be included in the project cost subject to restricting such cost of ready built as well as long lease or rental workshop/workshop to be included in the project cost calculated for a maximum period of 3 years only.
- (v) PMEGP is applicable to all new viable micro enterprises, including Village Industries projects except activities indicated in the negative list of Village Industries. Existing/old units are not eligible (Para 29 of the guidelines refers).

Note:

((1) The Institutions/Production Co-operative Societies/Trusts specifically registered as such and SC/ ST/ OBC/ Women/ Physically Handicapped / Ex-Servicemen and Minority Institutions with necessary provisions in the bye-laws to that effect are eligible for Margin Money (subsidy) for the special categories. However, for Institutions /Production Cooperative Societies/Trusts not registered as belonging to special categories, will be eligible for Margin Money (Subsidy) for general category.

(2) Only one person from one family is eligible for obtaining financial assistance for setting up of projects under PMEGP. The 'family' includes self and spouse.)

1.6. Implementing Agencies

The Scheme will be implemented by Khadi and Village Industries Commission (KVIC), Mumbai, a statutory body created by the Khadi and Village Industries Commission Act, 1956, which will be the single nodal agency at the national level. At the State level, the scheme will be implemented through State Directorates of KVIC, State Khadi and Village Industries Boards (KVIBs) and District Industries Centres in rural areas. In urban areas, the Scheme will be implemented by the State District Industries Centres (DICs) only. KVIC will coordinate with State KVIBs/State DICs and monitor performance in rural and urban areas.

1.7 Identification of beneficiaries:

The identification of beneficiaries will be done at the district level by a Task Force consisting of representatives from KVIC/State KVIB and State DICs and Banks. The Task force would be headed by the District Magistrate / Deputy Commissioner / Collector concerned. The Bankers should be involved right from the beginning to ensure that bunching of applications is avoided. However, the applicants, who have already undergone training of at least 2 weeks under Entrepreneurship Development Programme (EDP) / Skill Development Programme (SDP) / Entrepreneurship cum Skill Development Programme (ESDP) or Vocational Training (VT) will be allowed to submit applications directly to Banks. However, the Banks will refer the application to the Task Force for its consideration.

1.8. Bank Finance

- (i) The Bank will sanction 90% of the project cost in case of General Category of beneficiary/institution and 95% in case of special category of the beneficiary/institution, and disburse full amount suitably for setting up of the project.
- (ii) Bank will finance Capital Expenditure in the form of Term Loan and Working Capital in the form of cash credit. Project can also be financed by the Bank in the form of Composite Loan consisting of Capital Expenditure and Working Capital. The amount of Bank Credit will be ranging between 60-75% of the total project cost after deducting 15-35% of margin money (subsidy) and owner's contribution of 10% from beneficiaries belonging to general category and 5% from beneficiaries belonging to special categories. This scheme will thus require enhanced allocations and sanction of loans from participating banks.
- (iii) Rate of interest and repayment schedule
Normal rate of interest shall be charged. Repayment schedule may range between 3 to 7 years after an initial moratorium as may be prescribed by the concerned bank/financial institution. It has been observed that banks have been routinely insisting on credit guarantee coverage irrespective of the merits of the proposal. This approach needs to be discouraged.

1.9. Village Industry

Any Village Industry including Coir based projects (except those mentioned in the negative list) located in the rural area which produces any goods or renders any service with or without the use of power and in which the fixed capital investment per head of a full time artisan or worker i.e. Capital Expenditure on workshop/ workshop, machinery and furniture divided by full time employment created by the project does not exceed Rs. 1 lakh in plain areas and Rs.1.50 lakh in hilly areas.

1.10. Rural Area

- (i) Any area classified as Village as per the revenue record of the State/Union Territory, irrespective of population.
- (ii) It will also include any area even if classified as town, provided its population does not exceed 20,000 persons.

1.11. Rehabilitation of Sick Units

Sick units under PMEGP for their rehabilitation will be linked with RBI's Guidelines for rehabilitation of sick small scale industrial units issued to all Scheduled Commercial Banks vide their letter RPCD.No.PLNFS.BC.57/06.04.01/2001-2002 dated 16th January, 2002.

1.12. Registration

Registration with the KVIC/KVIBs/State DICs under the Scheme is voluntary. No registration fee will be charged from the beneficiaries and the funds available under Forward and Backward linkage will be utilized to meet expenses on documentation cost, etc.

Beneficiary will submit quarterly report about production, sales, employment, wages paid etc. to the State/Regional Director of the KVIC/KVIB/State DIC, and KVIC will in turn analyze and submit a consolidated report to the Ministry of MSME, every six months.

1.13. Negative List of Activities

The following list of activities will not be permitted under PMEGP for setting up of micro enterprises/ projects /units.

a) Any industry/business connected with Meat(slaughtered), i.e. processing, canning and/or serving items made of it as food, production/manufacturing or sale of intoxicant items like Beedi/Pan/ Cigar/Cigarette etc., any Hotel or Dhaba or sales outlet serving liquor, preparation/producing tobacco as raw materials, tapping of toddy for sale.

b) Any industry/business connected with cultivation of crops/ plantation like Tea, Coffee, Rubber etc. sericulture (Cocoon rearing), Horticulture, Floriculture, Animal Husbandry like Pisciculture, Piggery, Poultry, Harvester machines etc.

c) Manufacturing of Polythene carry bags of less than 20 microns thickness and manufacture of carry bags or containers made of recycled plastic for storing, carrying, dispensing or packaging of food stuff and any other item which causes environmental problems.

d) Industries such as processing of Pashmina Wool and such other products like hand spinning and hand weaving, taking advantage of Khadi Programme under the purview of Certification Rules and availing sales rebate.

e) Rural Transport (Except Auto Rickshaw in Andaman & Nicobar Islands, House Boat, Shikara & Tourist Boats in J&K and Cycle Rickshaw).

2 Swarn Jayanti Sahahri Rozgar Yozna: The Govt. of India has formulated a new scheme called SJSRY scheme recently implemented in rural areas. This program has three distinct Parts: -

- Assistance to individual urban poor beneficiary for providing of gainful self-employment.
- Assistance to group of urban poor women for setting up gainful self-employment ventures.
- Training of beneficiaries, potential beneficiaries, and other persons associated with the urban employment Programme.

Coverage: -

- The programme will be applicable to all urban towns in India.
- The programme will be implemented with a special emphasis on urban/poor clusters.

Target Groups:-

- The programme shall target the poor people living below the urban poverty line.
- Special attention will be given to women, persons belonging to SC/ST and disabled persons. The % age of women beneficiary should be not less than 30%.

Education Qualification:- The Scheme shall not apply to beneficiaries educated beyond the 9th standard.

3 National Scheme For Liberation And Rehabilitation of Scavengers:

The objective of the NSLRS and their dependents is to liberate them from their existing hereditary, obnoxious and inhuman occupation of manually removing night soil and filth and to engage them in alternative and dignified occupation with a period of 5 years. This scheme provides for finance of project costing up to Rs. 50000 per beneficiaries.

(Identified trained scavenger or their dependents sponsored by the state schedule caste Development Corporation)

4. J&K STATE SELF EMPLOYMENT SCHEME:

In order to give a boost to employment generation, the state Govt. of J&K has launched a programme known as (J&KSES). Under this scheme financial assistance would be provided to educated youth of the state to get self-employment. The main features of this scheme is:

- Activity : Any activity which is economically Viable and bankable.
- Project Cost: Rs. 1,50,000/-
- Joint Venture : Maximum Project Cost Rs, 5.00 lakhs
provided such ventures is floated by minimum of 3 educated unemployed Youth.

