

**Government of India
Ministry of MSME**



State Industrial Profile of Jammu and Kashmir



सूक्ष्म, लघु एवं मध्यम उद्यम
MICRO, SMALL & MEDIUM ENTERPRISES

Carried out by

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FOREWORD

Micro, Small & Medium Enterprises Development Institute (J&K) Jammu is a Nodal Agency functioning under the Ministry of MSME. The Institute is engaged in various developmental and promotional activities in the state of J&K especially in the far flung areas of the State with an intention to promote Entrepreneurship among the young unemployed youth and is also engaged in promoting various schemes among the existing MSMEs so as to promote competitiveness among them. MSME-DI (J&K) Jammu is also playing its vital role in assisting the development of Industrial infrastructure across the state.

To achieve its objective, MSME-DI, Jammu with the support of Directorate of Industries & Commerce, J&K Govt. is engaged in the preparation of State Industrial Potential Report which provides a bird's eye view about the state Topography, Geography, National Resources and Status of Industry. It provides a count of Industrial Establishments engaged in the economic activities. Efforts have also been made to identify the potential MSME activities, keeping in view the demand and availability of raw material resources. I am sure that State Industrial Profile will be useful to the entrepreneurs and will assist in Policy formulation at large.

I place on record the sincere efforts put forth by the officers of this Institute in collecting the latest information and bringing out this report. I also appreciate the co-operation extended by the Department of Industries and Commerce (J&K) Govt. without whose contribution the Report would not have been possible.


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DIRECTOR

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*Chapter One.***Jammu and Kashmir at a Glance.****1.1****LAND & PEOPLE**

- The J&K state is the northern most state of India situated between 32.15 degree and 37.05 degree north latitude and 72.35 degree and 83.20 degree east longitude.
- The J&K is the 11th largest state of India having a geographical spread of 101387 SqKms accounting for 3.20% of the total area of the country.
- J&K ranks 19th most populous state of India having a population of 101.44 lac souls (census 2001). The projected population of the J&K state in the year 2007 was 118.72 lacs.
- The literacy rate of J&K is 55.52% with male literacy of 67% and female literacy of 43% (census 2001) and as per BPL survey 2008 the literacy rate of J&K is 64.18 with male literacy of 72.32% and female literacy of 55.35%.
- J&K has a forest area of 20230 SqKms which account of 19.95% of the total geographical area of the state, leaving aside Ladakh which has little vegetation.
- The State of J&K has 22 districts, 71 tehsils, 141 CD blocks, 2690 Panchayat, 6652 villages.
- Rice, maize and wheat are the major cereals of J&K. The Basmati rice of RS Pora Tehsil of district Jammu is world famous for its taste and aroma.
- J&K is largest producer of Apple, Walnut, Almond and many other temperate dry and fresh fruits.
- J&K holds number one position in saffron production in India.
- J&K is a major exporter of superior quality carpets, wooden art, embroiderical clothes and many other valuable crafts.
- Wullar Lake in Kashmir is the largest fresh water lake in Asia.
- Leh air port is the highest altitude airport in India.
- Leh is the largest district of J&K while Shopian is the smallest as per area.
- Jammu district is the most populous district of J&K while Leh is the least populous.

- Kashmiri is the most widely spoken language in J&K which apart from Kashmir Valley is spoken in the districts of Doda, Kishtwar and in many parts of Ramban, Poonch, Rajouri and Jammu. The other major languages of the state are Dogri, Ladakhi, Goojri, Pahari and Balti.
- J&K has got one International airport at Srinagar.
- J&K State has 10 Universities and 95 Government Degree colleges.
- The J&K legislature is bicameral in nature comprising of State legislative assembly and State legislative council. The legislative assembly has strength of 87 seats while the legislative council consists of 36 seats.
- J&K is the only state which has its own state flag as well as its own constitution.
- Lotus is the state flower & Chinar is the State tree.
- Gujjars, Bakherwals and Gaddis are the major nomadic tribes of J&K.
- Gulmarg Gondola of J&K State is the highest Cable car project in the world.
- Drass sector of Ladakh region of J&K state is the 2nd coldest place in the world.
- Ahrabal waterfall in district Kulgam of J&K state is one of the highest waterfalls in Asia.
- Royal Springs Golf Course in Srinagar is the most picturesque sporting venue of the country. This golf course is has been declared as the best Golf Course in India and among the top ten in Asia.
- Estimated Hydro power potential of the state is 20,000 MW out of which only around 2000 MW is realized till date. The Water resources of J&K are just like oil reserves of Arab Countries.
- The State is connected to the rest of the country through just one highway (NH 1A), 400 Kms stretch (approx) maintained by Border Roads Organization (BRO) of India.
- Dal Lake is the world famous water body and has been described as Lake Par-Excellence by Sir Walter Lawrence. The Dal Lake is host to world famous Shikaras and Houseboats which vie with each other with eye catching name surrounded by Mughal Gardens.

Jama Masjid is one of the oldest and the most spacious of all the mosques in Kashmir, situated in the heart of the city. The area of the mosque is 384 ft X 381 ft spacious enough for over thirty thousand people to offer prayers at a time.

■ The Railway network in J&K State is the highest altitude railway network in India. Presently the railway network in the State exists upto Udhampur district and the rest between Udhampur to Banihal is under construction. Intra Kashmir railway line from Banihal to Baramulla is complete and has been laid open for railway traffic from (Nowgam) Srinagar to Banihal on 11th October 2008.

■ Tulip Garden in Srinagar is the largest tulip garden of Asia.

Table I: Jammu and Kashmir at a Glance.

Area in Sq. Kms	222236
Number of district	22
Number of tehsils	82
Number of CD blocks	143
Number of Panchayat	4128
Number of Village	6551
Total Population	12548926
Total Male population	6665561
Total Female Population	5883365
Percentage of Growth	23.71 %
Total Literates	7245053
RURAL	4898008

URBAN	2347045
Literacy rate	78.74 %
Total Area according to village paper records	2416 (thousand hectares)
Area Under Forest	20230 Sq Km
Total Area Sown	1161.11 (thousand hectares)
Total Net Area Sown	746 (thousand hectares)
Total Net Area Irrigated	319.26 Thousand hectare)
Total Bank Branches	1037
Total Industries	54714
Total Employment	260393

Compiled from Digest of Statistics, Economic Planning & Statistics, J&K Govt

*Chapter Two.***General Profile**

The Jammu and Kashmir state is a border State which shares international border with Pakistan & China. The Line of Control on Pakistan side divides the state which turns one part as 'J&K' and the other part as 'POK'. The state is located mostly in the Himalayan mountain range. It shares border with states of Himachal Pradesh and Punjab. The State has mostly a rugged terrain due to which several parts of it remain partly connected. The state has three distinct parts namely 1) Jammu 2) Kashmir and 3) Ladakh. The temperature in the three parts differ drastically. Kashmir is connected by road with Jammu which passes through Pir panchal mountainous range. The road remains closed during rainy season and snowfall during winter. Lack of all weather permanent connectivity has put the valley to a disadvantageous position as remoteness from railhead in Jammu, makes cost of road and air transportation dearer which is the main bottleneck in the spread of industrialization in most of the districts of the state. The drastic drop in the temperature during winter in the areas of Ladakh and Kashmir valley almost halts economic activities in these parts. Jammu has a sub-tropical climate zone and its climate coincides with the climate of Delhi. The state has a cultivable area of 8.58 lacs hectares. The economy of the state is predominantly agricultural. The state of J&K offers a challenge to planners as well as administrators in tackling the manifold problems associated with the economic backwardness of the state.

Inclusivity and equity of the growth process along with its sustainability has to be the most defining paradigm of the developmental efforts. While imperatives of high level of growth are well understood, distributive aspect of the growth is also important. In the context of the obtaining circumstances in the state, the challenge of ensuring participatory and balanced regional development becomes extremely critical.

Geographic and Socio-Economic Profile of J&K

Jammu and Kashmir, situated between $32^{\circ} 17' N$ and $36^{\circ} 58' N$ latitudes and $73^{\circ} 26'E$ and $80^{\circ} 30' E$ longitudes, constitutes the northern most extremity of India. The Total area of Jammu and Kashmir is 222236 sq. Km of which 78114 sq. Km is under illegal occupation of Pakistan and 37555 sq. Km under China. In addition 5180 sq. Km area of J&K was illegally ceded to China by Pakistan. J&K is the 6th largest state of India occupying 6.76% of the country's geographical area. The state has abundant water resources in view of its

blessed riverine geography. The state is surrounded by mountains except in the South-West side. A major portion of the state's terrain is hilly and its height from sea level varies from 3000 feet to 22740 feet. The state has road, and air links with rest of the country through South making it accessible from the South only. The rail link is upto Udhampur only.

Population

The state occupies 19th rank in population, with 125.41 lakh souls as per 2011 census. The state has three distinct regions, viz. the Kashmir, Jammu and Ladakh comprising of 22 districts. Each region has a specific resource base. The state is further divided among 82 Tehsils, 86 towns and 6551 villages as per census, 2011. Administratively, the districts are divided into blocks for development purposes. There are 320 community development blocks in the state.

Population Density

As per 2011 census, the population density in the state is 124 persons per sq. km of area as against density of 382 persons per sq. Km in India. The state ranks 8th among states/ UTs of the country in thin density of population. In fact the most marked characteristic feature of the State, is low density of population. The low densities in many districts of the State are attributable to the nature of their terrain.

Sex Ratio

Sex ratio of 889 females per thousand males, places J&K at 29th rank in the country. Sex ratio of the country is 943 females per thousand males as per 2011 census. The low sex ratio of females to males is alarming and requires attention of all the sections of the society to give heed to "Beti Bachao" slogan pioneered by the Hon'ble Prime Minister.

Literacy

As per Census 2011, literacy rate of the state is 68.74% with 78.26% male literates and 58.01% female literates. These figures show signs of improvement in the literacy when compared with the literate population of 2001 census. The overall literacy rate improved by 13.22 percentage points. In comparison to male literacy, female literacy has improved at a faster rate i.e. against 11.66 percentage points in male literacy female literacy increased by 15.01 percentage points. At all- India census-2011 determined 74.04% population as literates with 82.14% (male literate population) and 65.46% (female literate population).

With the improvement in the literate population of the state, the gender gap has also reduced to 20.25% in 2011 as against 23.60% in 2001. It is pertinent to mention that literacy rate is derived after excluding the children in the age group of 0-6 years, which are by the definition of census treated as illiterate.

Urbanization

The percentage of urban population to total population was 27.37 percent in 2011 compared to 24.81 percent in 2001 in the state. Among all districts, Srinagar ranks first with 98.6 percent urban population followed by Jammu district with 50 percent urban population. Ramban district with 4.16 percent of urban population followed by Shopian with 6.15 percent are the least urbanized districts. As per Census 2011, there are 86 statutory towns in the State. The State is an important tourist hub both for national and international travelers with several holy pilgrim centres, rivers, and hills.

Climate

The climate of the state varies from sub tropical in Jammu plains to semi-arctic cold in Ladakh with Kashmir and Jammu mountainous tracks having temperate climatic conditions. The average annual rainfall also varies from region to region with 92.6 mm in Leh, 650.5 mm in Srinagar and 1115.9 mm in Jammu. A large part of the state forms part of the Himalayan Mountains. The state is geologically constituted of rocks varying from the oldest period of the earth's history to the youngest present day river and lake deposits.

Macro Economic Aggregates

Gross State Domestic Product at constant (2004-05) prices for the year 2014-15 is estimated at Rs. 45126.30 crores (Advance Estimates) as against Rs. 45847.15 crores for the year 2013-14 (1st Revised Estimates) registering a negative growth of -1.57% over the previous year. During 2012-13 and 2013-14, GSDP grew at 5.34% (2nd Revised Estimates) and 5.63% (1st Revised Estimates) respectively.

The State economy is expected to register growth of 0.40% (advanced estimates) at current prices during 2014-15 as compared to 13.85% in 2013-14 (1st Revised estimates) and 12.81% in 2012-13 (2nd Revised Estimates). At Constant (2004-05) Prices growth in GSDP of J&K State is expected to register a negative growth of -1.57% during the year 2014-15 as compared to 5.63% during 2013-14. The lesser growth rate during 2014-15 is mainly attributed to floods of September, 2014, which has shattered the economy of the state affecting particularly Kashmir valley.

At constant (2004-05) prices, the growth in Agriculture sector (Agriculture & Livestock only) is likely to decelerate to -16.23% (advanced estimates) in the year 2014-15 as compared to 6.25% in the year 2013-14 (1st Revised estimates) while as the Agriculture & the allied sectors which includes Agriculture & Live Stock, Fisheries, and Forestry & Logging sectors, is likely to decelerate to -14.9% as compared to positive growth of 5.14% in the year 2013-14(1st Revised Estimates).

At constant(2004-05) prices, Forestry & Logging sector is likely to decelerate to (-) 8.00% as compared to -0.15% during 2013-14 while as Fishing is expected to decelerate at -9.96% as compared to 0.15% during 2013-14.

At Constant (2004-05) Prices, the industry is likely to grow at 1.47% during the year 2014-15(A.E) as compared to 7.08% in the year 2013-14(1R).

Among the sub sectors, Manufacturing expects a growth rate of 0.23%, Construction 2.99% while as Electricity, Gas & Water Supply 5.95% during 2014-5(A.E). The corresponding figures for these subsectors for the year 2013-14 (1st Revised Estimates) were 6.8%, 4.81% and 13.84% respectively.

At constant (2004-05) prices, Service sector, which is the major contributor to the State economy, is likely to grow at 1.96% (advance estimates) as compared to 5.17% during the current year 2014-15 as compared to 5.17% during 2013-14.

The Sectoral composition of the State income has undergone considerable changes over a period of time. Over the last five decades, the share of Primary sector has declined steadily from 28.16% in 2004-05 to 17.83% in 2014-15(AE)and the share of Secondary sector has declined from 28.13% in 2004-05 to 25.53% in 2014-15 (advance estimates), while as the share of Services sector has substantially increased from 43.71% in 2004-05 to 56.64% (A.E) in 2014-15.

State Finances

Fiscal deficit for 2013-14 has been calculated at 5.2%.

The state has continued to maintain revenue surplus, though its quantum decreased in 2013-14 by Rs. 1030 crore from the surplus of Rs 1100 crore in 2012-13.

The state's own revenue has increased by 7.54 % from Rs 5833 crore in 2012-13 to Rs. 6273 crore in 2013-14.

The central devolutions including States share in Central Taxes and Duties taken together constituted on an average 73.10 per cent of the total revenue receipts of the state during the period 2002-2013 and 66.30 % in 2013-14. These resources transferred by the Central Government financed on an average 65.2 per cent of the total expenditure during the period 2002-13, indicating a marginal decline of 6.80 % in the State's dependence on

transfer of central resources.

NITI Aayog

The replacement of Planning Commission of India by NITI Aayog and the acceptance of the 14th Finance Commission recommendations by Government of India will have long term ramifications for the planning process in the State. The State Government is expected to be in a better position to decide its developmental priorities. Towards this end, the State Government will endeavour to move away from the artificial differentiation on the basis of plan and non-plan activities.

Under the new frame work, State Govt. will be preparing a Revenue Expenditure Budget and Capital Expenditure Budget. While the Finance Department will be responsible for the Revenue Expenditure Budget, the State Planning & Development Department will have the responsibility of the Capital Expenditure Budget and its monitoring. Under the restructured system of devolutions, State Govt. has proposed a Capital Expenditure Budget of Rs.9682 crore for the year 2015-16. The Revenue Expenditure Budget will also take over the Revenue liabilities of Plan in the year 2015-16. The broad break-up of the proposed Capital Expenditure Budget 2015-16 is as under:

Table No 1			(Rs. in
Item of Expenditure	State Sector	District sector	Total
Central Component	4111.12	1888.88	6000.00
State Share for CSS	235.59	340.6	576.1
State Specific	2098.99	307.6	2406.65
Negotiated Loan	331.42	368.5	700.0
Total	6777.12	2905.72	9682.84

Chapter Three.
Economic Profile.

The Jammu and Kashmir economy depends mostly on traditional forms of occupation. The state is affected by continued violence and insurgency, the economy of Jammu and Kashmir is an undeveloped one. Unaffected and unaltered by modern day industrial developments and changing times, the indigenous traditional occupations of farming, animal husbandry and horticulture forms the backbone of the economy. However in the recent years, the government of Jammu and Kashmir has taken several significant steps to strengthen the financial condition of the state and improve the standard of living of the indigenous local inhabitants. Jammu & Kashmir, being part of the Indian Himalayan Region (IHR), also has some unique economic disadvantages arising out of remoteness and poor connectivity, hilly and often inhospitable terrain, vulnerability to natural disasters, a weak resource base, poor infrastructure, shallow markets and most importantly a law and order situation threatened by militancy. Taken together, all these factors have resulted in low economic activity, low employment and low-income generation. These economic disadvantages have substantial implications for the size and nature of the development problem and for the approach to be adopted. Recognizing the fact that the Himalayan states of the country have some peculiar characteristics which hinder their socio-economic growth, the central government has clubbed them as special category states for the purpose of devolution of financial grants.