- Eligibility: Matriculation and above.
Permanent resident of J&K State
Residing in the area/district for last 3years
Should be unemployed and not indebted to any financial Institution.
- Finance : 75% as composite loans from bank
10% margin money from Govt. as interest free loan.
15% promoter's contribution.
- Security: Hypothecation of stocks and book debts created out of bank finance collateral
For loans upto Rs. 50. Lakhs no collateral security/third party guarantee is required.
Exceeding Rs. 0.50 lakhs security as deemed by the branch manager.
- Repayment Within a maximum period of 5 years
with initial payment. of 8 to 6 months
- Interest First 6 months 100%
- Subsidy 1 year after 6 months 75%
Next six months 50%
Beyond 2 years Nil
- Training Shall be imparted by Govt. of J&K
- Income No income criteria.

Besides the above, self-employment programme self- employment scheme for Ex-Servicemen is also in operation in the state. NABARD has been promoting this scheme and refinance is also available to the banks for implementing the scheme.

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ANNEXURE: VI

SICKNESS IN MSE SECTOR & BRIEF STATE INDUSTRIAL POLICY OF J&K:

The small-scale industrial sector has made phenomenal progress in different ways during the last 25 years. This sector has made substantial progress in different areas such as number of units, output, employment, and exports. In J&K also Small scale Industries are playing an important role in the economic development of the state. There are steady upward trends in setting up to of small-scale units in the state. However, due to some serious problems confronting SSI units which has increased sickness. The main reasons for sickness in SSI of J&K are as under:

- Managerial deficiencies
- Project deficiencies.
- Lack of adequate working capital.

Among all, MSE/SSI units in J&K State are becoming sick due to financial as well as prevailing situation in the State.

Keeping in view the problems and sickness among the industrial sector, the J&K State Govt. has announced a new Industrial Policy in the State w. e .f. April 2004, so that the industrial culture may get boost..

INDUSTRIAL POLICY 2004*

1.1 Introduction

Despite attractive fiscal incentive under the State's Industrial Policy (1998-2003), the rate of growth of industrial sector could not be accelerated primarily on account of the disturbed conditions in the State. Competition from cheaper imported products, coming into the country as a result of the policy of globalization and economic liberalization pursued by the Government of India, has also forced many local SSI units to down their shutters. With the problem of unemployment, particularly of the educated, being high, the Industrial Policy 2004 has been evolved keeping in view the experience gained in the last five years and some new positive elements that have entered the scene.

1.2 Duration

Industrial Policy 2004 will remain in operation from 1st February, 2004 until 31-03-2015.

2.0 Advantage J&K

Some specific advantages enjoyed by the State are:

- 2.1 Introductions of incentives for industries based on the package for the North-Eastern State in Jammu & Kashmir by the Government of India has created a new window of opportunity.
- 2.2 Centrally sponsored schemes available for development of infrastructure and common facility Centres are fully utilized to strengthen and broaden the infrastructure base of the State in general and for industries in particular.
- 2.3 Refinance facilities are available from the prime leading financial institutions.
- 2.4 Infrastructure in the State for handicrafts and handloom sectors is being strengthened to further hone the already superb craftsmanship available in the State by providing professional assistance in design, product development, quality control, marketing and human resources development, with emphasis on active private sector participation.
- 2.5 The state is endowed with rare agriculture and horticulture germplasm. The State has three distinct agro-climatic zones, each with its characteristic products, thus offering a wider choice for establishing agro-industries. With 57% of apples and 92% of walnut produced in the country being from the State, besides a host of other horticulture produce such as almonds, pears, plums and cherry, the availability in terms of quantity and quality of a wide range of agricultural and horticultural products signifies good potential for value addition through food processing. Besides, the state is ideally suited for growing aromatic and medicinal plants that can be the raw material for a wide range of essential oils and herbal medicines. A special package of incentives has been offered for this sector by the Ministry of Food Processing, Government of India. The State Government has also kept this sector in its thrust area.
- 2.6 The State is endowed with rich mineral wealth of excellent quality, Limestone, gypsum, quartzite, dolomite, magnesite and bauxite, besides sapphire are available in the State.
- 2.7 Technical, managerial and other knowledge based resources available in government departments, universities and professional colleges, R&D institutions like the Regional Research Laboratory of CSIR can be networked and utilized for the growth of the Industry.
- 2.8 There is a large scope for the commercial banks to push up investment within the state. The current credit deposit ratio is much lower compared to the national average.
- 2.9 There is a clear recognition by the state government of the fact that the industrial sector has a prominent role to play in its economic development and is an effective vehicle to reduce pressure on the strained employment opportunities in the government and public sectors.

- 2.10 A perceptible improvement in the law and order situation, generated by the sincere desire of the people of the State for peace, has created a favorable atmosphere for investors. This has also created a new hope in the local educated youth.
- 2.11 The state has a long history of excellent labour-management relations; man days lost due to labour problems are minimum.
- 2.12 A wide network of roads, telecommunication and other infrastructure existing in the State is constantly improved. Railhead at Jammu will be extended to the valley of Kashmir by 2007.

3.0 Objectives

The primary objectives of the Industrial Policy 2004 are :

- i) To achieve sustainable industrial development in all regions for increasing the rate of growth, value of output, employment, income and overall economic development of the State;
- ii) To strive towards balanced economic and social development in all regions of the State by promoting industrialization particularly of the industrially backwards areas;
- iii) To encourage and sustain the cottage and tiny industrial sector which, with low investment, is able to provide employment to a large number of people in the state.
- iv) To create a supportive environment with transparency and easy access in information, technology and financial resources.
- v) To revive potentially viable sick industrial units so as to put to optimum use the capital and other resources already employed in such enterprises.
- vi) To promote the growth of thrust and export-oriented industries and encourage high-tech and knowledgeable based industries including information technology.
- vii) To take necessary steps in the field of Human Resources Development to make available skilled / technical manpower as per the needs of industry.

4.0 Approach and Strategy

- 4.1 The strategy for achieving the objectives, and the main elements, of the Industrial Policy 2004 are:
 - i) Providing improved infrastructure and support services, with emphasis on regular and uninterrupted power supply.
 - ii) Attractive incentives of the Government of India and of the state government.
 - iii) Single window clearance system for power, pollution control, land allotment and registration of industrial unit.
 - iv) Closer interaction with financial Institution and commercial banks, to ensure regular and adequate flow of finances to the industrial sector.
 - v) Rehabilitation of potentially viable sick industrial units.
 - vi) Improving competitiveness of existing industrial units by facilitating modernization aimed at enhancing productivity, energy efficiency and better environment management.

- vii) Enabling manufacturers of quality consistent products to augment their sales within and outside the state by brand promotion.
- viii) Reorienting Industries and Commerce Department.
- ix) Export promotional measures to augment export of products of the state outside the country.
- x) Permanent Grievance Redressal System to remove bottlenecks in import and export of products to and fro the state.
- xi) Environment protection, to conform to state, national and global regulations.
- xii) Entrepreneurship development in the state, to provide opportunities to educated unemployed.
- xiii) Encouraging Research & Development.
- xiv) Focusing on thrust areas with natural advantages in the state and facilitating large investments in prestigious projects.

4.2 **Improved infrastructure and support services** :

The government will strive to improve general infrastructure of the state. In respect of infrastructure for industries, the policy emphasises the following :

- i) Development of modern industrial areas and estates, growth centres, Integrated Infrastructure Development Centres (IID) etc. will be done in a time bound manner. These focal points of industry will meet all the basic requirements of a competitive industrial environment. An action plan with specific implementation model and time frame will be adopted.
- ii) Operational management of the major industrial estates will be rationalized, involving local industrialists through a suitable local self managed model both for development works and management of the estates including regulation of power and water supply.
- iii) The State Government will encourage private sector participation in infrastructure development and such private sector participation will be treated as an industry for the purpose of availing incentives. The Government will also facilitate acquisition of land for such private sector initiatives.
- iv) Efforts will be made to ensure that the power supply within industrial areas, estates, IIDCs, etc. is regular, reliable and of good quality.
- v) Private sector investment in generation and distribution of regular power supply in industrial areas, estates, IIDCs etc. will be actively encouraged. The government will provide necessary support for such ventures on a case to case basis to assure their sustainability. vi) Micro-hydel projects are already open for private sector investment. A separate policy on the subject has been announced and implemented by the Power Development Department of the government.

4.3 **Incentives for Industries**

Incentives for industries provided by the Government of India are presented at Annexure I. A revised package of incentives, offered by the state government, is at Annexure-II. Industries availing the incentives must always strive to plough back resources to constantly upgrade products and productivity, design and quality, so that after the incentives cease, they are able to survive on their own competitiveness.

4.4 **Single Window Clearance System**

With the objective of facilitating a new entrepreneur in getting necessary clearances within a short time, a Single Window Clearance System, for registration of the Industrial Unit, allotment of land, clearance of pollution control Board for commencing construction and certificate of power availability, at the State and District levels, has been set up. A separate notification in this regard will be issued.

4.5 **Institutional/Commercial Bank funding**

Industrial Policy 2004 recognizes that Financial Institutions/Commercial Banks have to play an important role in the industrial development of the State. An environment has to be created to arrest the present trend of flight of capital from the State. The procedures presently followed have not withstood the test of time. There have been glaring instance of delay and under-financing of projects resulting in cost and time over run. It will also be necessary to strengthen the state owned Financial Institutions. Moving in this direction, the government will adopt the following course of action :

- i) The present arrangement of credit flow monitoring through State Level Banker's Committee (SLBC) and State Level Inter Institutional Committee (SLIIC) forums will be actively utilized.
- ii) State owned development financial institutions shall be reoriented to facilitate availing of refinance facilities from national level institutions optimally; and, encouraged to raise finance from the market.
- iii) Divisional and district level co-ordination committees will be constituted to monitor expeditious settlement of the loan cases within prescribed time limit.

4.6 **Rehabilitation of Sick Units**

An enormous amount of capital is locked in sick/closed industrial units in the form of infrastructure and investment. Though industrial sickness is a wide spread phenomenon, its impact is comparatively high in J&K. The initiative for rehabilitation of sick units should primarily come from the concerned industrial unit, financial institutions and the commercial banks, the government playing a catalytic and supportive role. Government Order No. 47-Ind of 1999 dated 10-02-1999, currently in vogue, will continue. Besides, the Government will separately announce an debt relief package too. This sick industrial units shall have the option of taking advantage of either of the two packages.

4.7 **Improving Competitiveness - Modernization**

Industrial units operating in the State must realize that with globalization and economic liberalization, the inflow of cheaper and better quality products into the country and eventually into the state cannot be halted. In order, therefore, to encourage such industrial units as are desirous of modernizing themselves with a view to increase productivity, energy efficiency and environment protection, the capital investment subsidy of the state will be extended to them all over the state. The procedure for availing this incentive has been separately prescribed.

4.8. **Brand Promotion**

With increasing competition in the market, manufacturers of quality consistent consumer products can sustain themselves only if they adopt an intelligent marketing strategy and build a brand of their own. In order to encourage efforts of such manufacturers who are desirous of developing and propagating their own brands within and outside the state, the government will extend assistance to them. Details are provided in the package of incentives of the state government.

4.9 **Re-Orientation of Industries & Commerce Department**

In the liberalized economy, it is imperative that the capacity of Industries & Commerce Department and related PSUs is strengthened to meet the challenges of the new era. In the area of information technology, the process of computerization will be accelerated at the cutting edge level. Accordingly, the computerizations of Directorate of I&C will be further expedited with a view to not only provide all relevant policy and information on the web site but also data relating to status of applications for registration, incentives etc. An investor and industry friendly atmosphere will be created.

4.10 **Export Promotion**

Exports have come to be regarded as an engine of economic growth. However, the share of J&K in the overall exports of the country is very low, limited mostly to handicrafts and dry fruits processed by the SSI sector. The State has a vast potential for exports, both in traditional and nontraditional items. With a view to promote exports of the State, two Special Economic Zones (SEZs), one each in Jammu & Kashmir, Province, are under finalization. An Inland Container Depot is ready at Bari Brahmana which will cater to the needs of the exporters. Various projects under the Assistance to States for Developing Export Infrastructure (ASIDE) Scheme of Government of India, Ministry of Commerce are under implementation in the state to strengthen export infrastructure. Air cargo complexes in Srinagar and Jammu will also be taken up in the near future.

4.11 **Permanent Grievance Redressal System**

In the past, despite provisions in the Industrial policy, there have been many instances of consignments of raw materials, capital goods, fuels, etc. being detained in the entry point of the state, often resulting in delays and payment of fines and penalties. With a view to ensure that the industrial policy is honoured in letter and spirit, an order will be issued by the Finance Department that no consignment for industries, covered by the industrial policy, will be detained at the entry point for more than 24 hours. In the event of any doubt, a notice will be issued by the concerned authority to the firm outlining the objections but the consignment will be instantly released.

A Permanent Grievance Redressal Committee, consisting of Director Industries and Commerce, Commissioner Sales Tax and Commissioner Excise, to be set up by the Finance Department, shall meet once every fortnight to consider all such notices and pass orders which shall be final and binding on all concerned. In emergent situations, such meetings could be called at shorter notice too. This procedure is expected to check alleged arbitrary actions at the entry point of the State.

4.12 **Environment Protection**

Pollution Control and environment protection will be accorded high priority. The Pollution Control Board shall give necessary clearances to new units to start construction only after satisfying itself that the required pollution control measures have been included in the project by the promoter. The State Government will assist setting up of Common Effluent Treatment Plants and providing sites of solid waste disposal etc. availing of the existing schemes of the Government of India as well as the States own resources. Procedures for environment clearances will be streamlined to achieve speedy disposal. Environment friendly projects will be accorded greater priority. Incentive for procurement of pollution control devices has been provided in the state government's package.

4.13 **Entrepreneurship Development**

Lack of entrepreneurial skills of the local youth has been identified as an impediment for sustained industrial growth, **J&K Entrepreneurship Development Institute (J&KEDI)**, a society registered under the J&K Societies Registration Act, has recently been activated to provide entrepreneurship training to youth of the state. Universities will be encouraged to include comprehensive entrepreneurial education in the course curriculum both at the undergraduate and postgraduate levels in the state. The state will encourage setting up of training institutions in the private sector, in the areas of Information Technology, Biotechnology and Communication. Educational and research institutions of international standards related to business/industry shall be provided land in industrial parks/growth centres at a concessional rate of 50%.

4.14 **Thrust Areas and Prestigious Projects**

The following industries will be the Thrust Areas of the government:

1. Electronics (integrated circuits and micro assemblies)/computer hardware and software.
2. Food processing including agro-based industries (excluding conventional grinding/extraction units)
3. Floriculture
4. Handicrafts.
5. Leather processing and leather goods.
6. Sports goods, articles and equipments for general physical exercise.
7. Forest based industry.

8. Processing of aromatic and medicinal plants and herbs.
 9. Pharmaceuticals including bulk drugs.
 10. Silk reeling, weaving, processing printing and made-ups, Yarn and yarn spun from silk waste.
 11. Cutting and polishing of stones, gems and jewellery.
 12. Precision engineering.
 13. Wool processing, Spinning, weaving and finishing, woven fabrics of wool.
 14. Woven fabrics of cotton.
 15. Industries related to the promotion of tourism e.g., units manufacturing camp equipments, fibre boats etc. souvenirs for tourists.
 16. Knowledge industry, including information technology, bio-technology etc.
 17. Auto ancillaries.
 18. Exploration of minerals.
 19. Green houses (only Ladakh)
- The government may add new industrial activities to the thrust areas from time to time. The industrial projects in these areas will be accorded priority in the matter of allotment of land, sanction of power and other clearances as also in the matter of grant of incentives. With regard to Prestigious projects, with investment above Rs.25 crores, the government may consider special package of incentives, to be documented in the form of a MOU, on a case to case basis, on merits. Notification of a prestigious project shall be made by State Level Committee – I for granting Capital Investment Subsidy.