J&K economy is a high cost mountain economy & has a number of characteristics that pose special development challenges. The State is especially vulnerable to external events, natural disasters, that cause high volatility in its State Domestic Product; and it suffers from limited capacity in the public and private sectors. More specifically, the following characteristics define the special development challenges and vulnerabilities that J&K faces:

- a. Remoteness and isolation: Landlocked, and located far from major markets. For J&K high transport costs make it harder to turn to major markets to compensate for the drawbacks of the small size of its domestic markets. In J&K a small domestic market combines with large distances from other markets to reduce competition and its spur to efficiency and innovation.
- b. Limited capacity: While a weakness in both public and private sector capacity is a key problem for J&K, size has added a further dimension to the challenge. This is further compounded in J&K where the internal distances are large and the population is scattered. In the public sector J&K faces diseconomies of small size in providing public services and in carrying out the business of government, and tend to have relatively larger public sectors. J&K does not possess sufficient institutional capacity to participate fully in national finance and trade activities —the outcomes of which can profoundly

affect its economy. In the private sector, as already noted, lack of diversification and domestic competition has held back successful development. Many of these factors combine to make J&K economy especially vulnerable, and in particular they affect:

- i. Income volatility. Overall, the range of per capita incomes and rates of growth are not significantly different across Indian state economies. However, the residents of J&K experience higher volatility in their incomes—the standard deviation of annual real per capita growth in small states is about 25 percent higher than in large states. This reflects several of the factors listed above—their high levels of exports and imports and low diversification in production and trade.
- ii. Access to external capital: The access to national capital markets is very limited for J&K. There is just one listed corporate in the state. Most private sector enterprises are still in the primitive stage of organization. This one way of compensating for adverse shocks and income volatility is thus also limited. The fact is that private markets tend to see J&K as more risky than other states, so that spreads are higher and market access more difficult.
- c. Limited diversification. Because of its small domestic markets, J&K is necessarily relatively un-diversified in its production structure and exports. Where one dominant activity has declined, it has tended to be replaced with another. This adds to vulnerability to changes in the external environment. Susceptibility to natural disasters and environmental change. Of late, J&K has become susceptible to natural disasters such as snow tsunami, earthquake, and drought which typically affect large parts of the population and economy. These events cause income volatility which creates additional hardship as the poor are less able to withstand negative shocks to their incomes

Agriculture.

Jammu and Kashmir State is full of natural resources of great economic potential. The physiographic location imposes a number of constraints, particularly in agriculture and allied sectors. The initial land-use pattern in the state was purely agriculture. It has changed over a period of time to agri-horticultural silvi-pastoral.⁸ Although the net area sown has remained more or less same - 7.31 lakh hectare in 1990-91 to 7.33 lakh hectare in 1999-2000, the area under fruit and vegetable cultivation has marginally increased over the same period of time. In respect of fruit, it has gone up from 176.30 thousand hectare in 1990-91 to 213.73 thousand hectare in 1998-99. Vegetables have shown a marginal increase, from 14,000 hectare in 1990-91 to 14,930 hectare in 1999-2000.⁹ Rice, the staple crop, is planted in May and harvested in late September. Maize is the second-most important crop. The best soil for maize is reclaimed swamp and enormous crops are raised from the black peaty land,

which lies under the banks of river Jhelum. In the high villages occupied by the Gujjar grazers, very fine crops of maize are grown. Other important summer crops are millet, pulses (legumes such as peas, beans and lentils), cotton and tobacco. Wheat and barley are the chief spring crops. Foodgrains production has shown an increase from 13664 thousand quintals in 1990-91 to 15253 quintals in 1998-99.¹⁰ Many temperate fruits are also grown. Large orchards in the vale of Kashmir produce apples, pears, peaches, walnuts, almonds and cherries. In addition, it is the largest producer of saffron in the Indian subcontinent. Artificial floating gardens on the lakes are favourable for the cultivation of flowers and vegetables.

In Ladakh, there is only one cropping season-Kharif, which extends from March to October. Cultivation in Ladakh is restricted to near the main valleys of Indus, Shyok and Suru rivers, where barley, buckwheat, turnips and mustard are grown. Recently, strawberry cultivation has also been introduced in Ladakh. Pastoralism and cattle breeding have long been the vital features of the Ladakh economy. The Kashmir goat raised in the region provides pashmina for the production of fine fabrics.

Industries.

The thick forests of Kashmir provide raw material for several industries. Important industries dependent on forests are :

- Poplar wood available in the Valley of Kashmir is mainly used by match industry. A large government match factory was established at Baramulla but it has not been functional for more than a decade.
- Wood of poplar and willow trees is used for making cricket bats and bringi wood is used for making hockey sticks.
- Walnut trees are grown in abundance in Kashmir. Walnut wood is suitable for wood carving the carved goods are exported to foreign countries also. Baramulla also manufactures walnut wood rifle-butts.
- At Pampore (Kashmir) and Bari Brahmana (Jammu) plywood, hardboard and chipboard manufacturing factories have been established. Pulp required for the manufacture of hand-made paper, strawboard and cardboard is also obtained from the forest

Handicraft and handloom.

Kashmiris have won a great reputation as artisans. The chief center of Kashmiri industries is of course Srinagar, but other localities are famous for their special crafts. Kulgam is famous for its lacquered woodwork and Bijbihara has a reputation for

woodcarving. The basket industry is also important and most villages have artisans who make baskets for agricultural purposes. The lacquered work, which had a great reputation, is now declining. The other industries that have developed from the rural crafts include handloom weaving of local silk, cotton, carpet weaving and woodcarving. Such industries together with silver and copper work got impetus in the past by the presence of the royal court and later by the tourist trade; they also owe something to the important position achieved by Srinagar in the west Himalayan trade. Handicraft manufacture is also important in Ladakh, particularly production of pashmina shawls, carpets and blankets.

Other Resources.

The state is rich in water resources, which can generate electricity on a large scale. The other natural resources include fruit, timber minerals and herbs which are found in abundance. As far as the social sectors are concerned, education is free for all. The state has two major institutes of higher education, namely, University of Kashmir and University of Jammu.

As far as primary and secondary education is concerned, the number of primary and high/higher secondary schools has increased from 9242 and 1220 in 1990-91 to 10515 and 1466 in 1999-2000 respectively.

The health sector, hospitals and dispensaries are scattered throughout 10 ibid 18 the state. Unani is popular in Srinagar, while Amchi is popular in Ladakh. Ladakh has an excellent network of health care delivery system throughout the district. Srinagar has a highly specialised institute of Medical Sciences, founded in 1982. A total of 6466 villages have been covered by safe drinking water by 1999-2000.

6thEconomic ensus

As per the Quick Manual Results of Sixth EC 2013 there are 507372 establishments located in J&K engaged in different economic activities other than crop production, plantation, public administration, defence and compulsory social security. Out of which 304207 establishments constituting 59.96% are in rural J&K and remaining 40.04% with 203165 establishments in urban areas. Sixth EC categorized the establishments in 3 groups i.e,(i) establishments outside household with fixed structure ii) Establishments outside household without fixed structure and iii) Establishments inside household. Establishments with fixed structure account for 87.27% comprising of 69.90% establishments outside household with fixed structure and 17.37% inside household. Establishments outside household without fixed structure amount to 12.73% at the state level. In rural areas 64.67% establishments are operating outside household with fixed structure, 22.93% establishments are located inside house-hold and 12.40% establishments are operating outside household without

fixed structure. The corresponding figures in percentage terms in urban areas are 77.73%, 9.04% and 13.23% respectively.

As per provisional results the number of handicraft/handloom establishments in J&K is 60397 with 46054 (76.25 %) rural and 14343 (23.75%) urban establishments. These establishments constitute 11.9% of total number of establishments in the state. The %age of handicraft/ handloom establishments is 15.14 %(rural) and 7.06% (urban) with respect to total number of establishments in the respective areas.

Banking

A well structured and efficient network of financial institutions helps to boost the economic growth. These financial institutions provide credit to all sections of the society and for infrastructure projects at reasonable rates.

As on 30-09-2014, 1893 branches of scheduled commercial banks, co-operative and state financial corporation (SFC) were in operation in J&K. The number of branches has risen by 15.57% over 31-03-2013.

With the increase in the branch network over the years, there has been notable improvement in the banking services. Dependence per bank branch reduced substantially both geographically as well as demographically. On an average 1 bank branch is available per 7 thousand people as on 30-09-2014 where as that for India, it is 10 thousand persons as on 31-03-2013. More importantly, the coverage of area per bank is declining year by year. During the year 2014-15 (September, 2014) one branch was available per 53.56 Sq. kms. This indicator is 30.26 sq. km for India during the reference period 31-03-2013.

The credit is a catalyst that lubricates the process to accelerate the development of the economy. Apart from farm and non-farm sectors, industrialization, business and service segments require adequate credit supply. As on 30-09-2014 gross bank credit stood at Rs 34398.97 crore as compared to Rs 23542.32 crore for 2012-13 showing robust growth of 46.12% over previous year 2012-13.

As against Rs. 64479.70 crore ending 2012-13, deposits of financial institutions as on 30-09-2014 stood at Rs.72767.21 crore, posting an increase of 12.85% over previous year (2012-13).

Credit-deposit ratio is an impressive indicator utilized for measuring the business performance of banks. Higher growth in advances i.e., 46.12% and lower growth in deposits (12.85%) improved the CDR from 36.51% as on March, 2013 to 47.27% ending September, 2014.

Agriculture

e

Agriculture as we know plays a very prominent role for development of economy of J&K State. Around 70% of the population in the State get livelihood directly or indirectly from Agriculture and allied Sectors. The State comprises of three regions namely Jammu, Kashmir and Ladakh having distinct geographical outlook and agro climatic zones. Each zone having its own characteristics that largely determines the cropping pattern and productivity of crops. Paddy is the main crop of Kashmir, followed by maize, oilseeds, pulses, vegetables, fodder and wheat. In Jammu region, wheat is the predominant crop followed by maize, paddy, pulses, oilseeds, fodder, vegetables and other crops while in Ladakh, barley is the major cereal crop followed by wheat. State also has the honour of being amongst the world's few places where quality saffron is cultivated. Pampore Tehsil of District Pulwama, which is situated at a distance of 17 kilometres from Srinagar, is famous for its high grade saffron in the world. Saffron is also grown, though on a limited scale in Kishtwar district of Jammu region. Saffron crop is being introduced in temperate areas of other districts as well and significant success has been reported from some areas of Doda and Udhampur districts. Due to the implementation of Saffron Mission interventions it has been possible for the state to rejuvenate the old less productive Saffron zones and it has been experienced that the new corm suggested has benefited the farmers by way of increased production leading to increase in their earnings and has created an effect of attraction for undertaking the farm business management for development of saffron.

For enhancing agricultural productivity on sustainable basis, improving Seed Replacement Rate (SRR) is an important component. Department of Agriculture has registered a 33% SRR of rice in Kashmir valley and 26.32% in Jammu Division. SRR in respect of maize was observed at 24% in Kashmir and 32.10% in Jammu Division. SRR in respect of Fodder is anticipated at 32% and 35% during Rabi Season in Kashmir and Jammu respectively.

An estimation made by the Directorate of Agriculture Jammu, food grain requirement for the State works out to 25 lac MT per annum as against the tentative production of about 20.65 Lac MT during 2013-14.. Therefore the State faces a deficiency of 4.35 Lac MT of food grains which is provided by the CAPD through the rationing system. During the year 2014-15 food production got reduced to 17.42 lac MT due to devastating floods in the State.

Comparison of Crop Yield of J&K State with the largest producing Indian States and some other Countries for the year 2012 shows the agricultural backwardness of the state as under:-

Table No 2

S. No	Crop	Yield of J&K State	Highest Yield States in India	Yield (Qtls/ha)	World Highest Yield Countrie	Yield (Qtls/ha)
1	Paddy/Rice	20.85	Punjab	39.52	China	66.61
2	Wheat	14.04	Punjab	50.17	UK	73.60
3	Maize	16.48	Tamil Nadu	53.72	USA	88.58
4	Oilseeds	8.24	Gujarat	17.23	UK	35.88

Horticulture

J&K State is well known for its horticultural produce both in India and abroad. The state offers good scope for cultivation of horticultural crops, covering a variety of temperate fruits like apple, pear, peach, plum, apricot, almond, cherry and sub tropical fruits like mango, guava, citrus litchi, phalsa and Berete. Besides, medicinal and aromatic plants, floriculture, mushroom, plantation crops and vegetables are cultivated in the state. Apart from this, well known spices like saffron and black Zeera are also cultivated in some pockets of the state. As a result, there is a perceptible change in the concept of horticulture development in the state. There are around 7 lakh families comprising of about 33 lakh people which are directly or indirectly associated with horticulture. Horticulture development is one of the thrust areas in agriculture and a number of programmes have been implemented in the past, resulting in the generation of higher incomes in the rural areas, thereby improving the quality of life in villages. Looking to the specie-wise details of area figures under fruit for the year 2013-14, it is observed that largest area of 45.34% (161364 hectares) is occupied by apple out of total area of 355921 hectares under fruit. Walnut is the next major fruit occupying 26.86% in the overall area under fruit.

Livestock

Integrated Sample Survey (2011-12) revealed that total livestock population of Jammu region had demonstrated an increase of 8.40% over the year 2009-10 and reached to 78.908 lakhs from 72.79 lakhs. Kashmir region also witnessed an increase of 4.63% as livestock population had reached to 74.994 lakhs from 71.67 lakhs. However, in Ladakh region livestock population slipped by 1.44% from 6.60 lakhs to 6.505 lakhs during the same period.

Fisherie

Fisheries sector occupies a very important place in the socio-economic development of the state. It has been recognized as a powerful income and employment source of cheap and nutritious food, besides being a source of livelihood for a large section of economically backward population of the country. The total fishermen population in the State as per livestock census 2003 was around 31,000. It is presently estimated at 93000. The 27781 Km. length of rivers/streams facilitate farming of more than 40 million tonnes of fish. As against this, the State has only 0.07 lakh hectares under reservoir area. There is a big gap between the demand and supply of fish. Fish is a valuable element of diet of the local people throughout the year. There is also a demand for fish from the defense personnel and tourists. There are 1248 lakes including water bodies and water is spread into 0.40 lac hectares of area which gives an indication of the potential for fisheries in the State.

Irrigation

Irrigation is the artificial application of water to the land or soil. Irrigation is an essential input of agriculture and is practiced in all parts of the world where rainfall does not provide enough ground moisture. In areas of irregular rainfall, irrigation is used during dry spells to ensure harvests and to increase crop yields. Irrigation has greatly expanded the amount of arable land and the production of food throughout the world. India has made impressive gains in the last 30 years, increasing its irrigated land by more than 50 percent.

The net area sown in the state during 2013-14 was 741 thousand hectares whereas the gross area sown (total area sown under different crops) was 1160 thousand hectares. The mode of irrigating the crops mainly used is the canals. About 89 per cent of the net area irrigated is irrigated through canals while tanks, tube wells and other means are also used.

Floriculture

Floriculture has a vast scope and potential in the valley, which is evident from the

fact that during the year 1996, an area of 80 Ha was under flower cultivation in J&K, which has currently expanded to the level of 350 Ha, with an annual turnover of about Rs.1350 lacs. Further, more than 1500 youth are directly engaged under commercial floriculture sector in Kashmir Division. Moreover, 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.

Forests

Jammu and Kashmir has a total forest cover of 20230 Sq km (20.23 lakh hectares) accounting for 19.95% of the total Geographical area of 101387 Sq km on this side of line of control. All India figures indicate a percentage of 24.47% geographical area under forests. Out of the total forest area of 20230 Sq km, the area under reserved

forests is 2551 Sq km, protected forest is 17463 Sq km and the rest 36 Sq km is unclassified. Out of the total forest area, 12066 Sq km are in Jammu Region, followed by Kashmir Region with 8128 Sq km and Ladakh Region with only 36 Sq km. Kashmir Region has 40.17%, Jammu Region has 59.64%, while Ladakh Region has 0.17% area under forest cover. Forests cover 48 percent of the total geographical area of the State (excluding Ladakh region) which is above the national average of 24.47 percent. It is, however, less than the norm of National Forest Policy, 1988, which provides forest cover of one third of total geographical area (20% for plains and 66% for hilly areas). The specie-wise area under forests has remained stagnated during last few years. An area of 1075 Sq km is under Deodar constituting 5.31% of the total forest area. 1825 Sq km are under Chir having 9.02% share, 1969 Sq km are under Kail which accounts for 9.74%, 3401 Sq km are under Fir, representing 16.81%. Largest area of 10075 Sq km falls under other categories having a share of 49.8%. Thus, 18345 Sq km are under coniferous (Soft wood). Non coniferous (hard wood) covers 1885 Sq km claiming 9.32% of total forest area. An area of 1962 Sq km is covered by Rakh and wild life reserves.