4.15 **Research & Development**

Encouraging Research & Development (R&D) in important economic sectors and transferring the results of these to the industrial sector are the needs of the hour. This is particularly necessary in agriculture, forest mining and mineral sectors, medicinal and herbal plants which provide a substantial base for value addition. Design cum Resource centres shall be set for supporting Handicrafts/Handloom sector. Central government assistance for such purposes shall be fully availed. National level organisations of excellence shall be pursued to provide support for these programmes.

5.0. Implementation

Effective and efficient implementation of the policy must be ensured. In order to achieve this and also to provide for a regular interaction between the government at the highest level and the industry at large, the government will set up an Advisory Committee for Industries with the Hon'ble Chief Minister as the Chairman. Besides the Hon'ble Deputy Chief Minister in charge of Industries and Commerce and Hon'ble Minister of State for Industries and Commerce, this committee will consist of all Principal Secretaries in charge of economic departments such as agriculture, consumer affairs, environment, forests, finance, information technology, planning and power development. Representatives of Chambers of Commerce of Industry and Federations of Industries of Jammu and Kashmir Divisions and also senior officials of the Ministry of Commerce and Industry, Government of India, will be invited to join this committee. Principal Secretary I&C will act as the Member Secretary of the Committee. This committee will meet at least once in three months and provide a forum for timely discussion on major issues agitating the industry and arriving at prompt decisions, a dire necessity in these days of high level of competition among the states of promoting industrialization.

6. Conclusion

It is earnestly hoped that the Industrial Policy 2004 will receive the support of the existing industry of the state as well as potential entrepreneurs. It is also expected that this will be able to attract entrepreneurs from other parts of the country and also from other countries. The government will endeavor to implement the policy in right earnest and do all it can to make the atmosphere for investment in the industrial sector of the state inviting and invigorating.

PACKAGE OF INCENTIVES*

1.0 Definitions.

Under this package unless the context otherwise requires :

- i) **"Capital Investment"** shall mean and include investment on land and/premium on leased land, cost of all civil engineering works including buildings and sheds, cost of plant and machinery, cost of installation of plant and machinery, control panels, quality control equipment, cost of consultancy during the execution of project and cost of technical know-how.
- ii) **"Effective steps"** means one or more of the following steps :-
 - a) that 10% or more of the capital issued for the industrial unit has been paid up.
 - b) that any part of the factory building required for manufacturing activity has been constructed.
 - c) that a firm order has been placed for any plant and machinery required for the industrial unit.

- iii) **“Existing unit”** means an industrial unit, which had gone into trial/commercial production prior to 01-02-2004.
- iv) **“Fixed capital investment”** means investment in land, building, plant and machinery.
- v) **“Government”** means Government of Jammu & Kashmir.
- vi) **“Industrial Backward Blocks”** means the blocks with boundaries to be notified by the State Government.
- vii) **“New industrial unit”** means an industrial unit which has started/gone into trial/commercial production after 31-01-2004 and is formally registered.
- viii) **“Prestigious unit”** means an unit having capital investment of Rs.25 Crores or above and declared as Prestigious unit by the State Level Committee - I constituted for sanctioning Capital Investment Subsidy.
- ix) **“Substantial Expansion”** means an existing unit which increases its installed capacity, with prior approval of competent authority, in terms of the relevant Government of India notification.

2.0 Eligibility

- i) All existing and new industrial units unless otherwise explicitly provided in this package and subject to fulfillment of such requirements as may be specified by the Government from time to time shall be eligible for the incentives.
- ii) Provided that wherever an identical scheme of Government of India exists, the unit would draw the incentives from Government of India scheme first, if eligible. The balance amount of the incentives, if any, under the State Government scheme would be sanctioned if otherwise eligible under the state scheme.
- iii) The incentives under this policy are provided under the discretionary powers of the State Government. The State Government may decide to amend, alter, delete or revise any or all of the incentives notified under this policy and no claim on account of such a decision will be entertained.
- iv) The Industrial Policy shall cover all the new industrial units that may be established in the State. In respect of units where the promoter may have taken effective steps for implementation of the project as on 01-02-2004 and as such may claim to avail incentives under the old package which was in force immediately before announcement of this policy, he will be given option to do so. However, such option shall have to be explicitly communicated to the Director, I&C within 3 months of announcement of this policy. This option shall, however, be not applicable to tax related incentives, for which the new policy will apply.

3.0 For achieving the objectives of the industrial policy, the State Government extends the following incentives:-

3.1 **Land allotment**

The government shall allot land on long lease of 90 years in the industrial estates and developed areas on first come first serve basis. In case of large area requirements, land may be acquired in specific locations selected by the entrepreneur, and allotted on lease.

a) The allotment of land/industrial plots/sheds and flats shall be on lease basis for a period of 90 years.

b) The rent charged for the period of lease shall be invested in maintenance of facilities in the industrial estate. In case of lands outside the industrial estates, where no maintenance is required to be done by any Government Agency, only a nominal lease rent shall be chargeable if the entire expenditure on the cost of land and its development has been incurred by the promoter.

c) Premium rates shall be notified by the Government from time to time and shall not change after the land has been allotted to the promoter and a lease deed signed by him after paying the amount of premium. The current rates of premium are as follows :

S.No.	Name of the Districts	Rate of Premium
1	Jammu, Udhampur, Samba, Kathua, Srinagar, Budgam, Anantnag, Pulwama	a) Rs. 2 Lakh per Kanal for plot not exceeding 4 Kanal b) Rs. 3 lakhs per Kanal for a plot exceeding 4 Kanals .
2	Poonch, Rajouri, Doda, Kishatwar, Reasi, Ramban, Ganderwal, Baramulla, Kulgam, Kupwara, Bandipora, Shopian, Leh & Kargil	a) Rs. 1 Lakh per Kanal for plot not exceeding 4 Kanals Rs. 1.5 Lakh per Kanal for plot exceeding 4 Kanals.
3	A rent of Rs 3000/- per Kanal will be charged for existing as well future allottees.	

For this purpose the industrial estates/growth centres/export promotion parks etc. have been classified as follows :

A CLASS

Bari Brahmana, Kartholi, Gnagyal, Birpur, Digiana, Zainakote, Barzulla, and Baghe-Ali-Mardhan Khan.

B CLASS

Rangreth, Khunmoh, Zakura and Kathua.

C CLASS

All other Estates which are not included in A&B class above.

d) Land allotment on lease shall be transferable subject to some stipulations and also subject to the condition that the transferee shall not use the land for any purpose other than setting up or running another industrial unit in the area with due statutory clearances.

3.2 Capital Investment Subsidy (CIS) and Financial Support on Investment :

1. Government of India has announced a new scheme of capital investment subsidy for the State of Jammu & Kashmir. The existing Capital Investment Subsidy (CIS) of the State government shall stand replaced by the Government of India scheme for CIS.

2. In the **Industrially Backward Blocks**, which will be notified separately, the existing state government scheme would continue. However, in such Blocks the industrial units will first draw CIS of the Government of India scheme, if applicable. Balance amount, if any, as per State Government scheme would be sanctioned by the competent authority, if other-wise eligible under the state scheme.

3. In such locations (which do not fall within backward blocks) where the CIS scheme of GOI does not apply, the State Government will extend the benefits as per the norms of Central Scheme.

4. The CIS applicable to the notified backward blocks of the State is as follows :

a) CIS shall be available if the item of manufacture does not figure on the negative list.

b) CIS shall be available to the new SSI, Medium and Large units, @ 30% of the capital investment subject to upper limit of Rs.30 lakhs.

c) In case of prestigious unit, the upper limit of CIS shall be Rs. 60 lakhs.

d) In case of the thrust areas, the upper limit of the CIS shall be Rs.45 lakhs and Rs. 75 lakhs in case the unit also falls in the prestigious category.

5. In areas where CIS under the central scheme is available the Government does not want to place the thrust area units, prestigious units and prestigious units in thrust areas in a disadvantageous position. In such areas if the eligible amount of CIS under the central scheme exceeds Rs.30 lakhs for an industrial unit, which is maximum limit under that scheme, the State Government shall provide the amount exceeding Rs.30 lakhs subject to a ceiling of Rs.15 lakhs, Rs.30 lakhs and Rs.45 lakhs, in case of thrust area units, prestigious units and prestigious units in thrust areas, respectively.

6. In the entire state, **75% subsidy** shall be allowed on cost of construction of a captive tube-well or building a captive water lifting plant incurred by a prestigious unit in any of the thrust areas. The maximum amount of subsidy shall be Rs.22.50 lakhs. This shall be in addition to the financial limits for CIS prescribed above.

3.3 **Modernization of existing units**

With a view to encourage modernization of existing small scale industrial units, to enable it to achieve higher productivity, energy efficiency and better environment protection, and thus improve its sustainability in the competitive environment, capital investment subsidy of the state government will be applicable to such units all over the state subject to a limit of Rs.30 lakhs. Units availing incentives under the definition of 'substantial expansion' shall not be entitled to this. Application for modernisation must be submitted to the Director, Industries and Commerce, in the prescribed form, obtainable from his office and only after the scheme is approved by a committee consisting of Principal Secretary (Finance), Principal Secretary (Planning) and Principal Secretary (Industries and Commerce), the applicant shall commence work thereon. Approval and disbursement of the incentives will be done on the same pattern as the CIS of the state government.

3.4 **Brand Promotion**

In order to help such manufacturers of consumer products who are in a highly competitive market, the government will provide assistance to them in promoting brands within and outside the state. The assistance will be in the shape of subsidy at the rate of 50% of expenses incurred in the first year subject to a limit of Rs.20 Lakhs, 30% of expenses incurred in the second year, subject to a limit of Rs. 15lakhs and 10% of expenses incurred in the third year subject to a limit of Rs.10 lakhs. Application in prescribed form obtainable from the office of the Director Industries and Commerce must be submitted prior to undertaking the activity. Such applications shall be scrutinised by a committee consisting of the Principal Secretary (Finance), Principal Secretary (Planning) and Principal Secretary (Industries and Commerce), and only after the scheme is approved, the applicant may begin its implementation, if the incentive is to be availed. A system of monitoring shall be instituted and if the applicant deviates from the approved scheme, without prior approval, the incentive will be denied to him and the moneys already paid to him may be recalled at the discretion of the approving authority.

3.5 **Pre-Investment Studies/Feasibility reports**

- a) Project profiles shall be prepared by the Directorate of I&C, SIDCO and SICOP and made available off the shelf to the promoters at a nominal price.
- b) The promoters may get a project feasibility report prepared from J&K, ITCO, SIDCO, SISI or any other agency as may be approved by the Director, I&C from time to time. The expenditure incurred on such feasibility reports shall qualify for 100% subsidy at the time of execution of the project subject to a limit of Rs.2.00 lakhs. The promoter may get a report prepared also from any other specialist agency/reputed consultants with prior approval of Director, I&C.

3.6 **Power tariff/DG sets**

Power tariff for the industrial sector is subsidised. The Power Development Department shall revise and announce the tariff from time to time. Keeping in view the policy of the government to encourage the development of industry in the State and till such time as assured power supply is made available to industrial units 100% subsidy shall be allowed on new DG sets from 10KW to 1000 KW capacity purchased from reputed/standard companies subject to the maximum limit of Rs. 25 Lakhs. The subsidy shall be available to the unit after it has been verified that the DG set has been actually installed.

- a) The amount of subsidy on purchase of DG set shall be paid only through a bank (or the concerned financing agency, if any) even if the promoter may not have taken any loan for purchase of the DG set.
- b) 50% of the amount of subsidy on DG set shall be paid on verification of installation and the remaining 50% shall be paid after expiry of one year of installation.
- c) The DG set shall not be shifted from the State for a period of ten years counted from the date of installation or to any other unit except with the approval of the Director I&C. If the unit makes any such request to shift the DG set to outside the State, the same shall be considered only in case the unit deposits the entire amount of the subsidy availed of together with interest thereon at the prevailing rate of interest on term loans.
- d) The amount of subsidy claimed as part of Government of India's CIS scheme for this item shall be deducted from the amount to be calculated under the state government scheme.
- e) Government shall allow setting up of Captive Power Generating units and also mini/micro power generating unit anywhere in the state, subject to obtaining usual clearances required including from the State Pollution Control Board. There shall be no electricity duty/state excise on generation of electrical energy through such Power Generating Stations for a period of 25 years. The station may be set up by an individual promoter or a group of promoters and the energy thus generated may be shared by them or sold to other consumer(s).

In case the energy thus generated is given to the State Government at the point of production, the promoter shall be eligible to draw an equivalent amount of energy for his own bona fide industrial purpose, from the PDD anywhere else in the State. If his requirement is less than what is generated by him, the excess power can be sold to the state as per the policy of Power Development Department.

3.7 **Price /Purchase Preference**

i) Upto 15% Price Preference shall be available on the landed cost of the product to the local SSI units, in all government purchases. The price preference shall also apply in case of any goods purchased by the public sector undertakings/boards purchased for their own non-commercial use.

Explanation :

A local SSI units will be entitled to up to 15% price preference vis-a-vis lowest tendered rates by an outside unit, which means that if the rates quoted by a local SSI unit is within the difference of 15% between the rates as quoted by local units and lowest outside tender, the orders shall be placed with local unit. In other words a unit holder shall be entitled to payment as per his quoted rate provided the same is within the maximum limit of 15% of the lowest quoted rate by an outside unit holder.

ii) The price preference shall not cover items purchased by the public sector undertakings and boards who may use such goods as raw material, consumables, or packaging materials, which are, in turn meant to be sold on commercial basis either to the government departments or to the private consumers or to the private consumers or in the open market. The Government to the local SSI unit departments/public sector undertakings Board etc. shall give preference to the local SSI unit over an outside state unit for purchase of items if otherwise of equivalent quality and if it has enough registered capacity.

iii) Nothing contained in a proceeding para shall, mean to restrain the government from purchasing or allowing any of its departments/boards corporations to purchase any consumption commercial goods from another manufacturing organizations of the Government such as JKI, JKML, SIDCO, Agro Industries Corporation, J&K Handloom Development Corporation, KVIB etc. whether without or after inviting tenders.

iv) In all other cases, where the price preference applies, the following procedure shall be followed, in suppression of any other government departmental instructions, if issued to the contrary, to encourage the sustainability and growth of SSIs in the State :-

a) Every purchase committee of the Government departments shall include a member from the Directorate of the I&C, not below the rank of a General Manager. Any Committee constituted without any such representative of DIC shall be void ab initio.