Industry

The Industries Sector is now playing its due role in the economic development of the State and in generating employment opportunities for the unemployed youth.. Industries sector contributes 25.87% to GSDP of State at constant 2004-05 prices as

per Advance estimates for the year 2014-15(A). The State has 53 existing industrial estates spread over an area of 31335 Kanals of land as per position ending November, 2014.

The J&K State under the “Make in India” programme is looking forward to attract domestic investors to invest in the State. “Ease of Doing Business” has rightly been recognized as the most important factor in achieving the goal of “Make in India”. The State Government has initiated the process for playing its role as the interface of enterprises

The existing State Industrial Policy is expiring on 31st March, 2015 and the new Policy is going to come into effect from 1st April 2015. Committee constituted for drafting the New Industrial Policy has been properly sensitized to deliberate on the issue of easing out the procedures for the entrepreneurs/ industrialists to invest in the State. The Government is simultaneously working on drafting Trade Policy and Manufacturing and Export strategies of the State.

Handicrafts

Handicraft activities occupy an important position in the economic structure of J&K State. Being environment friendly, these activities are best suited to the state as they are more labour intensive and less capital intensive in nature, therefore having scope for employment generation at a large scale. The Kashmir handicraft products have earned worldwide fame for their attractive designs, functional utility and high quality craftsmanship. In absence of other manufacturing industries in the state, handicrafts remained a key economic activity from time immemorial. The artistic imagination and craftsmanship of the Artisans reflected through a wide range of products, has delighted the connoisseurs world over for centuries. Crafts like Shawls, Crewel, Namdha, Chain Stitch, Wood Carving, Papier Machie, Costume Jewellery, Kani Shawls and the Carpets hold a significant share in the overall production and export of the State. Silken carpets in particular constitute a specialty having no parallel in quality and design at national level and, therefore, occupy an important position in the international market. The handicraft sector of the state has great contribution towards foreign exchange earnings to the state and country in particular. Around 8500 persons are trained annually through 553 training centres in the state.

The department also promotes sale of handicraft goods by organizing expos/exhibition/craft bazaars within and outside the state. It also organizes exhibition at international level annually. During the year 2014-15, the department has organized 5 craft bazaars/exhibitions within & outside the state by the end of Nov., 2014.

Another important area of activity is skill development. Around 8500 persons are trained annually through 553 training centres in the state. During the year 2014-15

(ending Nov., 2014), 2925 persons have been trained in various crafts like sozni, staple, crewel, papier machie, phool kari, Zari, chain stitching etc.

Handlooms

There are approximately 0.38 lakh weavers in the State who are engaged in this industry under organized and un-organized sectors. Moreover, the handloom goods have great demand in the national and international markets. There are 3741 handloom units in the State employing same number of persons producing Loies, Puttos, Tweed, Blankets, Raffal, Pashmina and Dusoti Khad.

The Department has 523 registered Handloom Industrial Co-operative Societies in the State with a membership of 15275 weavers. There are approximately 38,000 Handlooms in the State. During 2013-14, 10.26 million meters of handloom fabrics valuing Rs.232.95 Crore were produced in the cooperative sector. The production and value of handloom fabrics for the current financial year viz 2014-15 (ending 11/2014) is of the order of 9.98 million meters and Rs.226.61 Crore respectively.

The Department runs 100 training centers to impart training in various trades which include readymade garments, handloom weaving, Pashmina spinning and weaving, and Kani shawl weaving. Out of 100 training centers, 84 centers are exclusively imparting training in readymade garments and handloom weaving. Around 1000 trainees are annually imparted technical skill in these centers. During the year 2014-15, 1044 trainees have been enrolled for training in different trades.

Sericulture

Sericulture continues to be a subsidiary occupation for about 30,000 rural families in the State. Most of these families belong to economically backward sections of the society. Annually about 1022 MT of cocoons are produced generating an income of about Rs. 2026.00 Lac for these silkworm rearers coupled with the annual employment generation to the tune of 3.5 Lac mandays (3.0 Lac on-farm and 0.50 Lac off-farm). The Department has 173 mulberry nurseries spread over an area of 963 Acrs, and 374 mulberry blocks over an area 2215 acres across the State. The nurseries are utilized for production of saplings/cuttings for further distribution amongst farmers to augment area under mulberry and mulberry blocks which serve as leaf reservoirs for the landless and marginal farmers. Annually about 20.00 Lac plants are produced from these nurseries against the potential of 30.00 Lac plants. The Department has well established seed organization and presently about 60% local annual seed demand is met out from the sector.

Tourism

The tourism tag has placed always the State of J&K in the limelight at the national as well as international levels. Our tourism products are well known. All out efforts are being made to increase the tourist inflow in the state as with more the arrival of tourists, more economic activity gets generated which has multiplier effect on the income levels of the large chunk of population dependent on this sector.²⁰ Destinations covered for exploitation of tourism potential in the last few years by creation of Development Authorities as against the earlier focus on five of them only. The off beat destination in state like Gurez, Bani-Basholi, Lolab-Bungus, Kokernag-Sinthantop, Verinag-Doda, Bhaderwah-Achabal, Poonch-Rajouri, Marigan Hills in Kishtwar, Zanaskar etc which are being developed through area specific Tourism Development Authorities will be further developed and promoted so that the tourist footfalls in equitably distributed.

Health

The Life Expectancy of males and females at national level stands at 63.95 & 67.08 years, respectively. As far as, the J&K State is concerned, the life expectancy of males & females stands at 66.5 and 69.3 years, respectively; which is more than the national average. The crude birth rate of the J&K State is 17.8 which is well below the national average of 21.8. The crude death rate (CDR) of the J&K State is 5.5 which is quite low as compared to national average of 7.1, as per census 2011. The population growth in this decade was 23.71 percent while in previous decade it was 29.04 percent. The population of Jammu and Kashmir forms 1.04 percent of India in 2011. In 2001, the figure was 0.99 percent. This difference indicates a much higher rate of growth in comparison to average All India growth rate.

There are 5532 Govt. health institutions at primary, secondary and tertiary levels including newly sanctioned 826 sub centres, 371 NTPHCs and 87 ISM Dispensaries . The doctor patient ratio in our State is 1:2104 as against the recommendations of World Health Organization (WHO) of 1:1000, which is grossly in-sufficient.

For the first time in the Medical History of the state the epidemic called Swine Flu has made an intrusion, mostly affecting the old aged persons, children, pregnant women and in general the people with weak immunity. To combat such situations and to curtail it from spreading further, the State govt immediately released Rs. 30.00 lacs for augmentation of medicines, vaccines and purchase of ventilators.

Education

Education is the most important lever for social, economic and political transformation. A well-educated and skilled population not only drives economic and

social development but also ensures personal growth. The spread of education in society is at the foundation of success in today's globalised world, where the real wealth of a country or state is not in its tangible natural resources but in knowledge. The importance of education as the foundation and building block for achieving national objectives and for building a more inclusive, equitable and sustainable society is well recognized. There is also a constitutional obligation to make available free and compulsory education to all children in the age group of 06-14 years. The number of educational institutions in public sector reached to 24265 and those in private sector to 5292 in the State. The total enrollment has also increased to 27.41 lakh out of which the enrollment in primary classes is 10.97 lakh, in middle 7.06 lakh, in High / Higher secondary schools, 9.38 lakh. During the decade 2001-2011, literacy rate increased from 55.50% to 68.74% in the State as against 64.84% to 74.04% at the national level. The dropout rate in the state has declined to 11% in 2012-13. The access to Higher Education is measured in terms of Gross Enrolment ratio. The Gross Enrolment ratio for the state of J&K was 10.36% in 2007-08 which has increased to 18.2% (provisional) in 2011-12 which is higher than the national GER of 15%. Over the years, J&K has achieved many milestones in higher education. The number of colleges providing education in 1950-51 was just 07 out of which 01 college was for female students. Upto 1999-2000, the number of colleges increased to 33 including 07 women colleges. By the year 2013-14, the number of colleges has increased to 95 including 12 women degree colleges. Two Central Universities, one each at Jammu and Srinagar, are functional in the State. Five universities, i.e. two State universities, two Govt. aided universities and one Private University with intake capacity of 11,400 students, are also functioning in the State. In addition, 15 offsite campuses of Universities of Kashmir & Jammu have been approved, out of which 9 campuses have been established, mostly in far-flung areas.

The Sarva Shiksha Abhiyan (SSA) aims at universal access and retention, bridging of gender and social gaps in enrollment levels and enhancement of learning levels of all children. The SSA has programmes like National Programme for Education of Girls at Elementary Level (NPEGEL) and the residential school scheme, Kasturba Gandhi Balika Vidyalaya (KGBV), that have focus on girls' education. During 2014-15, 5032 children for nomadic seasonal centres approved by MHRD, 40 primary school approved for upgradation and 4076 girls enrolled in KGBVs during the current financial year.

Housing

Housing, a basic need for human, plays an important role in accommodating high urban growth. However, several structural issues such as high gestation period, limited and expensive capital, spiraling land and construction cost and low affordability by

EWS lower income group households are bottlenecks restricting desired growth in housing stock. As per census 2011, there are 21.19 lac households in the State of J&K and total number of residential houses is around 20.15, which clearly indicates that there is not much shortage of housing in the State as of now. The census reveals only 6.5% of urban household reside in the rented accommodation.

Water Supply & Sanitation

The water sector is facing daunting challenges due to urbanization, industrialization and huge demand for Agriculture sector. The potential for augmentation of supply is limited, water tables are falling and water quality issues have increased. Our rivers and ground waters are continuously polluted by untreated effluents and sewerage. The climate change poses fresh challenges. The status of rural habitations of J&K is given as under:-

Table No 3: Status of rural habitations of J&K		
Status	J&K State (1-4-	%ag
100% covered	8049	51
between 75% and 100%	1057	6
between 50% and 75%	4570	29
between 25% and 50%	1615	10
between 0% and 25%	497	3
Total	1577	100

To address the drinking water problem in the state, a number of schemes are being also implemented under State Plan/District Plan, LIC/NABARD loan assistance and Economic Reconstruction Agency. Availability of safe drinking water not only reduces the risk of death due to water borne diseases, but safe drinking water along with proper sanitation also helps in maintaining and determining the quality of life. Sanitation in the rural areas offers a formidable challenge to the health and well being of the rural population and the most challenging factor in the rural sanitation comes from the habit of open area defecation by the rural population. This results in increasing the pollution levels of water bodies and therefore, also pollutes potable water. This result in gastroenteritis related diseases and adds especially to infant mortality. Similarly, lack of proper disposal of domestic refuses also adds to the health challenges which the rural population faces. In order to overcome these challenges, the department is implementing an important scheme known as Total Sanitation Campaign (TSC) now renamed as Nirmal Bharat Abhiyan (NBA).

Now, again the GoI has approved the restructuring of Nirmal Bharat Abhiyan (NBA) and has replaced it by a new programme called Swachh Bharat Abhiyan Mission (Gramin) on 2nd Oct, 2014 with the following two sub-Missions:-

- i. Swachh Bharat Abhiyan Mission (Gramin)
- ii. Swachh Bharat Mission (Urban)

Women Empowerment & Child Development

The ICDS Scheme was started in J&K State in the year 1975. Currently ICDS is the only programme that reaches out to lakhs of women and children living in remote villages. It is and will continue to be the flagship programme with a holistic package of six basic services for children up to six years of age and for pregnant and nursing mothers. These services are: health check-up, immunization, referral services, supplementary feeding, pre school education and health and nutrition education through one platform i.e. Anganwari Centre. At present, J&K State has 141 ICDS Projects (including one migrant project) and 29599 AWCs have been sanctioned by Government of India out of which 28594 are presently functional. About 1000000 beneficiaries which comprise children of 6 months to 6 years of age, Pregnant and lactating mothers, are being given supplementary nutrition. About 1500 inmates which include orphans/destitute children/women and widows are being provided free boarding and lodging in 24 Bal-Ashrams and 12 Nari-Niketans spread all over the State.

Power

Electricity is an essential source of commercial energy. It is vital for sustained economic growth. An increase in demand for power implies growth of the economy leading to modernization, industrialization and improvement in basic amenities culminating into a better quality of life of people. The estimated hydro power potential of the state is 20,000 Megawatts (MW), of which about 16475 MW have been identified. This comprises 11283 MW in Chenab basin, 3084 MW in Jhelum basin 500 MW in Ravi Basin & 1608 MW in Indus basin. Out of the identified potential, only 2813.46MW i.e. 17 % (of identified potential) has been exploited so far, consisting of 761.96 MW in State Sector from 21 power projects, 2009 MW in Central Sector from 7 projects and 42.5 MW in private sector from 4 projects. Effective and efficient Transmission and Distribution is as vital as the generation of power. The need of power in the State is growing, so does the generation. In order to transfer the Power from point of generation to point of consumption effectively, the Transmission and Distribution infrastructure needs development. The Transmission and Distribution losses in the State are very high of the order of 55 percent. The main reasons for such high losses are technical as well as commercial. The high technical losses are due to existing outdated distribution

network. To minimize losses, the system needs up-gradation and improvements. Commercial losses include theft, unaccounted and uncontrolled consumption of power beyond agreement load, unregistered consumers, lesser contract demand etc. Due to various measures taken by PDD, the losses have shown a downward trend. The losses during 2013-14 have reduced by 3% as compared to 2012-13.

Connectivity

A well- developed network of roads is necessary not only for the economic development of the State but for its social, political and cultural development. It is required to exploit the rich natural wealth of the State, to develop indigenous industries, to explore new markets for its products and to promote tourism. To this effect the State government has been focusing on construction of new roads, maintenance and upgradation of already existing roads, construction of bridges and culverts and connecting villages with a network of roads. Road length maintained by PW(R&B) Department has enhanced from 18368 kms in 2007-08 to 31921 kms during 2013-14 (ending March, 2014). Under PMGSY scheme, 1676 habitans were connected through road which included 1393 habitations with population of 250+ and 283 habitations with population of 250.

Work on 25 km Udampur to Katra section has also been completed and was opened on 4th July, 2014 by Hon'ble Prime Minister Shri Narendra Modi. This 25 km section too is an example of engineering marvels as pier of the bridge on Jhajar khad, is the tallest in the Indian Railways and is even taller than Qutab Minar. This section involves about 10.9 km of tunneling, 9 important/major bridges, 29 minor bridges and 10 ROB/RUBs in addition to about 38.86 lakh cum of earthwork. The tallest bridge in this section is 85 metres high and longest tunnel is 3.15 km long.

Communication

The overall Teledensity in India increased from 76.36 at the end of August 2014 to 76.75 at the end of September 2014. The overall Teledensity for J&K state is 69.98. Rural Teledensity is 45.6 and urban Teledensity is 132.73 for J&K state.

The total post offices in J&K are 1699 out of which 03 are seasonal post offices which function for only two months during Amarnath yatra period. Out of these 1699 post offices, 09 are head offices, 256 are sub post offices and the remaining 1434 post offices are Extra Departmental Branch Office (EDBO's). On an average, 01 post office serves 7382 people as on 31-03-2014 in the state as per census 2011.

Poverty

Poverty is one of the main issues and indicates a condition in which a person fails to maintain a living standard adequate for a comfortable lifestyle. Mere growth of economy cannot bring social justice and balanced development unless it is coupled with poverty alleviation and employment generating opportunities for deprived and marginalized sections of the society. The survey conducted by the State during 2007-08 put the BPL population at 21.63 percent. A host of poverty alleviation programmes are in operation in the State mostly with central assistance.

Unemployment

Unemployment is a social issue of serious concern. The survey on employment – unemployment carried out by NSSO provides estimates on various characteristics pertaining to employment and unemployment at the National as well as State level. The latest NSS Survey- 68th round conducted during July, 2011 – June, 2012 throughout the country constitutes an important source of information on unemployment. Unemployment rate as per Usual Principal Status (UPS) in J&K has come down from 5.3% to 4.9% during the period July, 2009 to June, 2012 i.e. (66th & 68th Round of NSS respectively) which is still higher than the unemployment rate of 2.7% at all India level.

Prices

Consumer Price Index for Industrial Workers (CPI-IW) is the most well known index used, inter alia, for measuring inflationary trends for policy formulations in the country. The average inflation rate at All India level from April to December 2014-15 [CPI-IW] was 6.2% while at the J&K level it was registered at 7.9%.

Damage caused due to Floods of September, 2014

Untimely heavy rains from 1st to 6th September, 2014 caused devastating floods and landslides in J&K state affecting badly some parts of Jammu Province and most of the parts of Kashmir Valley. The river embankments caved in and eroded habitations, hospitals, schools, Govt. offices and many other buildings and infrastructure. More than 700 villages remained submerged. Srinagar city got submerged due to flood water. About 300 persons lost their lives in floods. 6.48 lakh hectares of agricultural/horticultural land got affected. About 3 lakh houses got fully or partially damaged. Govt. of J&K assessed the damages at Rs 43959.56 crore and with prior approval of State Cabinet submitted the proposal to Govt. of India for providing

special financial assistance. Financial assistance for the package is awaited from Govt. of India and the people of the state eagerly look forward for financial help from Govt. of India.

Natural Disasters

Two Haunting threats to J&K state that need serious attention from all stake holders are 1. Earthquake and 2. Floods. Owing to its peculiar topography, rugged terrain, extreme weather conditions and underdeveloped economy, the state has suffered a lot on account of natural disasters leading to loss of human lives and public and private property.

Earthquake

Most parts of the Kashmir valley (11% of the area of the State) covering districts of Srinagar, Ganderbal, Baramulla, Kupwara, Bandipora, Budgam, Anantnag, Pulwama, Doda, Ramban, Kishtwar fall under seismic zone V where about 50% of the population of the state lives. On the other hand whole of Ladakh region, and Jammu Division (90% of total area of the state) fall under seismic Zone IV. The lives and properties in these zones is at high risk and therefore safety measures for public and private infrastructure are required to be taken in a sustained manner by all the stakeholders.

Floods

Low lying areas of Kashmir valley, especially Awantipora, Srinagar, Sonawari are prone to devastating floods anytime while parts of Jammu province which get high discharge during rains which causes devastation. Upper catchments of all the tributaries of Jhelum, Chenab, Indus and Tawi are prone to flash floods. The historical city of Srinagar which got submerged due to floods of September, 2014 will require special focus for constriction of flood protection infrastructure, dredging of rivers and development of one more flood spill channel to off load the main river from flood waters. The insulation of the city and towns from floods will be number one priority for the Government in the coming years.

Chapter four Resource Profile.

Mineral Wealth of J&K.

A natural inorganic substance possessing a definite chemical composition and almost always in a crystalline form is called mineral. Mineral is formed by the inorganic processes of nature. This definition includes ice as a mineral but excludes coal, natural oil and gas. The only allowable exception to the rule that a mineral must be solid is native mercury (quicksilver) which is a liquid. The mineral and power resources are the backbone of industrial and technological development of a country or region. Moreover, transportation and accessibility, costs, and supply and demand are the major determinants of industrial development. It is often said that the economic prosperity, industrial development, technological advancement and overall social well-being of a region/country are largely dependent on minerals, power and human resources. The mineral and power resources are however, high unevenly distributed and in many cases they are not easily accessible. They are mostly exhaustible. However, large the deposits of a given mineral, the continuous mining will exhaust the ores. Men may apply the latest techniques and technology in order to extract every bit of valuable ore or they may continuously prospect new areas to find hitherto unexploited mineral, but they can never increase or replace the mineral that are mined. Most of the minerals are thus finite, exhaustible and non-renewable. The state of Jammu and Kashmir is well endowed with forest, and water resources. It is however, deficient in coal, petroleum, natural gas, iron-ore, manganese, thorium, uranium, aluminium, mica, sillimanite, phosphates, dolomite, mercury, silver, etc. Some of the important minerals found in the state are copper, lead, zinc, bauxite, chromium, gold, arsenic, kaolinite, bios-pore, ochre, coal, lignite, slate, marble, sapphire, rubellite, quartz and serpentine.

Coal:

Coal is the most important of the minerals which helps in the industrial development of a region. Coal is a combustible rock which has its origin in the accumulation and partial decomposition of vegetation. Coals differ in the kinds and manners of preservation of plant material (type). They vary in degree of carbon concentration and in the amount of inorganic impurities. The main types of coal are anthracite, bituminous, lignite and peat. The state of Jammu and Kashmir has very limited coal deposits. It is the Reaisi Subdivision of the Udhampur district in which coal of anthracite quality occurs in some widely distributed seams of 30 cm to 6 cm in thickness in association with nummulitic strata. The latter occur as inliers in the Murree Series. Spread over a length of about 80 km (48 miles) and sandwiched between Sirban limestone on the one hand and Murrees on the other, within the Eocene formation the coalfields are unlike the Gondwana coalfields

in which the limits are well-defined by faults and/or older rocks. The intense and complex tectonic movements, however, have restricted the limit of coalfields up to the extent these can be economically exploited. The high grade of Jammu coal is due to the organic forces, affecting the coalification increase towards the west, thus, carbonizing the original vegetal deposits. Middlemiss has estimated the quantity available at 100,000,000 tonnes with mining at ordinary depth. Some of the Riasi semi-anthracite contain 60 to 82 per cent of fixed carbon. Field survey and prospecting conducted by the Geological Survey of India in the 1980s, reveals that lignite, anthracite, and peat deposits are found in small quantities in some areas of the Jammu and Kashmir divisions. The coal deposits of the state do not belong to the carboniferous period. They have their origin to the Lower Tertiary, Eocene, or Oligocene periods, and are found in association with Nummulitic limestone (Murree Series). They have low carbon contents, ranging between 50 to 60 per cent. The major coal deposits of the state are found at Kalakote, Jangalgali, Metka, Ladha, Chinka, Dhansal, Swalkote, Chakar, Dandil, Mohogala, Sangar-Marg, and Kura. Coal has also been reported from the Baramulla, Handwara, and Pulwama districts of Kashmir. Lignite is found at Shaliganga, Chowkibal and Nichahama (Kashmir Division). It has been estimated by the Geological Survey of India that the Kalakote coal mines have a workable reserve of about 5.4 million tonnes up to a depth of about 300 m. An analysis of the Kalakote coal reveals that it is of low volatile anthracite grade with ash content varying from 10 to 20 per cent and fixed carbon about 60 to 80 per cent. In Ladda and Jangligali coal field's reserves are estimated to be about five million tonnes. The coal of Ladda also has about 50 per cent carbon and about 20 per cent impurities and moisture contents. The Geological Survey of India has carried out explorations at Mohogala and Metka (Poonch District) and arrived at the result that these places, up to a depth of 300 m have about 9 million of coal. The fixed carbon in the coal of these deposits is about 57 per cent, volatile 30 per cent and ash and moisture 10 and 3 per cent respectively. At present coal is being mined near Kalakote to feed the only thermal power plant of the state at Kalakote. The rated capacity of the plant is 7.5 MW and 35,000 tonnes of coal is being mined annually in its vicinity. The energy generation capacity of the plant may be enhanced substantially if new generators are installed in the Kalakote Plant and new technology is applied for the mining of coal. Lignite deposits are found mainly in the Valley of Kashmir which occur in the Karewa formations, right from Nichahom upto Lolab. The lignite seams are, however, associated with clays and loams and are inter-bedded in carbonaceous clays in various localities of Kashmir Division. The major lignite deposits are in the vicinity of Nichahom, Chowkibal, Budhasheng, Lanylab, Shaliganga, Raithan and Tangmarg. According to the Geological Survey of India, Nichahom lignite seams occur from north to south, running over a distance of about 85 km and the estimated reserve of lignite in this mine is about 85 km and covering a width of 16 km up to a depth of 8 m. The estimated reserve of lignite in this mine is about 6 million tonnes. In between Nichahom and Chowkibal a reserve of 8 million tonnes has

been estimated. The total estimated reserve of lignite deposits in the state, according to the Directorate of Geology and Mining is about 85 million tonnes, but owing to thin seams and high ash contents, it is mined only at Nichahom in Kashmir. In fact, the lignite of Kashmir Valley contains only 8 to 25 per cent carbon, 30 per cent ash, 15 per cent moisture and 27 per cent volatile matter. Peat—a superficial accumulation consisting of vegetation matter which has become decomposed to a certain limited extent in the cold regions is also found in the Valley of Kashmir. Its deposits are found mainly in the swampy grounds on both the sides of the Jhelum River below Srinagar. Peat is cut and dried before being used as fuel. It is applied in field as a manure. The Kashmiris call peat as demb-tsak.

Natural Gas:

Natural gas has not been struck so far in any part of the state. In Jammu Division, areas like Ramnagar, Dharmthal, Nauashara and Rajauri are under investigation for natural gas. Occurrence of dry gas has been reported by the Oil and Natural Gas Commission (ONGC) in the Kashmir Division. The ONGC has proved the existence of 'Dry Gas' at the Silk Factory Road, Ram-bagh (Srinagar). Various indications such as sulphurous water, hot springs, gas seepage, etc., have been noticed in several areas of Jammu and Kashmir which prove that in near future oil and natural gas may be found in the state.

Metallic Minerals:

There are a few metallic minerals found in the state. Though at present the state is producing very little metallic minerals, there are evidences which prove that gold and copper have been mined in the Ladakh and Kashmir divisions respectively since the medieval period. The occurrence of metallic minerals in the state is in isolated tracts and in many cases their exploitation is uneconomic. A brief description of some of the metallic minerals found in the state is given in the following paragraphs.

Iron-ore:

Iron-ore is obtained from hematite and magnetic mainly found in igneous rocks. The state of Jammu and Kashmir does not possess significant deposits of iron-ore. There are however, some workable iron-ore deposits in the Riasi Tehsil of Udhampur district, in association with the Nummulitic Series, which supported a number of local furnaces for the manufacture of munitions of war during the last two centuries. Still no area of iron-ore has been identified in the Kashmir and Ladakh divisions of the state. The non-availability of iron-ore is one of the main reasons for the industrial backwardness of the state.

Gold:

Gold is one of the rare and precious minerals. It is found in hydrothermal veins in the crust or in alluvial grains, placer deposits and conglomerate. Gold bearing quartz veins have been found in areas of Dras, Suru and Indus Valley in the Kargil and Leh districts of Ladakh Division. The gold found in quartz veins gets exposed under the impact of weathering and may be transported by running water. In fact, particles of gold have been noted as placer deposits in the course of rivers and streams of Ladakh and the terraces of Indus River. Gold has been traced in conglomerate deposits in the valleys of Dras, Suru and Indus, forming a contiguous deposit, ranging in thickness from one metre to four metres. It is estimated that 0.6 gram of gold can be obtained per cubic metre of conglomerate in Ladakh. Alluvial gold- washing is carried on in the sands and gravels of many of the tributaries of the Indus River.

Copper:

Copper is extracted from the ore of chalcopyrite which is found in rocks like serpentine, diorite, chlorite schist and slates. Chalcopyrite a double sulphide of copper and iron is the main copper-ore found at Sumbhar (Anantnag), Lashtial (Baramulla) and Ganderbal. In Ladakh region native type of copper has been reported from areas of Zaskar. Investigations about the occurrence of copper in Doda District have also been started. It is hoped that copper-ore in all the quartz veins of quartzite rocks of the Doda District have appreciable quantities of copper which may be extracted economically.

Lead:

Lead does not occur in nature as the native metal, yet it has been known to man since the earliest times because of its easy extraction from the ore. It is a mineral of great economic importance as it is used largely in numerous industries. The main ore of lead is galena. It is found in hydrothermal veins. Galena is a grey coloured mineral. It has shining metallic lustre, relatively soft and very heavy, often crystallizing in nearly perfect cubes. Galena and other ores of lead are found in association with slate, phyllites graphite-schist and limestone near Ramsu (Jammu Division). About one million tonnes of galena has been estimated in the Ramsu region of the Doda district. In the Division of Kashmir, galena deposits have been reported in Buniyar (Baramulla). The ore of Buniyar deposits may yield 30 to 70 per cent of lead. Several parts of side-valleys of Kashmir are being investigated and there is a strong possibility of lead deposits in the Panjal Trap formations.

Bauxite:

Bauxite is a residual deposit formed under special climatic conditions. It is a mixture of hydrated aluminium oxides, but the name is applied particularly to varieties of the rock

laterite rich in hydroxides of aluminium which are the chief ores of the mineral. Bauxite is a mineral of great economic importance. Being light and resistant, it is used mainly in aircraft industry. In the state of Jammu and Kashmir extensive deposits of bauxite are found in Chhakar (Riasi), near Songarmarg, Salal, Panhasa, Baladanu, Sangarmarg, Sukhwal-gali and Khander in the districts of Rajauri and Udhampur. The Geological Survey of India has estimated about 12 million tonnes of bauxite in these fields and the analysis has revealed that the ore contains 60 to 70 per cent of alumina. In 1994-95, the production of bauxite was over 2125 tonnes. A calcined bauxite unit set up by the Kashmissa Industries at Jammu, started production in 1983.

Chromium:

Chromite is used in the manufacturing of refractory bricks for furnace-linings. Its chief metallurgical use lies in its being the raw material of chromium. An alloy of chromium and iron (ferro-chrome) is used in the making of rustless and stainless steels and armour plates. A large amount of chromium is used in the manufacture of mordants and pigments, because of the red, yellow, and green colours of its salts. The main ore for chromium is the chromite which is found in ultra-basic igneous rocks and serpentinites. The chromite-ore occurs usually as brown or black crystal. In the state, chromite deposits are found in the cretaceous volcanics of Burzil, Dras, Bumbat, Tashgam, and Kargil Valley of Ladakh. It is mainly used in metallurgy.

Zinc:

Zinc is obtained from the zinc sulphide and zinc blend. The mineral is found usually in limestone and veins associated with copper and lead ores. Zinc is found in Buniyar area in association with galena, chalcopyrite and pyrites. Zinc ore is also found in limestone's deposits of Udhampur.

Sapphire:

Sapphire is a blue transparent or translucent corundum (gem). It is naturally occurring oxide of aluminium and contains as much as 52 per cent of aluminium. In India, Jammu and Kashmir is the only state in which sapphire deposits of good quality are found. The famous sapphire mines of poddar near Sumjam in Kishtwar are located at an elevation of 4,500 m in the upper reaches of Chenab River in the Doda District. In Kishtwar sapphire was discovered in 1882, and since then mining has been going on intermittently. The precious stone is inter-bedded in the rocks of Salkhala Series and is associated with meta-basic, intruded by a number of pegmatite and quartz veins. The sapphire bearing portions are lenticulars composed of plagioclase, feldspars, tourmaline and corundum. The precious stones occur as small prism of 5 mm width and show pyramidal structure. Transparent

crystallized corundum occurs in pegmatite veins cutting actinolite-schist lenticles in Salkhala marble at an altitude of 4,500 m. Associated minerals in the pegmatite are prehnite, tourmaline, beryl, spodumene and lazurite. The Mineral Survey of Kashmir has revealed a large quantity of crystallized transparent corundum. The bulk of the output from the mines is confined to what are called 'rock sapphires' valueless for gems and of use as abrasives, watch jewels, etc.

Ruby:

Ruby is red transparent variety of corundum (gem.) It is found in the areas of Zanskar, Sumjam and Poddar in association with sapphire bearing rocks. Ruby occurs in metasediments and meta-basic intruded rocks such as quartz and pegmatites. A highly productive locality for aquamarines was discovered in the Kashmir Valley in Skardu, whence crystals of considerable size and purity were recovered. The gem occurs in coarse pegmatite veins traversing biotitegneiss.

Tourmalines:

Pellucid and beautifully coloured varieties of tourmaline, red, green or blue, are worked as gems. The green variety known as indicolite occurs in the Poddar area of Kashmir where also some transparent crystals of rubellite are found. The latter tourmalines possess greater transparency, but are much fissured. The Geological Survey of India is exploring new sites in the Doda district of Jammu to discover tourmalines. Besides the above named varieties, other crystallized minerals, when of fine colour and attractive appearance and possessing some of the other qualities of gems, e.g., hardness, transparency, etc., are cut for ornamental purposes in Kishtwar, Doda, Kashmir, Ladakh. Turquoise, opaque, of fine blue colour, usually uncut which is commonly sold in Srinagar is a product of Tibet, or Ladakh. Gem-cutting industry has great potential in Kishtwar, Srinagar, Jammu, Leh and Kargil. There are numerous other non-metallic minerals found in the state, most of which are bedded deposits.

Bentonite:

Bentonite is especial assemblage of clay mineral, in many instances formed by weathering of acid, lavas and pyroclastic rocks. The deposits of bentonite are spread between Bhimber and Kathua in the Jammu Division. These deposits lie, on the gentle dipping slopes of the outer plains of Jammu. Para, Chittopali, Modkali, Uttar Bhimber Bazar and Panipur are the areas of Jammu Division in which bentonite is found. From Bhimber to Kathua there is a continuous bed of bentonite deposit running for a length of about 10 km and about half a metre thick occupying a definite horizon in the Upper Siwaliks. Bentonite is used for cleaning grease spots, soap making, ceramics plaster, and

filling paper, washing silk and cotton clothes. It is also known as ‘ Serati-Mitti’.

Kaolinite (China Clay):

Kaolinite is a clay produced by the decomposition in-situ of the felspar. It is the natural (unwashed) china clay. Kaolinite is found in association with bauxite deposits of Jammu. It occurs between great limestone and breccia and nummulitics and coal measures of bauxite series of the Salal, Songarmar and Chakar areas. The local name of the mineral is Makol. It is used for white-washing purposes. Kaolinite deposits are available upto a thickness of one to four metres in the areas of its occurrence which can be used effectively in pottery making.