- b) If the goods offered by a registered SSI unit carry quality mark for example of BIS, FPO etc. or if the goods otherwise are of standard quality, duly verified and certified by the user department, and if the rate quoted by the SSI unit is within 15% of the lowest rate quoted by any other tender not being another local registered SSI unit, then the Purchase Committee shall decide to place order on such local registered SSI units without further negotiating the price. If the local SSI unit has the requisite registered capacity to meet the tendered requirement.
- c) If the rate quoted by the local registered SSI unit(s) is not within 15% of the Committee may negotiated rate with the local registered unit (s) and place orders on such negotiated rate.
- d) No tender from a local registered SSI unit shall be rejected in contravention of the aforementioned instruction. In case the purchase committee faces any difficulty in carrying out these instructions, it will refer the matter to the I&C Department in the secretariat and the decision of the Department in the matter shall be final and binding on the purchase committee/the department.
- e) If a local registered SSI unit is on rate contract with the DGS&D, DG QA, NSIC etc. for a particular item needed by a Government department, it may purchase the item from such SSI unit without inviting tenders.
- f) It would be lawful for any local registered SSI unit to quote through SICOP or to seek supply order through SICOP or to request/authorize SICOP to represent its case before the purchasing department. In all cases, SICOP shall be treated at par with the SSI unit or units whose case it may be representing for all matters connected with the finalization of the contract, delivery of supplies and the price preference.
- g) No purchasing department shall force or cause any local registered SSI unit to get more quality tests conducted at its own cost if such limit is registered with the BIS, DG S&D, DG QA etc. for ISI/ISO 9000/FPO mark.
- h) No purchasing department shall tender for purchase of any item with branded/patented name of any manufacturer or supplier if such items of acceptable specifications are available from the local industry.
- i) If the department supplies raw material to a local registered SSI unit, directly or through SICOP, such as steel billets, wire rods for conversion into the end product required, such as structural steel, crane wire etc. the conversion rate may be worked out by the concerned administrative department (such as PWD) and a rate contract sanctioned.
- j) For any item where the market price for the goods manufactured by mills are controlled by statutory orders, which are not applicable to the SSI units, the price preference may be negotiated on the basis of such statutory rates.

3.8 Earnest Money Security Deposit

- a) SSI unit shall be required to pay only 50% of the amount of earnest money prescribed by the tendering authority or Rs.5000 whichever is lower.
- b) Tender documents shall also be supplied to the SSI units @ 50% of the price of the documents or Rs.100 whichever be lower.
- c) SICOP shall be treated at par with the SSI units for the purpose of the aforementioned provisions.

3.9 Stamp Duty

Mortgage deeds in favour of the financing institutions required to be signed by the promoter, shall be exempted from payment of stamp duty. The state government has already enabled equitable mortgage in the state.

3.10 Exemption of Court Fee

Exemption from court fee for registration of documents relating to lease of land will be granted to registered industrial units.

3.11 Toll Taxes

- i) There will be **no additional toll tax** on the raw materials, fuel and consumables, procured from outside the state by the existing or new SSI units till 31-01-2015 except for items brought on the negative list from time to time.
- ii) There will be no additional toll tax on finished goods manufactured by the existing or new SSI, Medium and Large units and sent outside the state upto 31-03-2015 except for items brought on the negative list from time to time.
- iii) There will be no additional toll tax on the Raw materials, fuels, consumables brought from the existing new medium and large units upto 31-03-2015 except in case of items brought on the Negative list from time to time.
- iv) There will be no additional toll tax on components, machinery, plant and other equipments procured from outside the state for building the factory, for a period of five years from the date of registration of the unit in SSI, Medium or large sector.
- v) There will be no additional toll tax on 100% export oriented units on the goods exported under proper export documents from the state to any foreign country.
- vi) There will be no additional toll tax on empty containers brought into the state which are used for stuffing products of industry for export out of the state.

3.12 **General Sales Tax**

The State Government is proposing to implement Value Added Tax (VAT). The existing GST exemption will continue for existing and new units till VAT is implemented in the state or up to 31-3-2015, whichever is earlier, except for items brought on the negative list from time to time. However, GST exemption on the raw material procured locally will be available only to the Small Scale Industrial Units.

3.13 **Central Sales Tax**

The existing and new SSI, Medium & Large industrial units shall be exempt from charging and payment of CST on sale of their finished goods outside the state upto 31-3-2015 except for the items on the negative list.

3.14 **Special Provision for Prestigious Units**

Prestigious units shall avail of full exemption from payment of GST (Till VAT is implemented)/CST and additional toll tax untill 31-3-2015 or until such amount of exemption reaches the levels of 150% of capital investment in the project whichever occurs earlier. It may be clarified that negative lists issued for various tax related incentives for medium and large industries shall also be applicable *mutatis mutandis* to prestigious units.

3.15 **Interest Subsidy**

i) The Government of India has announced a new scheme for Interest subsidy in the state of Jammu & Kashmir. The existing incentive of Interest subsidy of the State Government will be replaced by the Government of India scheme, except for existing and any other new units which are not otherwise eligible for claim or interest subsidy under the Government of India scheme.

ii) 3% subsidy shall be payable on the working capital facilities available from the commercial banks to all existing units for the remaining period of their eligibility, subject to the conditions prescribed, under the Government Order No. 202-Ind of 1998 dated 27-5-1998.

iii) This incentive will be extended to any new unit not covered by the Central Government Package by the state Government, on the same terms as contained in the Central Package.

iv) No interest subsidy shall be available on penal interest or on default payments.

3.16 **Testing Equipment**

100% Capital subsidy shall be provided by the Government on installation of Testing Equipment, subject to a maximum amount of Rs.25 Lakhs and also restricted to 25% of the total capital investment if the cost of testing equipment exceed 25% of the total investment provided that the same is installed with in 31-3-2015.

ii) The incentive shall be disbursed only after the unit availing this incentive obtains a national/ international quality mark.

iii) To the extent incentive for such equipment is availed under the CIS scheme of Government of India, deductions will be made from the amount due under the state scheme.

3.17 Air Freight Subsidy

Air Freight subsidy shall be available on finished goods and raw materials for any destination (a) 50% subject to a maximum of Rs.5 Lakhs per year per unit.

3.18 30% Subsidy on Pollution Control Equipment

30% subsidy shall be extended for purchase of pollution control equipment subject to ceiling of Rs.20.00 lac per unit and this will be in addition to the entitlement of CIS under G.O.I scheme if it exceeds Rs.30.00 lacs limit of CIS notified by G.O.I. If subsidy on such equipment is availed under CIS notification of GOI, to that extent, the amount shall be reduced out of the entitlement under the state scheme.

3.19 Interest Subsidy for Technocrats

5% interest subsidy on term loan shall be available for Engineering Graduate/MBA's/postgraduates on term loan availed from financing institutions.

3.20 Research & Development (R&D)

i) 50% subsidy shall be available on expenditure incurred on R&D through any reputed

organisation, in the public or private sector, duly approved by the government, for any project undertaken on sponsorship of any existing or new unit subject to a maximum of Rs.5 Lakhs for each such project duly approved by the Government.

ii) 25% subsidy shall be available on R&D expenditure of any unit on non-recurring items of expenditure subject to prior approval by the Government upto a maximum limit of Rs. 5 Lakhs.

3.21 Human Resource Development

i) 50% of the cost of training shall be borne by the Government subject to Rs. 5000 per trainee and subject to Rs. 1 lakh per annum for any unit for a period of five years. In case of women trainees the corresponding figures shall be 75%, Rs.7,500 and Rs.1.50 lakhs respectively.

ii) For programmes of skill development leading to employment of trainees, 50% of the cost of training shall be borne by the Government on approved programmes subject to maximum of Rs. 5 lakhs per unit. In case of women trainees, the corresponding figures would be 75% and 7.5 lakhs.

3.22. Transport Subsidy:

This is a Government of India scheme and shall continue as such

ANNEXURE-VI

GOVERNMENT OF JAMMU & KASHMIR
CIVIL SECRETARIAT INDUSTRIES & COMMERCE DEPARTMENT

NOTIFICATION
Srinagar, the 29th September, 2008.

SRO NO.: 289 - In exercise of the powers conferred by section 30 read with sub-section (3) of section 21 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), the Government of Jammu & Kashmir hereby makes the following rules, namely: -

Preliminary

1. Short title and commencement

- a) These rules may be called the Jammu & Kashmir State Micro and Small Enterprises Facilitation Council Rules, 2006.
- b) These Rules shall come into force at once.
- c) They shall extend to the whole of Jammu & Kashmir State.