Borax:

Borax is deposited as a result of evaporation of hot spring water. It is of use in the manufacture of superior grades of glass, artificial gems, soaps, varnishes and soldering and enameling. Ladakh is the only part of the country in which borax is found. In the form of surface deposits, borax is found in the Puga Valley and Chumathang of the Maheyang area of Ladakh. Annually about 15 tonnes of borax is obtained from these places. There is a project to refine the large reserves of crude borax in the Puga Valley lakes locally and to transport the product by aircraft to the industrial centers of India.

Gypsum:

Gypsum forms large bedded masses or aggregates occurring in association with rocks of a number of different geological formations. Millions of tonnes of gypsum, the alteration product of pyritous limestone of Salkhala age, are laid bare in the mountains of Uri and Baramulla area of Kashmir in a stretch of about 40 km along the strike. Gypsum is an evaporite mineral found in clays and limestone's, sometimes associated with sulphur. It is an important non-metallic mineral of great economic importance. It is a hydrous sulphate of calcium. Snow-white gypsum with intercalation of quartzite and schists is found in areas of Uri, Ramban, Assar, Batote. The industrial use of gypsum is in the manufacture of synthetic fertilizers, plasters, distempers and in the cement factory. It is also used as a surface-dressing for lands in agriculture, and as a fertilizer, with considerable benefit to certain crops.

Gypsum has begun to be used as a source of sulphur in the manufacture of fertilizers. Gypsum mined near Uri is supplied to the Wuyan Cement Factory of Srinagar (Kashmir). Ramban and Assar fields have gypsum deposits of about 19 and 5 million tonnes respectively.

Magnesite:

Magnesite is a mineral of the carbonate group. It is found in irregular veins in serpentine and formed by replacement of dolomite and limestone. In the state of Jammu and Kashmir, magnesite is found in Shergol (Leh-Kargil Road). The recent researches by Rana (1975), Chadha (1978) have discovered good deposits of magnesite in and around Katra (Udhampur) area of the Jammu Division.

Sulphur:

Sulphur is a mineral obtained from iron pyrite or in the neighbourhood of volcanic regions. It is also associated with limestone's, sandstones and salt domes. In the state of Jammu and Kashmir, sulphur is found in areas of recent volcanic activity, around hot springs. Substantial deposits of sulphur have been located in the Puga Valley of Ladakh Division. The Geological Survey of India has estimated a reserve of about 6,000 tonnes of sulphur in the Puga Valley.

Limestone:

Limestone is a carbonate of calcium. Besides, its uses as building stones, and as lime and cement raw material, limestones, if of the required purity, have important uses in the chemical, alkaline, sugar and metallurgical industries. It is found in Manasbal, Bern, Achabal, Barwar, Verinag, Wuyan, Jan- galgali, Salal, Riasi, Basohli, Kalakote and Khalsi (Ladakh).

Slates and Phyllitics:

Slates and phyllites are the metamorphic rocks of great economic importance. Slate is obtained from the vicinity of Banihal, Ramban and Ramsu. It is being used successfully for roofing. In Marpathri near Gulmarg about ten million tonnes of good quality of roofing slate has been estimated by the Geological Survey of India.

Mineral Paints:

A number of rock and mineral substances are employed in the manufacturing of paints and colouring materials. Substances which are suitable for this purpose include earthy forms of hematite and limonite (ochre, geru), refuse of slate and shale quarries, possessing the proper colour and degree of fineness; graphite; laterite, orpiment; barytes, asbestos, mica, steatite, etc. Large quantities of red and yellow ochre in association with graphite-bearing slate occur in the Salkhala System of deposits in the Uri Tehsil of the Baramulla District of Kashmir Division.

Sand and Bajri:

Enormous quantities of sand, pebbles and shingles are available in the Chenab and Tawi rivers and the numerous Nallas and hilly-torrents of the state. Sandstones are in abundance along the Jammu-Srinagar National Highway and the Jammu Punch Road in the Siwaliks and Murree tracts which are being used for building materials. Mineral resources as discussed are exhaustible and therefore, should be used judiciously. The exploitation and conservation of mineral resources largely depends on the technological stage, the location of mineral ore with reference to transport and market. The exhaustible mineral resources deserve special attention. A scientific policy about their exploitation and utilization needs to be formulated.

Minerals Conservation and Environmental Protection: Extraction of minerals is our economic necessity. Our economic structure which is quite complex hinges on industries. These industries draw their raw materials from minerals, forests and agriculture. The large-scale and heavy industries, economic and commercial activities are largely dependent on minerals and metals. The process of extraction of mineral resources and its use in various ways generate a wide range of environmental changes—sometimes having far reaching consequences. While these wasting assets have evoked formulation of national policies for their proper conservation, little has been done to ensure rehabilitation of land adversely affected by mining activities. Since we cannot sustain our economy and society without industrial development, it is imperative to utilize the resources judiciously and to manage the mining industry scientifically. The damage caused to the environment may be reduced if the following steps are taken by the government, the contractors and the people who are directly or indirectly involved in the mining industry.

1. There should be a legislative provision for full responsibility of treatment and environmental rehabilitation on excavated areas squarely on the mining agencies. There should be legal binding on the mine owners to restore the land they have damaged.
2. There must be compulsion for stacking and preserving topsoil in order to cover back the excavated parts with debris produced and then put a cover of soil over it so that crops and grasses may be grown over it
3. There should be incentives for successful programmes of land restoration, soil conservation and afforestation.
4. There should be serious attempts to stabilize the slopes, not only during the excavations but also afterwards to ensure that stability is maintained in future also. For this purpose, there should be construction of drainage network, and retaining walls.
5. There should be restriction on mining in the geo-dynamically sensitive and ecologically fragile parts of the mountains.
6. Deeper excavation on the surface or underground digging causes the water table to sink locally, resulting in the wells and springs of the vicinity going dry. Mining of limestone, etc., in the neighbourhood of towns and villages therefore should be restricted.

7. The miners should be provided safe drinking water by the mine-owners.
8. The deep depressions formed by deep mining can be converted into lake to develop picnic spots or they may be used for dumping municipal and industrial wastes. These waste dumps may be subsequently covered with topsoil and afforested.
9. There should be more research to develop the new technology for the optimal extraction of minerals which may be eco-friendly.
10. There should be environmental awareness among the masses who can help in the restoration of the degraded mining tracts.

Industrial Profile

Industrialization is a key to economic development of a country. This is true for an underdeveloped economy like India where the industrialization produces avenues for absorbing the excess manpower and also ensures availability of mass consumption goods for a vast population. The process of industrialization helps in harnessing and transforming the raw resources into useful consumer products and effective means and tools of production and in the development of infrastructure. The industrial sector possesses a relatively high marginal propensity to save and invest, contributes significantly to the achievement of a self sustaining economy with continued high levels of investment, increase in levels of income and employment. In a developing country like India, where per capita income is very low and population is very high, with majority living in villages, it is highly desirable to develop small scale industries which have capacity of absorbing more and more unemployed youths. In view of several advantages such as small gestation period, small investment, balanced growth etc., industrialization helps to bring about a self sustained and self reliant economy. It increases the purchasing power of the people engaged in industrial sector and hence the market for industrial goods increases. Industrialization helps in bringing about qualitative changes in other sectors also such as agriculture, social, political etc. Pt. Jawaharlal Nehru in an inaugural speech delivered at the meeting of the National Development Council, New Delhi in November 1963 observed: "Agriculture is more important than industry for the simple reason that industry depends on agriculture. Industry which is, no doubt, very important, will not progress unless agriculture is sound, stable and progressive." For a country like India, where labor is abundant and capital scarce, the argument for small scale industries is very strong. Small scale industries can be set up anywhere in the country and thus can help in removing the regional disparities (Hussain, 2003). The state of Jammu and Kashmir has primarily an agriculture economy unlike some other states in the country. There are no large scale industries in the state. Many small and medium scale industries have come up basically in the traditional sector along with some new areas like food processing, agro based units, wood based units, metallic and non metallic products etc. However natural factors are more conducive for small scale industries like handicraft, cricket bat industry, village industries etc. Besides due to the saturation of employment opportunities, industrial sector has been declared as the main vehicle for accelerating economic activity.

Large number of incentives and supporting services are available to the industries in the state. A web of banks has appeared across the geographical area of the state. Moreover, a network of institutions has been created to promote the development of industries in the state. Further, Economic and competitive conditions in the state are not

unfavorable to conducive industrial environment. However, the greatest weakness to the conducive industrial environment in the state has been its undesirable socio-cultural imperatives. Industrial infrastructural facilities in the state has remained far from satisfactory, particularly in the valley o f Kashmir. Electric power is in short supply, railway networking is missing, capital is scarce, some technical skills are not available locally and peace essential for smooth functioning o f industries is missing in the state. The state has remained unfortunate with regard to its political stability right from 1947. The state still remains the bone o f contention between India and Pakistan and so far three wars have been fought by these two countries over Kashmir. The political uncertainties are looming over the state. Further, the entrepreneurship skills which are highly essential for better utilization of natural bounties are almost scarce in the state. The youth o f the state in particular, in Kashmir Valley has shown little preference toward entrepreneurship. It is also that the state is overlooking the need for entrepreneurial development. The above deficiencies in the industrial environment can be improved upon without any difficulty which calls for both political and administrative will. Power supply, technical skill base and entrepreneurship is expected to improve in the years to come, however, political uncertainties seems unlikely to settle down to its logical conclusions in the near future.

Institutional Support for Industrial Development

Industrial Promotional Agencies of Jammu and Kashmir Government.

There are 53 Industrial Estates in the State spread over an area of 31,335 Kanals. 29 new Industrial Estates are at different stages of development. There is huge scope in the state for taking up of manufacturing activities in the field of Food processing, Meat processing (Mutton/Chicken), Leather, Pharmaceuticals, wood based Industries viz sports goods/bats/willow wicker etc, high grade raw silk, woolen fabrics, computer/electronics and Information Technology. J&K offers good market for all types of consumer goods in view of its population being more than 1.25 crore and a vast floating population in the shape of tourists (over 1 million per year) and yatries (over 15 million per year) visiting the State for leisure and pilgrimage respectively. The Industries and Commerce Department, administers and monitors the functioning of the following Organizations/Public Sector Undertakings/ Boards/Institutes:

Directorate of Industries & Commerce, Kashmir.

The Directorate of Industries & Commerce, Kashmir is the premier organization which deals with all aspects of planning and development of small scale and tiny industrial units in the Division. It acts through 12 District Centres (DICs), one in each district. Apart from creating infrastructural facilities for industrial development in the shape of establishing industrial estates, export promotion parks and growth centres where fully-developed land, power, water roads et al, are available and where prospective entrepreneurs are encouraged to establish their ventures, the Directorate provides facilities of according various registrations, imparting training to entrepreneurs, coordinating with various sister agencies, granting different State/Central Government incentives to various industrial units.

Directorate of Industries & Commerce Jammu

The Directorate of Industries & Commerce was bifurcated in year 2007 into two Directorates i.e. one for Jammu Division & other for Kashmir Division. A committed Government & increasingly responsive bureaucracy is continuing efforts to be consisted & persistent in promoting investments with on attractive package of incentives the state is emerging as a land of opportunities for investments, those who are already here are happy & many are proposing to expand. The existing industrial estates in the state managed by Directorate of Industries and commerce is with no. of units .About 10,000 kanals of land is

being acquired under 18 Land Acquisition cases to develop new Industrial Estates or to expand the existing Industrial Estates across the state.

J&K STATE INDUSTRIAL DEVELOPMENT CORPORATION LIMITED (SIDCO)

State Industrial Development Corporation Limited was established under the Companies Act of 1956 in the year 1969 as a premier Organization of the State Govt and is primarily responsible for the promotion and development of Medium and Large Scale industries in the State. Functions/duties assigned to SIDCO

SIDCO is a nodal agency for the implementing/executing projects related to:-

- ❖ Development of Medium & Large Scale Industries.
- ❖ Creation of Industrial Infrastructure in terms of Industrial Estates.
- ❖ Assistance to States for Development of Export Infrastructure & Allied Activities (ASIDE) Scheme of Ministry of Commerce & Industry (Govt. of India).
- ❖ Ministry of Food Processing Industries, Govt. of India.
- ❖ Mission Directorate for National Mission for Food Processing Industries, Ministry of Food Processing, Govt. of India.
- ❖ Disbursement of Soft Loan.
- ❖ Executing Agency for Infrastructural Projects for Govt. Corporations wherein work contracts are allotted to SIDCO.
- ❖ Executing Agency for Development of Infrastructure of Trade Facilitation Centre, Salamabad, Uri.

J&K Small Scale Industries Development Corporation Limited (SICOP)

J&K Small Scale Industries Development Corporation Limited (SICOP) has been established in November 1975 as a fully owned Government Undertaking to aid, assist and promote small-scale industrial sector in J&K State.

The Corporation has expanded its areas of operation and today it has District Offices in all 22 District headquarters. At present SICOP is managing and administering nine Industrial Estates namely I/E Gangyal, Birpur, Kathua, ID Centre, Kathua & IID Centre, Udampur in Jammu and I/E Zainakote, I/E Zakura, Silk/Handicraft Park, Zakura and Sports Goods Complex, Bijbehara in Kashmir Division. Sports Goods Complex, Bijbehara was under the occupation of Security Forces since 1990 and has now been vacated by the Security Forces in October, 2013. These estates are spread over an area of 4617 Kanals and 1208 number of units have been allotted land till date. Functions of SICOP The main objectives of the Corporation as per the Articles

& Memorandum of Association of the Corporation are:

- ❖ To develop infrastructural facilities in the form of industrial estates;
- ❖ To reimburse VAT to the local industrial units who purchase their raw material through SICOP;
- ❖ To procure and sell industrial raw materials to the SSI units;
- ❖ To extend marketing support to the SSI units; 5. To provide Testing Facilities to the industry.

J&K Handloom Development Corporation

J&K Handloom Development Corporation was established in 1981-82 with the primary objective of upliftment of handloom sector in the State of J&K. The motive of the Corporation is to promote the economic interests of the weavers through various modes of market interventions through buyer-seller meets. The Corporation was incorporated with an authorized share capital of Rs. 500 lacs. Presently, the Corporation is operationalizing prestigious projects at Bandipora, Kani Shawl projects in Budgam, Pashmina project in Srinagar, Samba, Udampur, Basholi and Kathua. The Corporation is providing modern carpet looms and training free of cost to the weavers. The Corporation has a Regional Office at 113-T/88, Masjid Road, Jangpura, Bhogal, New Delhi and runs showrooms at Jaipur, Kolkatta, Kanpur and Lajpat Nagar, New Delhi. J&K Handicrafts (S&E) Corporation Limited

The Corporation sales and export handicrafts, handloom and Khadi products of Village Industries and other products processed and manufactured in the State. It makes available technical and other assistance to co-operative societies, small traders and their associates.

- ❖ To organise marketing channels for artisan products.
- ❖ To provide backward and forward linkages.

The Corporation has its sale outlets within and outside the State of J&K. The main locations of its emporiums are as under:-

1. Government Arts Emporium, Bangluru;
2. Government Arts Emporium, Garihat, Kolkata;
3. Government Arts Emporium, Chowringhee Road, Kolkata;
4. Government Arts Emporium, SP Mehta Road, Mumbai;
5. Government Arts Emporium, Goa;
6. Government Arts Emporium, Chandigarh;
7. Government Arts Emporium, WTC, Mumbai;
8. Government Arts Emporium, Lucknow; and
9. Government Arts Emporium, Baba Kharakh Singh Marg, New Delh 5.

J&K Industries Established in 1963 with an authorized Capital share of Rs. 20 crores and paid up capital of Rs. 16.26 Crores. JKI is presently engaged in the manufacturing activity of Silk Fabrics at Government Silk weaving Factory, Rajbagh; Woolen Fabrics at Bemina and Joinery/Furniture items at Government Joinery Mills, Pampore and Jammu.

Khadi, Village & Industries Board (KVIB)

KVIB is a statutory body established under the J&K KVIB Act, 1965 with the aim to plan, promote and organize Khadi and Village industries in the State. Implements various programmes of Khadi Village and Industries Corporation like Prime Minister's Employment Guarantee Programme. Objectives are as

- ❖ To promote and develop Khadi and Village industries and produce Khadi products
- ❖ To provide employment to unemployed youth of the State.
- ❖ To create self reliance amongst the people and building up of strong rural community spirit.
- ❖ To provide opportunity to the rural population to undertake creative and productive activities which generate self-employment and income?