2. Definition: - In these rules, unless the context otherwise requires:-

- a. **"Act"** means the Micro, Small and Medium Enterprises Development Act, 2006; (27 of 2006);
- b. **"Arbitration and Conciliation Act"** means the Arbitration and Conciliation Act, 1996 (26 of 1996);
- c. **"Chairperson"** means the Chairperson of the Council appointed under clause (i) of sub-section (1) of section 21 of the Act;
- d. **"Council"** means the Micro and Small Enterprises Facilitation Council established by the State of Jammu & Kashmir under section 20 of the Act;
- e. **"Government"** means the Government of Jammu & Kashmir;
- f. **"Institute"** means any institution or centre providing alternate dispute resolution services referred to in sub section (2) and (3) of section 18 of the Act;
- g. **"Member"** means a member of the Council;
- h. **"Section"** means a section of the Act;
- i. The words and expressions used and not defined, but defined in the Act shall have the meaning assigned to them in the Act.

3. Manner of Appointment, etc.

- a) The Government shall appoint the representatives, specified in clauses (ii), (iii) or (iv) of sub-section (1) of section 21, as member of the Council.
- b) When a member of the council dies or resigns or is deemed to have resigned or is removed from office or becomes incapable of acting as a member, the Government may by notification in the official gazette appoint a person to fill that vacancy.
- c) A member, other than the Chairperson, shall hold office for a period not exceeding two years from the date of his appointment.
- d) A member appointed under clause (ii), (iii) and (iv) of sub section (1) of section 21 shall cease to be a member of the council if he ceases to represent the category or interest from which he was so appointed.
- e) Any member of the Council may resign from the Council by tendering one month's notice in writing to the Government. The power to accept the resignation of a member shall vest in the Government.
- f) The Government may remove any member from office: -
 - (i) if he is of unsound mind and stands so declared by a competent court; or
 - (ii) if he becomes bankrupt or insolvent or suspends payment to his creditors; or
 - (iii) if he is convicted of any offence which is punishable under the Indian Penal Code (Act XLV of 1860); or
 - (iv) if he absents himself from three consecutive meetings of the Council without the leave of the Chairperson, and in any case from five consecutive meetings; or
 - (v) acquires such financial or other interest as is likely, in the opinion of the Government, to affect prejudicially his functions as a member.

4. Procedure to be followed in the discharge of functions of the council: -

- (i) The Council shall meet at least once every quarter.
- (ii) At least seven days notice shall ordinarily be given for any meeting. However, in case of urgency a meeting may be called at such shorter notice, as the Chairperson may consider sufficient.
- (iii) The Council may appoint / or engage the service of one or more experts in terms of section 26 of the Arbitration and Conciliation Act.

- (iv) The Council, or a party to the dispute with the approval of the Council, may apply to the court under section 27 of the Arbitration and Conciliation Act for assistance in taking evidence.
- (v)
- (vi) The reference / application of the aggrieved micro or small enterprise supplier shall contain full particulars of the supplier and its status, supplied goods or services, terms of payment, if any, agreed between the supplier and buyer, actual payment received with date, amount due and the interest duly calculated under section 16 of the Act, supported by an affidavit, with necessary court fee stamp affixed thereon. The Chairperson of the Council may require any petitioner to provide further particulars of the claim or any relevant documents in support of the claim as he may consider necessary for the purpose of the proceedings. If the petitioner fails or omits to do so within fifteen days of receipt of such communication or within such further time as the Chairperson may, for sufficient cause allow, the Council may terminate the proceedings without prejudice to the right of the petitioner to make fresh reference if he is otherwise entitled so to do. The petitioner shall also simultaneously send a copy of the reference to the buyer or buyers against whom the reference is directed.
- (vii) The reference /application shall be acknowledged forthwith if it is delivered at the office of the Council. Where the reference / application is received by registered post, its receipt shall be acknowledged on the same day. The Chairperson shall cause the buyer to furnish his detailed response to the reference within fifteen days of receipt of the reference by the buyer or within such further time not exceeding fifteen days, as he may for sufficient cause, allow.
- (viii) On receipt of a reference under section 18 of the Act, the Chairperson of the Council shall cause the reference and the buyers response thereto to be examined and, on being satisfied with the reference making a prima facie case of delayed payment, cause the reference to be placed before the Council at its next immediate meeting for consideration. The Chairperson shall also ensure that each reference received within two weeks of the date of the last proceeding meeting of the Council is examined and, if found in order, is placed for consideration of the Council at its next immediate meeting.
- (ix) The Council shall either itself conduct conciliation in each reference placed before it or seek the assistance of any institute or centre providing alternate dispute resolution services by making a reference to such an institution or centre, for conducting conciliation. The provisions of sections 65 to 81 of the Arbitration and Conciliation Act, 1996 shall apply to such a reference as if the conciliation was initiated under Part III of that Act.

- (x) The Council or the institute to which it has been referred for conciliation shall require the supplier and the buyer concerned to appear before it by issuing notice to both parties in this behalf. On the appearance of both parties, the Council of the institute shall first make efforts to bring about conciliation between the buyer and the supplier. The institute shall submit its report to the Council with in fifteen days of reference from the Council or with in such period as the Council may specify.
- (xi) When such conciliation does not lead to settlement of the dispute, the Council shall either itself act as an Arbitrator for final settlement of the dispute or refer it to an institute for such arbitration, in accordance with the provisions of the Arbitration and Conciliation Act, 1996. The supplier and the buyer may either in person or through his lawyer registered with any court, present his case before the Council or the institute during the arbitration proceedings. The institute shall submit its report to the council with in such time as the Council may stipulate.
- (xii) Any decision of the Council shall be made by a majority of its members present at the meeting of the Council.
- (xiii) The Council shall make an arbitral award in accordance with section 31 of the Arbitration and Conciliation Act and within the time specified in sub section (5) of section 18 of the Act. The award shall be stamped in accordance with the relevant law in force. Copies of the award shall be made available within seven days of filing of an application for such copies.
- (xiv) The provision of sections 15 to 23 of the Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force.

- (xv) The Chairperson or any other officer authorized by the Chairperson shall forward the proceedings of every meeting of the Council including annual progress report of the Council of the Member – Secretary of the Advisory Committee constituted under sub –section (2) of the section 7 of the Act.

By Order of the Government of Jammu and Kashmir

Sd/
Commissioner / Secretary to govt.
Industries & Commerce Department.

No:-IND/DIC-209/2006

dated: 29.09.2008

Copy to the:-

1. Additional Secretary & Development Commissioner (SSI), Govt. of India, Ministry of Small scale Industries 'A' Wing, 7th Floor, Nirman Bhawan, New Delhi-110011.
2. Commissioner / Secretary to Govt. General Administration Department.
3. Principal Secretaries to Government, Finance Department.
4. Accountant General, J&K, Srinagar / Jammu.
5. Principal Secretaries to Government, Law Department.
6. Commissioner, Commercial Tax, J&K, Srinagar.
7. Director, Industries & Commerce Department, Srinagar / Jammu.
8. P.A. to Commissioner / Secretary to Govt. Industries & Commerce Department.
9. P.A. to Additional Secretary (A) / (M) to Govt. Industries & Commerce Department
10. President, Chamber of Commerce, Srinagar / Jammu.
11. President, Federation of Industries, Jammu / Kashmir.
12. President, Industrial Estates, Bari Brahmana, Jammu / Zainakote, Srinagar.
13. Govt. Order file / stock file.

Sd/-
Under Secretary to Govt.,
Industries & Commerce Department

**GOVERNMENT OF JAMMU & KASHMIR
INDUSTRIES & COMMERCE DEPARTMENT
CIVIL SECRETARIAT, JAMMU.**

Subject: **Constitution of Facilitation Councils under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.**

Government Order No.: 308 – IND of 2008.

Dated: 18-12-2008.

In term of section 20 and 21 of the Micro, Small and, Medium Enterprises Development (MSMED) Act, 2006 sanction is hereby accorded to Constitution of Facilitation Councils for Jammu and Kashmir Divisions for purposes of the Said Act as under:

I) Micro, Small and, Medium Enterprises Facilitation Council, Jammu.

- | | |
|--|-----------------|
| 1. Director, Industries & Commerce, Jammu | Chairman. |
| 2. MD, J&K Development Finance Corporation | Member. |
| 3. MD, J&K Small Scale Industries Development Corp. | Member. |
| 4. Chairman, Federation of Industries, Jammu | Member. |
| 5. Representative of J&K Bank Ltd. | Member. |
| 6. President, Jammu Chamber of Commerce & Industry
Jammu. | Special invitee |
| 7. Faculty Member from IMPA having specialization
In Industry / Finance / Law/ Trade and Commerce | Special invitee |

II) Micro, Small and, Medium Enterprises Facilitation Council, Kashmir.

- | | |
|--|-----------------|
| 1. Director, Industries & Commerce, Kashmir | Chairman. |
| 2. MD, J&K Development Finance Corporation | Member. |
| 3. MD, J&K Small Scale Industries Development Corp. | Member. |
| 4. Chairman, Federation Chamber of Industries, Kashmir | Member. |
| 5. Representative of J&K Bank Ltd. | Member. |
| 6. President, Kashmir Chamber of Commerce & Industry | Special invitee |
| 7. Faculty Member from IMPA having specialization
In Industry / Finance / Law/ Trade and Commerce | Special invitee |

By Order of the Government of Jammu and Kashmir

Sd/

Commissioner / Secretary to Govt.
Industries & Commerce Department.

No:-IND/DIC-209/2006

dated: 18.12.2008.

Copy to the:-

1. Director, Industries & Commerce Department, Jammu.
2. Director, Industries & Commerce Department, Kashmir.
3. MD, J&K Development Finance Corporation, Jammu.
4. MD, J&K SICOP, Jammu.
5. Chairman, Federation of Industries, Jammu
6. President, Jammu Chamber of Commerce and Industry, Jammu.
7. Director General, IMPA, jammu with the request to kindly nominate the faculty members from IMPA as specified above as a Special Invitee for the Facilitation Councils.
8. P.A. to Commissioner / Secretary to Govt. Industries & Commerce Department.
9. P.A. to Additional Secretary (A) / (M) to Govt. Industries & Commerce Department
10. Govt. Order file / stock file.

Sd/-

Under Secretary to Govt.,
Industries & Commerce Department

ANNEXURE- VII

Activities of MSME

INTRODUCTION

Micro, Small & Medium Enterprises Development Institute (MSME DI)- formerly known as Small Industries Service Institute (SISI) J&K, Jammu was established at Srinagar in 1958 and a Branch MSME DI (Small Industries Service Institute) came into existence at Jammu in 1966 for the promotion and development of micro, small & medium enterprises in the state. This Institute renders guidance and assistance from conceptual stage of setting up of micro, small & medium enterprises to the stage of project implementation, production, management and marketing including export marketing. It also helps in identifying the causes of sickness of small scale units and renders assistance for their revival.

The main functions of the Institute are as follows:-

Consultancy Services/ Guidance:

Technical

- i. Information to start new enterprises like selection of product location, technology (including product process), machinery & equipment, raw material, quality control, etc.
- ii Preparation of project profiles and feasibility study reports on various products.
- iii Consultancy on modernization and technical up gradation.
- iv. Dissemination of information on energy conservation, pollution control, ODC, etc.

MANAGERIAL

Assistance /guidance to the micro, small & medium enterprises on different aspects of management viz, production planning evaluation, marketing system, law and regulations and financial control etc.

ECONOMICAL & STATISTICAL

- (i) Supply of information to the existing units and prospective entrepreneurs on thrust industries, status of industries in specific areas, economic viability of products, marketing to ends.
- (ii) Conducting of area development potential survey.
- (iii) Conducting of feasible-techno –economic studies.

- Evaluation survey on industrial estates
 - Industry prospect sheets.
 - Product feasible studies.
 - Review studies of reserved items.
 - Topic studies.
 - Growth centre studies and adhoc studies.
- (iv) Preparation of reports, notes, articles, etc on the topics of economic interest.
- (v) Collection of data for production index.

TRAINING FACILITIES

Managerial

I.M.T. Activities

- (i) Specialized techno-manager training programme in the field of industrial management, financial management, labour management, quality control, export promotion, managerial development programmes and process -cum -product development
- (ii) Entrepreneurial development programmes/Entrepreneurship Skill Development Programmes are conducted for women entrepreneurs , rural artisans, educated unemployed youth, weaker section, physically handicapped persons, ex-servicemen, beneficiaries under self-employment scheme of the State Government and Prime Minister Rozgar Yojna (PMRY) and process-cum-product oriented EDP courses.

Marketing Assistance

- (i) Registration of units under single point registration scheme with NSIC.
- (ii) Maintaining contact with large scale industries to identify their requirement of parts and components which can be supplied by small scale industry. Assisting entrepreneurs in setting up ancillary/ auxiliary industries.

Sub- Contract Exchange

Maintaining Sub-contract Exchange to keep liaison between large and small scale units for marketing their products.

Export Promotion

- (i) Participation in exhibitions and trade Fairs.
- (ii) Educating Micro, Small & Medium Enterprises Small Scale Units in export documentation formalities, ISO-9000 etc.
- (iii) Liaison with State Trading Corporation, Trade promotion Authority of India, Export Promotion Council etc.

Promotional Activities.

- (i) Organizing of Intensive Development Campaigns, Seminars, Workshops, Open House Discussions, symposiums, etc.
- (ii) Assistance to candidates selected under self-employment Scheme of the State and PMRY Scheme.
- (iii) Identification of cause of sickness of small scale units and assistance provided for their rehabilitation.

Co-operation and co-ordination with other organizations:

- (i) Close liaison is maintained with the State Directorate of Industries & Commerce, ITCO, J&K State Industrial Development Corporation, State Social Welfare Board, N.S.I.C., S.I.D.B.I, Regional Director of Foreign Trade, Import & Export. Assistance is provided to Directorate of Industries and Commerce in capacity assessment.

Workshop Facilities

Two training courses of six months duration in Machinist/Fitter trades, machine-shop practice are organized in the workshop for educated unemployed persons.

Common Facility Services

Small Industries Service Institute, J&K, has been equipped with precision machine tools in their workshop. These facilities are provided against nominal charges.

Programme for employment generation:

Under the scheme, all assistance is provided to educated unemployed youth for self employment.

Women Cell :

All sorts of assistance to set up small scale business service/Tiny industry by women entrepreneurs has been established in this Institute

The other activities of the institutions are as follows: -

- Assistance/Consultancy to Prospective Entrepreneurs
- Assistance/Consultancy rendered to existing units
- Preparation of State Industrial Profiles
- Preparation/Updating of District Industrial Potential Surveys
- Project Profiles
- Entrepreneurship Development Programmes
- Entrepreneurship Skill Development Programme
- Motivational Campaigns
- Production Index
- Management Development Programmes
- Skill Development Programmes
- Energy Conservation
- Pollution Control
- Quality Control & Up gradation
- Export Promotion
- Ancillary Development
- Common Facility Workshop/Lab
- Preparation of Directory of Specific Industry
- Intensive Technical Assistance
- Coordination with DICs
- Linkage with State Govt. Functionaries
- Market Surveys
- Other Action Plan Activities assigned by Headquarters

For Further Details, please contact:



Officers from Americal Soyabean Association demonstrating cheese-making Soyabean from Soyabean during



Display Food products manufactured during EDP

DIRECTOR

Micro, Small & Medium Enterprises-
Development **Institute** Industrial Estate,
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2431077 Telephones: 0191-
2435425/2455529
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