Entrepreneurship Development institute (EDI)

Jammu and Kashmir Entrepreneurship Development Institute (J&KEDI), a pioneering institute of Entrepreneurship Development in the State of Jammu and Kashmir, is playing a major role in providing a pro-entrepreneurial environment to foster the progress and prosperity of the State. This Institute is to assist the government in formulating and implementing its policies for entrepreneurship development through a host of services like research, consultancy, information, training and education. The Institute offers an effective platform to the existing and potential entrepreneurs to share their experiences for common good, and enabling them to steer their ventures towards profitability. Established by the State Government in March 1997 as a society of the Government of Jammu and Kashmir, the Institute started its regular activities from Feb, 2004. The Institute has established its two regional centres at Srinagar and in Jammu. The Institute has the facilities of well furnished and spacious auditoriums, lecture halls, computer labs with books, reports, journals project profiles, periodicals, videos, reference work and related literature books.

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 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. 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.

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

Craft Development Institute:

CDI, Srinagar is an autonomous Institute established by the office of DC-Handicrafts, Ministry of Textiles, Government of India and Department of Industries & Commerce (Directorate of Handicrafts), Government of Jammu & Kashmir. Established in February 2004, CDI is managed by an Executive Committee headed by the Principal Secretary (Industries & Commerce), Government of Jammu & Kashmir.

Indian Institute of Carpet Technology Srinagar (IICT).

The Indian Institute of Carpet Technology Srinagar (IICT) is an Autonomous institute, established by office of the Development Commissioner (Handicrafts), Ministry of textiles, Govt of India and the Department of Industries and Commerce (Directorate of Handicrafts), Govt. of Jammu & Kashmir. The IICT, Srinagar has been set up to provide technical support and development support to the carpet industries specific to Jammu & Kashmir. The main activities of IICT Sgr resolve around, Human Resource & Development (HRD), Research & Development(R&D), Design Creation and Development(DCD)and other Technical services to the industry. The IICT, Sgr is a satellite centre of Institute of Carpet technology, Bhadohi. The institute commenced functioning in the financial year 2004-05.

The aims and objectives of IICT Srinagar are:

To provide technical service support to the regional carpet industry through Research and Development (R&D), Human Resources Development (HRD), Design Creation and Development (DCD) and other Technical Services (TS) .To organize and provide education and training in one or more aspects of carpets and textile technology To introduce and integrate the use of digital technology towards enhancing the production and trade of the region carpet industry.

School of Design.

Design of basic importance in any production, for it is the designs that give identity to the object. Its significance lies in the fact that it is the projection of creative urge of human being Kashmir which has one of the richest craft traditions, had kept alive its crafts largely as a tourist trade, the same designs had more or less continued decade after decade with very little variations.. the same designs had more or less continued decade after decade with very little variations.. In order to give more color and life to the designs of Kashmir Handicrafts a design unit called School of Designs was established in late fifty's.

Industrial Promotional Agencies; Government of India.

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:

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.

- ❖ 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

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.

Small Industries Development Bank of India (SIDBI)

Small Industries Development Bank of India (SIDBI) is an apex Bank for Small-Scale Industries. It 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.

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 turn 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.

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. Directorate of Industries: Directorate of Industries, which is located at Jawahar Udyog Bhavan, Rail Head Complex, and 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.

Chapter Seven

Industrial Infrastructure.

Infrastructure is key to development and catalyst for industrial growth, it 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 still minimum infrastructure for starting small scale industries is available. As on 31st December, 2015, 29,449 Small Scale units were registered in the State with a total investment of Rs 3,609.82 crore, providing direct employment to 1, 35,892 persons. In addition, 83 Large and Medium Enterprises with an investment of Rs. 4,083.52 crore also stood established in the State providing direct employment to 18,923 persons. There are 53 Industrial Estates in the State spread over an area of 31,335 Kanals. 29 new Industrial Estates are at different stages of development. The existing industrial estates in the state are managed by Directorate of Industries and commerce, SIDCO and SICOP.

Industrial Estates Managed by the Directorate of Industries Kashmir

S.NO.	Name of the Estate	Area (In Kanals)	Total no. of units
1	BAMK Sgr.	144	110
2	Ganderbal	106	33
3	Barzulla	102	67
4	Pulwama	24	04
5	Chattapora	96	19
6	Shopian	62	10
7	Anantnagh	57	49
8	Anchidora	86	48
9	Bijbehara	27	25
10	Kulgam	19	10
11	Baramulla	58	26
12	Sopore	82	23
13	Sumbal	45	06
14	Bandipora	01	02
15	Branwari	15	07
16	Leh	237	52
17	Kargil	09	10

Industrial Estates Managed by the Directorate of Industries Jammu

Sno.	Name of the Estate	Area (In Kanals)	Total no. of units
1	Digiana	137.09	106
2	Jammu Cantt	96.00	34
3	Akhnoor	29.05	21
4	Samba	20.00	13
5	Udhampur	49.04	22
6	Reasi (Gran)	25.00	0
7	Kathua	376.08	85
8	Hiranagar	52.06	24
9	Billawar	53.00	7
10	Kheora, Rajouri	52.00	51
11	Poonch	29.07	44
12	Sangrambata, Kishtwar	42.15	8
13	Dandi Bhaderwah, Doda	54.06	

Industrial Infrastructure Managed, By J&K SIDCO .

Jammu & Kashmir State Industrial Development Corporation Ltd.(J&K SIDCO) has been incorporated as a fully Govt. owned Company. The activities of the company are to develop infrastructure for establishing large sized Industrial complexes and Estates beside implementing centrally sponsored schemes for Industrial Growth Centers, Export Promotion Industrial Parks, Food Processing Zones, Software technology parks etc. 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.

Growth Centers:

SICOP has developed one I.I.D. growth Center at Battle Balliian, 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 Centers 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).

Industrial Infrastructure Managed, By J&K SIDCO

Industrial Infrastructure Managed, By J&K SIDCO across The State are under

S.No.	Name of the Industrial Complexes	Total Land (In Kanals)	No. of units
1	I. C. Bari-Brahmana	6152	464
2	EPIP Kartholi	1000	75
3	IGC Samba	3494	247
4	Industrial Estate, Kathua Industrial Estate, Ghatti, Kathua	209 2173	05 Under Development
5	I.G.C. Lassipora	6193	117
6	I.E. Rangreth	1147	193
7	I. E. Khunmoh	Phase I 535 K Phase II 436 K Phase III 907 K	564
8	Food Park Khunmoh	160	43
9	I. E. Shalteng	94	42
10	Food Park Doabgah, Sopore	201	24
11	Industrial Estate, Ompora, Budgam	1000	Under Development

Industrial Infrastructure Managed, By J&K SICOP.

The SICOP has contributed significantly in creating the basic infrastructure for the SSI units. The Corporation has developed seven industrial estates spread over an area of 3489 kanals which have been provided with facilities like power supply, water supply, roads and drains etc. These estates are located at Zainakote, Zakura & Bijbehara in Kashmir Division and Gangyal, Birpur, Kathua and Udhampur in Jammu Division. The Industrial Estates have provided an opportunity to more than 1000 numbers of SSI units to establish their industry in these estates. A full fledged engineering wing exists in the Corporation to exclusively look after the affairs of these estates.

1. *Industrial Estate Kathua*
2. *Industrial Estate Govindsar.*
3. *Industrial Estate Udhampur*
4. *Industrial Estate Gangyal*
5. *Industrial Estate Birpur*
6. *Industrial Estate Zainakote*
7. *Industrial Estate Zakura*
8. *Industrial Estate Handicraft & Silk Park Zakura Srinagar*

Details of these projects are as under:

1. Salient Features of Industrial Estate Kathua.

Project Cost	110.00 lacs
Year Of Development	1988
Total Land	522 Kanals
Land under Plots	403 Kanals
Land under roads & utilities	119 Kanals
Total No Of Units	118 nos
Functional Units	71 nos
Non-Functional Units	24 nos
Different Stages	20 nos
Closed Units	03 nos
Roads	
Road 40 feet	1.60 Kms
30 feet wide	1.86 Kms
Roadside drains	6.92 Kms
Closed Units	03 nos
Power Supply	
Sub Station: 11KV of 1x10 MVA Capacity	
Employment Generated	5000

Line of Activity of Units:

Steel Rolling Mills; Wire Nails; Conduit Pipes; Manufacturing Cement; Cricket Bats; Hosiery Items; Paper Mills; Vanaspati, Food Products; Card Board; Yarn; Edible Oil; Pasteurized Milk & Flavored Milk, Cheese, Desi Ghee, Curd; Plastic Granules; Pappar, Barian; Lead Alloys; Plastic Water Storage tanks; Perfumes; Mosquito coils; Batteries; Fabrication Of Machine Parts; Paints, Distemper; cattle Feed; Aluminum Ingots; Garments; Tyre Retarding; Disposable Crockery; Laundry Soaps; Adhesives Tapes; Flour, Maida, Suji; PCC Poles; Rusk & Breads; Mattress, Pillows; Copper Wire; Auto Electrical Parts, etc.

2. Salient Features of Industrial Estate IID Govindsar Kathua.

Total Land	780 Kanals	
Year Of Development	2008-09	
	Phase Ist	Phase IInd
Land	580 Kanals	200 Kanals
Land allotted	381 Kanals	166 Kanals
Earmarked	35 Kanals	16 Kanals
Under Utilities i/c Disputed land	164 Kanals	18 Kanals
Project Cost	864.49Lacs	325.95Lacs
Share		
G.O.I Share	400.00Lacs	
State Share	464.49Lacs	325.95Lacs
Funds Received from		
G.O.I	370.12Lacs	
State Govt	464.49Lacs	94.51 Lacs
Units		
Total	84 nos.	06 nos.
Functional Units	32 nos.	03 nos.
Different Stages	52 nos.	03 nos.
Roads		
Road 60 feet wide	1.33 Kms	

40 feet wide	1.66 Kms
Roadside drains	6.00 Kms
Power Supply	
Sub Station: 1 x 66/11 KV of 1x20 MVA Capacity	
Employment Generated	5000

Line of Activity of Units:

Flour Mills; Steel Fabrication; Card Board/Corrugated Boxes; Paints, Chemical; Soap & Detergent; Mineral Water; Power Transformers, Gen Set; Cricket Bats; Insecticides, Pesticides; Woolen & Cotton Garments; PVC Door, Window Frames etc.; Writing/Printing & Kraft Paper; Fabrication of Machinery for Cement Plant & Accessories; Poly Film; Pasteurized Milk & Flavoured Milk, Cheese, Desi Ghee, Curd; Ready Made Garment; Pharmaceuticals including Tablets, Capsules, Injections; Bakery like Biscuits, Rusk, etc.; Emulsifiers, Micro Nutrients/Biozymes, Water soluble/NPK Fertilizers; Lead Metals, Nickel Carbonate, Cobalt Carbonate; HDPE Pipes & Fitting etc.; Fluid Power/Hydraulic Fluid/Additives Heat Treatment et.; Packaged Drinking Water, carbonated soda water; Calico Printing Embroidery works; Cardboard Boxes, Duplex Cardboard boxes, Multicolor cartons, etc.; Water Based Paints, Industrial Coating & Dry Coating; Shirts, Pants, Ladies Suits, Shorts & Pullovers; Ceramic Decorated Borders/Photo Tiles; Silver coins & Gold coins of all denominations/sizes/shapes, etc.; Acrylic Dinner Set Utensils and Kitchen wares; Ice Cream Cones and Wafers; Plastic Water Storage Tanks, Rigid PVC Pipes, etc.; Fuel Briquettes etc.; PCC Poles /Fencing Post, Hollow blocks, tiles & Bricks etc.; Steel Door/Window frames, Fancy Iron Gates etc.; Water Geysers, Desert Coolers, Steel Almirah, Fan Cooler, Television, etc.

3. Salient Features of IID Centre Battal-Ballian, Udhampur

Total Land	1051 Kanals
Date of acquisition of land/	1986
Date of Commencement of	1998-99
Project under IID Scheme	
Total Cost of Project (Phase-I)	658.03 lacs
Land under Plots	646.83 Kanals
Land under Migrants now in SICOP possession	100.00 Kanals
Land under Roads	148.00 Kanals

Land under CFC		7.00 Kanals
Land under Receiving Station		9.00 Kanals
Land under Park & Slopes		140.17 Kanals
	Phase-I	Phase-II
Land	524 Kanals	427 Kanals
Total number of units:	120	40
a) Functional	52	14
b) Closed	11	00
c) Various Stages	49	05
e) Steps not taken/Court cases	08	21
(Phase-I + Phase-II)	160 Units	

60 Kanals Land of 20 units cancelled/ retrieve was /placed before the SWCC for further allotments to SSI Units.

4. Salient Features of Industrial Estate Gangyal

Total Cost of Project	Rs.117.98 L
Year of Start	
PHASE I	1972-73
PHASE II	1976-77
PHASE III	
AREA	988 Kanals
Total Area of the Estate	i) Phase-I = 288 Kanals
	ii) Phase-II = 300 Kanals
	iii) Phase-III = 400 Kanals
Area under Plots	730.50 Kanals
Area under roads, utilities etc.	257.50 Kanals
ROADS	
Road 40 feet & 30 feet wide	08 Kms
Roadside drains (appx.)	17 Kms
Total No. of units	336 Nos

i) Functional	219 Nos.
ii) Under revival/Expansion	62 Nos.
iii) Closed/Sick	59 Nos
Power Supply	
(a) 4x10 MVA-33/KV Transformer installed on 11 KVA Receiving Station.	
(b) 1x50 MVA – Grid Station 132/11 KV commissioned on 10 Kanals of additional land provided by SICOP to PDD.	
Employment Generated	7000 Persons (approx.)

TYPES OF UNITS:

Steel Rolling Mills, Floor Mills, Steel Fabrication, Card board/Corrugated Boxes, Menthol, Paints, Chemicals, Soap & Detergents, Soft Drinks, Power Transformers, Plastic based units, PVC Cables, Ice Cream, Furniture, Chain Link/Barbed Wire, Ply Board, BA Wire, Nails, water Storage tanks, computer Stationary, RCC Hume Pipes, Pharmaceuticals, Batteries, Cricket Bats, Photocopier, Readymade Garments, Food based, walnuts, Aluminium Utensils, P.U. chapels, Pencils, Water fittings, Offset Printers, Copper Ingots/Copper Drawing Mills, Arms, Edible Oil, Leather Shoes, Distillery, Glow Sign Board, Conductor, Bakery items etc.

5. Salient Features of Industrial Estate Birpur.

TOTAL COST OF PROJECT	89.55 LAC
YEAR OF START	1986-87
AREA	
TOTAL AREA	306 KANAL
AREA UNDER PLOTS	249 KANAL
AREA UNDER ROADS & UTILITIES	57 KANAL
ROADS	
48 FEET WIDE	1225 FEET
30 FEET WIDE	6000 FEET
DRAIN LENGTH	5.00 KM (APPX.)
TOTAL NO.OF UNITS	159 UNITS
FUNCTIONAL	117 Units
CLOSED/SICK	21 Units
UNDER REVIVAL/EXPANSION	21 Units

Power Supply: 33/11 KVA Receiving Station of 1x10 MVA Capacity available.

Employment : 2000 Persons (approx.)

TYPES OF UNITS

Biscuit, Oil Mill, Flour Mill, Mineral Water, Dall, Confectionery, Steel Fabrication, Silk, Corrugated Boxes, Paper Cones, Pesticides, Chemicals, Soap & Detergent Etc.

6. Salient Features of Industrial Estate Zainakote

Total area	525.25 kanal
Total No. of plots:	203 plots
Land under plots:	392.82 kanal
Land under roads/drains and other utilities	132.43 kanal
In production:	126 units
Non-functional:	52 units
Migrant units:	13 units
Under security forces :	05 units
Under process establishment	03 units
Under litigation:	04 units

7. Salient Features of Industrial Estate Zakura

Total area	128 kanal
Total No. of plots	60 plots
Plots allotted	60 plots
Area under plots	88.67 kanal
Area under road/drains and other utilities	39.33 kanal
In production	40 units
Non-functional	17 units
Under security forces	02 units
Migrant units	01 unit

8. Salient feature of Industrial Estate Handicraft & Silk Park Zakura Srinagar.

Total area	108 kanal
Total No. of plots	90 plots
Land under plots	67.50 kanal

Land under road/drains and other utilities	40.50 kanal
<u>Handicraft base units:</u>	
Total no. of plots	38 units
Land under plots	28.50 kanal
In production	05
In process of establishment	32units
Not taken any effective steps	01 unit
<u>Silk based units:</u>	
No. of silk units	52 units
land under plots	39 kanal
Functional units	13 units
In process of establishment	35 units
Under litigation	02 units
Not taken any effective steps	02 unit

Electricity

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, pampore 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:

S.No.	Year	Installed Capacity (MWs)
1	State Sector	1211.96
2	Central Sector	2009.00
3	Private Sector	42.50
Total	All Sectors	3263.46

INSTALLED CAPACITY Of EXISTING PROJECTS.

Name of Power House	Configuration	Installed Capacity in MW
STATE SECTOR		
<i>Jhelum River Basin</i>		
Lower Jhelum	3 x 35	105
Upper Sindh-I	2x11.3	22.6
Ganderbal	2x3+2x4.5	15
Upper Sindh-II	3x35	105
Pahalgam	3 x 1.5	4.5
Karnah	2x1	2
Chenab Basin		
Chenani-I	5x4.66	23.30
Chennai-II	2x1	2
Chenani-III	3x2.5	7.50
Bhaderwah	2 x 0.5	1
Baglihar	3x150 + 3x150	900
Ravi Basin		
Sewa-III	3x3	9
Indus Basin		
Iqbal	3x1.25	3.75
Hunder	2x0.20	0.40
Sumoor	2x0.05	0.10
Igo-Mercellong	2x1.50	3
Haftal	2x0.50	1
Marpachoo	3x0.25	0.75
Bazgo	2x0.15	0.30

Name of Power House	Configuration	Installed Capacity in MW
Stakna	2x2	4
Sanjak	1 x 1.26	1.26
Total: 1211.76 MW		
CENTRAL SECTOR		
Salal HEP	6x115	690
Uri -I	4x120	480
Dul-Hasti	3x130	390
Uri-II	2x120	240
Chutak	4x11	44
Nimo-Bazgoo	3x15	45
Sewa-II	3x40	120
Total: 2009 MW		

Transport.

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.

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.

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.

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.

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 Kishtwar 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.

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 Zainakote 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.

MINI TOOL ROOM:

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

Chapter Eight

Subsidies and incentives applicable to MSMEs

Incentives and Subsidies under the State package:

The State Package of incentives under the Industrial Policy-2016 details various types of incentives to the industrial units including the Capital Investment Subsidy (CIS) and the Interest Subsidy. The Capital Investment Subsidy and the Interest Subsidy shall be claimed from the Special Central Package and not the State Package by all those industrial units in the state who are eligible for drawl of these two incentives under the Special Central Package, however, the industrial units under the non thrust category and located in non notified locations as indicated under Special Central Package being ineligible under the Central Package, may draw these two types of incentives from the State Package subject to fulfillment of prescribed eligibility conditions.

State Capital Investment Subsidy

The table below indicates the rate and upper ceilings under the State Capital investment Subsidy for the industrial units in Zone-A and Zone-B. The State Industrial Policy-2016 provides additional incentive from the State package for Micro and Small Industries under the Capital Investment Subsidy (CIS) for the new units in Zone-B districts @ 10% of the Capital Investment in plant and machinery(subject to an upper ceiling of Rs.20 lacs). As a matter of policy and existing instructions of the Industries and Commerce Department, the industrial units subject to their eligibility, are supposed to first avail the Capital Investment Subsidy under the Special Central Package. In case the claims of Capital Investment Subsidy (CIS) under the State Package exceeds the admissible amount under the Special Central Package, then the difference can be claimed from the State Package. Same procedure shall apply under the new Industrial Policy. 10% additional CIS for Micro and Small Industrial units as at Para 3.3 will however, be claimed from the State funds by those units under Thrust Industries who have first drawn CIS from the Central package.

Prestigious and Mega projects in Green and Orange category can begin their civil works immediately after taking possession of the land obtaining all other permissions and approvals will be assisted by the J&K SIDCO before they get into commercial production. Prestigious/Mega units in thrust industries shall also be provided 75% Subsidy on the cost of construction of Captive tube well or building a Captive Water lifting Plant subject to a limit of Rs. 30.00 lacs, which shall be in addition to the Capital Investment Subsidy prescribed above.

Interest Subsidy on Working Capital

In order to attract more investment in the industrially backward districts in Zone 'B' the interest subsidy on working capital for existing and new Industrial Units in Zone-B shall be enhanced from the present rate of 3% to 5% subject to a ceiling of Rs. 15 lacs per year for a period of 5 years from the date of commercial production (DoP). However, for industrial units in Zone-'A', the interest subsidy shall be @3% on working capital subject to a limit of Rs. 10 lacs per year for a period of 5 years from the date of commercial production (DoP), as per details given below:-

S.No	Zone	Existing rate of Interest Subsidy	New Rate of interest subsidy on Working Capital.
1	A		3%
2		3% on W/C	5%

Subsidy on purchase & installation of DG

100% subsidy on purchase & installation of DG sets from 10 KW to 2000 KW capacity purchased from reputed / Standard Companies shall be allowed with upper ceiling as indicated below:-

Existing capacity of DG Set permissible	New capacity of DG Set permissible	Upper ceiling
10 KW to 1000 KW	10 KW to 2000 KW	Rs.40 lacs for Zone-A Rs.45 lacs for Zone-B

The subsidy shall be available to the unit after it has been verified that the DG set has been actually installed and after fulfillment of the following conditions or as may be prescribed:- The amount of subsidy on purchase of one (01) DG set shall be Paid to the supplier 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. 50% of the amount of subsidy on DG set shall be paid on verification of installation and the remaining 50% shall be paid after 6 months of installation or date of commercial production of the unit whichever is later. 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 as duplication of subsidy from more than one source is not allowed and is strictly prohibited. The Power Development Department shall take steps subject to availability of power and infrastructure to ensure 24x7 power supply to Industrial estates / growth centers where 100% collection of power is undertaken by the Industrial Associations. For promotion of green and environmentally friendly technologies, the Units availing Diesel generator sets can substitute or opt for Solar/Wind Generator/Hybrid Solar Wind Systems within the upper ceiling not exceeding that of the existing capacity of the permissible generator.

GI Certification

With increasing competition in the market, manufacturers of quality consumer Products can sustain themselves only if they adopt an intelligent marketing strategy and build up a Brand of their own. In order to help such manufacturers, who are operating in highly competitive markets, the Government shall provide assistance for GI Certification in Handicraft and Handloom sector. The assistance shall be available in the shape of subsidy for a

period of 03 years. The subsidy shall be paid to a unit holder for GI Certification of his/her products @ 50% of expenses incurred during the first year subject to a maximum of Rs. 15-lacs, 30% of expenses incurred during the second year subject to a maximum of Rs.10 lacs and 10% of expenses incurred during the third year subject to a maximum of Rs. 05 lacs. Application in the prescribed form, obtainable from the office of the Director, Industries and Commerce Jammu/Kashmir must be submitted by the concerned unit-holder prior to undertaking of such activity. Disbursement of subsidy for Brand promotion will be made subject to approval of the Divisional Level Committee constituted by the Industries and Commerce department for sanction of incentives.

Quality Control and Testing Equipment

Installation of quality control and testing equipment is a prerequisite for successful trial as well as continuous and efficient functioning of a factory/industry. Incentive of 100% subsidy on cost of such equipment shall be available to the industrial units subject to the upper limit of Rs 35 lacs. The incentive available shall however be restricted to 25% of the total capital investment, if the cost of testing equipment exceeds 25 % of the total investment. To the extent incentive for such equipment is availed under the Central Capital Investment Subsidy, deductions will be made from the amount due under the State scheme. The incentive shall be sanctioned only after the unit wanting to avail this incentive, obtains a National/International quality mark.

Industrial units procuring Quality Certification like ISO, ISI, BIS, FPO, BEE, AGMARK, ECOMARK, etc. shall be given a subsidy of 30% of the total cost incurred for obtaining the said certificate, subject to a maximum of Rs 2 lac, as certified by the Chartered Accountant. This incentive, however, can be availed only once.

Automation through Computers/IT

25% of expenditure incurred on automation / software / hardware / Business process re-engineering (BPR) through computers/IT/ Online Pollution Control Devices managed at the start of operations of the Industrial unit or for substantial expansion of the existing unit shall be provided upto a limit of Rs. 2 lakh, after due verification by the Industries Department/Pollution Control Board, if the same has not been claimed under CIS.

Human Resource Development (HRD)

The State Government shall encourage imparting technical training by the industrial units on the pattern of Apprenticeship Scheme. Some financial assistance will be provided to the industrial unit to partially offset the training cost and a small stipend paid to the trainees. Detailed scheme shall be prepared and notified separately by the Industries and Commerce Department. Similarly, the State Government shall encourage skill development and technical training of the youth by the empanelled and reputed technical training institutes in activities where the skill base and technical expertise is deficient in the State. The details about the scheme indicating the incentive for cost of training and stipend will be worked out in consultation with the Technical Education, Labour & Employment Departments and notified separately.

Entrepreneur and Skill Development Fund

An entrepreneur and skill development fund shall be created for incorporating entrepreneurial skills to the local youths for sustained industrial growth in the state. 10% of the premium charged by SIDCO for allotment of the land to the entrepreneurs shall be transferred to this Fund. Separate guidelines shall be issued for utilization of the fund which shall mainly emphasize on skill development. The entrepreneurs shall be provided training and skill development in industrial entrepreneurship from the premier institutes of the country. The concerned departments in the State Government shall also make full use of the various schemes of the Ministry of Skill Development, Ministry of Labour and Employment, Ministry of Textiles, Ministry of Food Processing and other Ministries to ensure that the benefits of skill development and technical education percolates to our youth in the state.

Startup India Programme

The Startup India Programme started by Government of India aims at providing employment opportunities through self employment to the unemployed youths of the country. The unemployed entrepreneurs shall be linked with the Startup programme to avail the benefits of the scheme started by Government of India. The Startup India Programme as part of Policy to build a strong Eco-System for nurturing innovation and Startups in the State will drive sustainable economic growth and generate large scale employment opportunities in the state. As the initiative aims to empower Startups to grow through innovation and design which will need a strong Human Resource Management for identification of all such potential Startups in the State and to create targeted group of entrepreneurship, the programme shall act as action plan for creating hub of new Industrial growth in the state. The Startup India Programme will act as a driving force for new entrepreneurship and identified Startups for strengthening skill development and employment generation.

Pre-Investment Studies/Feasibility reports

Project profiles shall be got prepared by the Directorate of Industries and Commerce, SIDCO and SICOP and made available off the shelf to the promoters at a nominal price. The promoters may get a project feasibility report prepared from J&K ITCO, JKDFC, J&K SIDCO, J&K SICOP or any other agency, as may be approved by the GM, DIC from time to time. The promoter may get a report prepared also from any other specialist agency/reputed consultant(s) in the field.

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 lac.

Stamp Duty and Court fee Exemptions.

The Mortgage deeds in favour of financial institutions required to be signed by the promoter shall be exempted from payment of stamp duty. Similarly, exemption from payment of court fee for registration of documents relating to lease of land, will be granted to the registered industrial units.

Tax Exemptions.

The exemption from payment of additional toll tax, CST and VAT as available to the industrial units under Industrial Policy -2004 and any subsequent orders of the State and Central Government shall continue for now and also be applicable to all new MSME / Large scale units in Zone - A and Zone - B till further orders, subject to the GST regime.

Tax Reforms

In addition to the tax incentives given above, the State Government shall also undertake the following tax reforms to boost industrial development of Green channel for industrial sector at Lakhanpur to reduce the waiting time for import/export of raw material and finished goods with 24 x 7 working hours.

No additional toll tax on empty containers brought into the state for transportation out of the state of products manufactured within the State.

The Industries and Commerce Department and the Finance Department shall undertake regular periodical review of the Negative list for better Industrial development in the state.

Air Freight Subsidy

Air freight subsidy shall be available on export of finished goods and import of raw material for registered micro and SSI units for any destination within the country @50% subject to a maximum of Rs 5 lacs per year per unit. However, in respect of Handicrafts and Handloom traders/exporters, air freight subsidy shall be allowed to the extent of 50% for parcels up to 5000 kgs for destinations within the country and 1000 kgs outside the country per year per registered trader/exporter registered with the Customs Department having maximum limit of Rs, 15 Lakh.

Freight Subsidy

Freight Subsidy of 90% is available under Special Central Package. In order to help the unit holders in Thrust Industries in Zone-B districts to meet the higher cost of transportation, 5% additional freight subsidy shall be provided under the State Package. Operational guidelines in this behalf shall be issued separately.

Power supply

Regular and adequate supply of power to the industrial estates, parks and growth centres etc is extremely essential for the operation and survival of industry. This aspect will be addressed by the State Govt. and separate allocation of funds will be made every year for supply of power to industry and upgradation/development of power supply infrastructure.

Earnest Money Security Deposit

SSI units shall be required to pay only 50% of the amount of earnest money/security prescribed by the tendering authority or Rs. 5000 whichever, is lower. Tender documents shall also be supplied to the SSI units @ 50% of the price of the documents or Rs.500 whichever be lower. SICOP shall be treated at par with the SSI units for the purpose of the aforementioned provisions.

Incentives and Subsidies under the Central package.

Special Package of Industrial Incentives for the state of Jammu & Kashmir was announced by the Government of India, Department of Industrial Policy and Promotion on 14-06-2002 for a period of ten years upto 14-06-2012. The package included Central Capital Investment Subsidy Scheme, 2002, Central Interest Subsidy Scheme, 2002 and Central Comprehensive Insurance Subsidy Scheme, 2002. An Impact Evaluation Study was conducted after expiry of the package and its findings discussed with the stakeholders. In order to provide continuity and to maintain the enabling environment for ongoing industrial development of the state of Jammu & Kashmir, it has been decided to extend the incentives under the special package for a further period of five years.

Accordingly the J&K Package-11 is extended to the state of Jammu & Kashmir for a further period of five years from 15-06-2012 to 14-06-2017 which includes the following:-

Central Capital Investment Subsidy Scheme: All new industrial units and existing industrial units on their substantial expansion, would be eligible for Capital Investment Subsidy @ 15% of the investment of Plant & Machinery, subject to a ceiling of Rs. 30 lakhs. Micro, Small and Medium enterprises would be eligible for Capital Investment Subsidy of 30% of the investment of plant & machinery, subject to ceiling of Rs. 3.00 crore and Rs. 1.50 crore for manufacturing and service sector respectively.

Central Interest Subsidy Scheme : An interest subsidy of 3% on the average of daily working capital loan would be provided to all new industrial units for a period of five years from the date of commencement of commercial production /operation.

Central Comprehensive Insurance Subsidy Scheme : An Insurance subsidy to the extent of 100% would be admissible during the extended package to all new units and to the existing units on substantial expansion for a period of five years from the date of commencement of commercial production /operation.

Eligibility Period

The subsidy will be available during the duration of the scheme to such units which have pre-registered and commenced commercial production / operation prior to 14-06-2017. The unit should file its claim as per prescribed procedure at District Industry Centre concerned within one year from the date of commencement of commercial production / operation.

Performances of Major Industrial Sectors

State Public Sector Undertakings

Jammu & Kashmir Cements Limited

J&K Cements Limited is a fully State Government owned Company established in December, 1974 with the objective to exploit abundant limestone deposits, make available quality Cement to the consumers at reasonable rates and fill up the gap between demand and supply.

The Cement Plant of 600 tonnes per day capacity installed at Khrew is listed as heavy sector Industry which started commercial production in April, 1982. The Cement Plant is situated near rich deposits of high quality lime stone suited for production of good quality Cement.

The Company is manufacturing OPC Gr-43 and has obtained licence for manufacturing of Fly Ash based blended cement from Bureau of Indian Standards (BIS).

The Company has expanded its capacity by installing additional unit of 600 tonnes per day plant at the existing location.

The unit is in operation and has produced 93100 MT of clinker during financial year 2011-12, 75983 MTs in the year 2012-13 and 49813 MTs in the current financial year upto 13th December, 2012.

J&K Cements Limited has acquired 20 kanals of land from SIDCO on lease basis for installing a 300 TPD clinker grinding unit at Samba at a premium cost of Rs.12.58 lacs. 7.

Jammu & Kashmir Minerals Ltd

J&K Minerals Limited is a Public Sector Undertaking established under section 61(7) of the Companies Act, 1956 in the year 1960. The authorized capital of the Company is Rs. 800 lacs which stands fully subscribed and paid up by the State Govt. The main objective of the Company is to exploit the mineral resources and to establish mineral based industries in Jammu and Kashmir. Presently, the following activities are undertaken by the Corporation

- 1) Coal Mines, Kalakot
- 2) Gypsum Mines, Assar (Doda)
- 3) Gypsum Mine, Parlanka (Ramban) and
- 4) Sapphire Mine, Paddar (Kishtwar)

Jammu Kashmir Industries Limited,

A state owned company formed in 1963 having 16 manufacturing units, was formed to attain self sufficiency and employment generation and for processing and manufacturing of Textiles, Knitwears/Hosiery, Joinery and Furniture products as well as Silk (Plain and Printed) fabrics, besides Rosin and Turpentine.

Government Spinning Mills, Nowshera, Srinagar
 Government Knitting Factory, Jogi Gate, Jammu.
 Government Silk Weaving Factory Rajbagh, Srinagar.
 Government Joinery Mills, Pampore, Srinagar.
 Government Joinery Mills, Bari Brahahmana, Jammu
 Govt. R&T Factory Sunderbani.
 Govt. R&T Factory, Rajouri.
 Shoddy Spinning Mills.Modern R&T Factory, Miransahib, Jammu.

Most of these Public Sector in the State have become sick

Key companies in Jammu & Kashmir

The following are the prominent companies in
 Jammu & Kashmir:

Indian Telephone Industries Ltd. (ITIL)

ITIL is India's pioneering venture in the field of telecommunications.
 Founded in 1948, this premier public sector enterprise
 has contributed to almost 50 per cent of the present national
 telecom infrastructure by manufacturing the entire range of
 telecom equipment including telephones, large digital switches,
 transmission systems, fibre optics systems and satellite communication
 systems. It has recently initiated manufacture of

Mineral Estimated reserves

Limestone 3355 million metric tonnes

Gypsum 95.83 million metric tonnes

Bauxite 8.6 million metric tonnes

Marble 35 million cubic metres

Sapphire Yet to be fully explored

Magnesite 7.00 million metric tonnes

Dolomite 12.63 million metric tonnes

Lignite 7.25 million metric tonnes

Quartzite 16.55 million metric tonnes

Coal 1.3 million metric tonnes

Source: J&K State Industrial Development Corporation

mobile infrastructure equipment based on GSM (Global System
 for Mobile) technology. It has also acquired the technology for
 manufacture of broadband infra equipment, NGN (New Generation
 Network) equipment based on IP technology and SDH
 (Synchronous Digital Hierarchy) products. The company has
 state-of-the-art manufacturing facilities across six locations in
 the country, including one at Srinagar.

National Hydroelectric Power Corporation Ltd. (NHPC)

NHPC was incorporated in 1975 as a Government of India enterprise for the integrated and efficient development of hydroelectric power in the country. Other sources of energy like geothermal, tidal and wind have been added to its portfolio. With its present capabilities, NHPC can undertake all activities from concept to commissioning of hydroelectric projects. It presently owns and operates 11 hydro power stations, including three in Jammu & Kashmir located at Salal, Uri and Dulhasti.

Singer India Ltd

Singer entered India as early as 1871 when it established its office in Mumbai. Today, the company is not only the market leader in sewing machines, but has also expanded its product range to produce several home appliances. It operates through two business segments: Sewing Machine and Small Appliances and Consumer durables. The Sewing Machine segment includes sewing machine accessories, oil and needles. The Small Appliances and Consumer Durables, includes irons and steam irons, food processors, mixers, ovens, toasters, kettles, fans, televisions, refrigerators and washing machines. Singer's factory in Jammu & Kashmir is located at the State Industrial Development Corporation (SIDCO) complex situated 16 km from Jammu city. This unit was set up in 1986.

Zamindara Rice Mills

Zamindara Agro Food Products was established at village Rangpur Sathrey in 1998. Its rice milling unit is fitted with the most modern plant in the state. The company has received the recognition for producing the best quality rice in the state from the Federation of Retailers Association, Jammu.

Maral Overseas Ltd

Maral Overseas, a leading textiles company, set up its Jammu unit in 1985 in technical collaboration with Devanlay of France, manufacturers of the world famous Lacoste brand of sportswear. This was India's first vertically integrated plant. The unit produces a wide range of yarns, fabrics and garments and is preparing

**Jammu & Kashmir Cements
Ltd**

1. Jammu & Kashmir Cement Ltd. Jammu & Kashmir

**Khyber Industries (P)
Ltd**

1. Khyber Industries (P) Ltd Jammu & Kashmir

**Khyber Industries (P)
Ltd**

1. Khyber Industries (P) Ltd Jammu & Kashmir

**Uma Cement
Industries**

1. Uma Cement Industries Jammu & Kashmir

List of pharmaceutical companies in Jammu and Kashmir with contact details.

Anphar Laboratories Pvt. Ltd

Ind. Extn. Area Phase-III Gangyal, Jammu.

Biotic Pharma

64-Phase-III, Ind. Extn., Area, Gangyal, Jammu

MiNA Laboratories Pvt Ltd

26, Industrial Estate Jammu

Pharose Remedies Ltd

Patli Morh, Tarore, NH_1 Jammu

Ethicare Laboratories

15, Industrial Estate Jammu

Amit Surgicals & Instruments

Rangpur, R.S Pura, Jammu

Ravenbhel Health Care Pvt. Ltd

16-17, EPIP, SIDCO, B. Brahmna, Jammu

Parenteral Pharma

45-Phase-III, Indl. Area Ext. Gangyal, Jammu

Sun Pharmaceutical

6-9, EPIP, Kartholi, SIDCO B. Brahmna, Jammu

Samrat Surgicals Pvt. Ltd

SIDCO Indl. Complex, Bari Brahmna, Jammu.

Allied Gases

Bari Brahmna, Jammu

Medley Pharmaceuticals Ltd

Bari Brahmna, Jammu

Ind-Swift Ltd

Industrial Growth Centre Samba, Jammu

Nordic Formulations Pvt. Ltd

Industrial Growth Centre Samba, Jammu

Paramount Pharma

16-A Ind. Ext. Area, Hatli Morh, Kathua.

Biosearch Organics Ltd.

Patli Morh, Tarore, NH_1 Jammu

Protection Plus Pharmaceuticals Pvt. Ltd

EPIP, SIDCO, B. Brahmna, Jammu

Bharat Box Factory Ltd

Industrial Growth Centre Samba, Jammu

Dabur India Ltd

SIDCO Indl. Complex, Bari Brahmna

Cadila Pharmaceuticals Ltd

Industrial Growth Centre Samba, Jammu

Pharma Drugs Co

Industrial Estate Jammu

Accent Pharma

Block-D, EPIP, Kartholi, Bari Brahmna, Jammu

Vivek Pharmachem

EPIP, Kartholi, Bari Brahmna, Jammu

Anphar Organics Pvt. Ltd.

EPIP, Kartholi, Bari Brahmna, Jammu

Cecil Pharmaceuticals Pvt Ltd

EPIP, Kartholi, Bari Brahmna, Jammu

Lupin Pharmaceuticals Pvt Ltd

EPIP, Kartholi, Bari Brahmna, Jammu

Emcure Pharma ltd.

Lane no. 3, phase 2, Bari Brahmna, Jammu

Ochoa Laboratories

Industrial Growth Centre Samba, Jammu

AK Biotech Pvt Ltd

EPIP, Kartholi, Bari Brahmna, Jammu

Ambrosia Pharma

91, IE, Phase-II, Zainakote, Srinagar

Malay Sanghvi & Co.

EPIP, Kartholi, Bari Brahmna, Jammu

Eaton Laboratories

Zainakote , Srinagar

North End Enterprises

45, Ind. Estate, Sanat Nagar Srinagar

Dujodwala Resins & Terpinas Ltd

Bari Brahmna, Jammu

Dose Remedies

Zainakote, Srinagar

Shivam Industries

37-A, , Industrial Estate Jammu

Enn Dee Gases

Indl. Estate, Rangreth ,District Budgam

Valley Minerals & Chemicals J&K Pvt. Ltd

SIDCO Ind. Complex, B. Brahmna

Sanik Phenyl

Jagati Nagrota, Jammu

Lifeline health Care

Phase II, IGC Samba

Nexigen Technologies

National Highway, Kainthpur, Vijaypur, Samba, Jammu

Celine Health Pvt. Ltd

Plot No. 15, SIDCO Indl. Complex, Kathua

Stealth Oxygen Co. Pvt Ltd

Ind. Estate, Phase II, Khunmoh, Srinagar

Alfa Disinfectants

39-C, Phase-III, Industrial , Area Gangyal, Jammu

Benson Pharmaceuticals

Industrial Estate, Gangyal, Jammu

[Home](#) > [India](#) > [Jammu and Kashmir](#) > [jammu](#)

Kashmir Walnut Group

Kashmir Walnut Group Family Owned Business House Since 1979, Dealing In Exclusive Kashmir Food Products Vis Walnuts, Dried Mushrooms (Morels), Saffron, Almonds And Fresh Fruits As Apples, Pears And Plums. The Company Holds Iso 22K Certification And Is Certified To Supply Organic Food Products. The Goods Are Already Exported To All ...

Categoies: [Agriculture](#)

voyage india corporation

This supplier has not provided a Company Introduction ...

Categoies: Agriculture

vijaypuri co

Group of artists from india involved in making paintings about indian subjects in water and oil and other media. Also indian craft especially kashmiri craft. Fine wood caerving work and nude ...

Categoies: Furniture

SSR GROUP

We are manufacturers of High Carbon Ferro Chrome. We can provide FeCr for the domestic Indian market, as well as export markets. Following are the specifications : Cr : 60% MinC : 6-8% MaxSi : 3-5% MaxPh : 0. 045% MaxSulphur : 0. 035% MaxPacking : in 50 KG Bag ...

Categoies: Machinery & Equipments

Shah & Co

This supplier has not provided a Company Introduction ...

Categoies: Agriculture

RANA GROUP OF INDUSTRIES

Dear sir, Our company regd. An ISO 9001: 2000 CERTIFIED. Phase-1, REAL FOOD aregd. Brand well reognised in the National and International market. RANA group of industries is a regd. Small scale industrial unit manufacturing Biscuits, Bread, corn flakes and allied products at industrial area 33-sicop kathua j & k, ...

Categoies: Sports & Outdoor

Rahul Pharma, Gmp Certified Company

Rahul Pharma Registered for the manufacturing of Ayurvedic Medicines (Traditional Indian System of Medicine) in the state of Jammu & Kashmir. Rahul Pharma is first to Receive National Award from HE, The President of India in the country Rahul Pharma is first to receive the Drug Manufacturing License in the state of ...

Categoies: Business Services

Radotra Group

Company was established in 2007 but before that we had the retail business in life style mix since ...

Categoies: Apparel

Khazana Corporation

We are one of the indias largest manufacturer of mentha & allied products essential oil & aromatic chemicals. We have all the latest technology to produce above items under

supervision qualified ...

Categoies: Health & Beauty

J&K Wire & Steel Industries (P) Ltd

This supplier has not provided a Company Introduction ...

Categoies: Hardware & Tools

everest trading corporation

My company is dealing with computer hard ware softwares/torch lights high quality LED is used in torch lights/handi crafts worldsd best kashmiri shawals/and many more and offer assembled computers to the ...

Categoies: Computer

djs computers

Djs computers is located at muthi jammu j & k, India, It is well known for the AMC'S, ONSITE SYSTEM CLEANING AND MAINTENANCE, IT IS REGISTERED UNDER DIC, FIRMS REGISTRATION ACT, IT DEALS WITH SOFTWARE DEVELOPMENT, PS ASSEMBLING AND MAINTENANCE, ASSEMBLING OF UPS ETC. ...

Categoies: Computer

Bahu Cold Storage & Ice Factory (P) Ltd

This supplier has not provided a Company Introduction ...

Categoies: Agriculture

astral pharmaceuticals and chemicals pvt. ltd.

We are manufacturers of high quality dental materials such as 1. Dental gypsum products: -dental super hard stone plaster, diestone, dental modeling plaster.2. Dental laboratory product: Gypsum investment material for precious metals, cold mould seal, waxes and plasters.3. Dental clinical products: Temporary filling material, cavity varnish with fluoride, etchants, eugenol, ...

Categoies: Machinery & Equipments

ANAND POLYURETHANES PVT. LTD.

This supplier has not provided a Company Introduction ...

Categoies: Machinery & Equipments

aggarwal associates pvt. ltd

This supplier has not provided a Company Introduction ...

Categoies: Electricals

Power Field Co

DEAR BUYERS. SUB. : -INTRODUCTION. DEAR SIR, WE FEEL PROUD IN

INTRODUCING OUR SELF AS AUTHORIZED DELAER OF: -CONZERV SYSTEM PVT. LTD. (SMART ENERGY MANAGMENT) FLUKE LTD (MEASURING INSTRUMENTS) ASHIDA ELECTRONICS PVT LTD (NUMERICAL RELAYS) HAVELL'S (SWITCHGEAR) WE PERFORM AND DEAL IN FOLLOWING ALSO: - EMS (ENERGY MANAGMENT SYSTEM (SOFTWARE) , ...

Categoies: Electronic Components

M/S.Rishi Fruit Company

This supplier has not provided a Company Introduction ...

Categoies: Agriculture

Logic Computers

This supplier has not provided a Company Introduction ...

Categoies: Electricals

Kashmir Walnut Trading Company

We introduce ourselves as a leading processor and exporter of Walnuts& dried mushrooms and other produce from J& K state since 1979 with an annual turnover of more than Rs 240 million.

Industrial Policy of Jammu and Kashmir
Industrial Policy 2016

Chapter-1 Introduction

- 1.1 The Jammu and Kashmir State has made substantial progress, in industrial development during the last over four decades.
- 1.2 The State announced its first Industrial Policy in 1995 and substituted it by another policy in 1998. However, the first detailed and comprehensive State Industrial Policy was announced in the year 2004.
- 1.3 The State Industrial Policy of 2004 was an important event for the industry sector in the State. Its strength lay in refining and simplifying the procedures relating to land allotment, grant of incentives and putting in place a workable exit mechanism for the sick industries. The Special Central Package-I of Industrial incentives extended by the Department of Industrial Policy and Promotion (DIPP), Government of India in 2002 for a period of 10 years, the state witnessed accelerated development of industry since then.
- 1.4 The Special Central Package-I was modified in 2011 by the DIPP and further extended as Special Central Package-II in 2013 for a period of 5 years effective from 15-6-2012 upto 14-6-2017. Details of incentives for industry offered both under the State Package 2004 and Special Central Package-II are shown in **Annexure-I**. Notified areas and Thrust Industries approved under the Special Central Package-II eligible for incentives under the said package are shown in **Annexure-II**.

As on 31st December, 2015, 29,449 Small Scale units were registered in the State with a total investment of Rs. 3,609.82 crore, providing direct employment to 1,35,892 persons. In addition, 83 Large and Medium Enterprises with an investment of Rs. 4,083.52 crore also stood established in the State providing direct employment to 18,923 persons.

- 1.5 There are 53 Industrial Estates in the State spread over an area of 31,335 Kanals, 29 new Industrial Estates are at different stages of development.
- 1.6 There is huge scope in the state for taking up of manufacturing activities in the field of Food processing, Meat processing (Mutton/Chicken), Leather, Pharmaceuticals, wood based Industries viz sports goods/bats/willow wicker etc, high grade raw silk, woolen fabrics, computer/electronics and Information Technology.

J&K offers good market for all types of consumer goods in view of its population being more than 1.25 crore and a vast floating population in the shape of tourists (over 1 million per year) and yatries (over 15 million per year) visiting the State for leisure and pilgrimage respectively.

1.7 The State Industrial Policy-2016 has to build on the strengths, overcome, the weaknesses and create employment opportunities attract bigger and larger investment.

2.1 The new State Industrial Policy-2016 aims to attract substantial investment in industry for production of goods and services and employment generation through optimal utilization of the available resources including human resources. Concurrently the policy also gives attention to the traditional cottage industries namely handicrafts and handlooms to ensure economic upliftment of the artisans, weavers and traders in this sector in which age old traditions and craftsmanship is available in the State.

2.2 While creating an enabling work environment for industrial development, the policy emphasizes on pollution and environmental safe guards to ensure ecological stability and sustainable development.

2.3 Vision

Achieve Sustainable, Equitable, Environment friendly and Balance Industrial Growth leading to creation of employment opportunities for the local skilled and educated youth, income generation and overall economic development of the state.

2.4 Mission

To promote and develop Micro, Small, Medium and Large Industries in Electronics/IT/ITES (**Information Technology Enabled Services**)/Hi-Tech, Biotech, Food processing, Leather, Pharmaceuticals, Handicraft, Hi-tech Floriculture, Tissue culture and other environmentally sustainable industries for employment generation and higher contribution of the industrial sector to the Gross State Domestic Product (GSDP).

2.5 Objectives

i) Industrial development of all the three regions of the State with focus on employment generation.

ii) Encourage utilization of the locally available raw materials and mineral resources.

iii) Promote labour intensive cottage industries in the

traditional sectors (Handicrafts and Handlooms) to provide gainful employment to a large number of skilled and unskilled labour.

- iv) Promote the growth of thrust industries and encourage Hi-Tech and knowledge-based industries including Electronics and Information Technology.
- v) Promote Human Resources Development (HRD) and Technical Education for creation of a pool of skilled/technical manpower.
- vi) Encourage eco-friendly and environmentally sustainable industrial growth through green industries, adoption of green technologies, use of pollution control devices and equipment and simultaneously enforce regulation as per laws and rules.

2.6 Duration

The State Industrial Policy 2016 shall remain in operation for ten years from the date of its adoption to 31st March, 2026.

2.7 Policy Targets

In line with the defined policy objectives, the Industrial Policy-2016 sets out the following targets :-

- i) To increase the share of 'manufacturing, services and trade sector' in Gross State Domestic Product (GSDP).
- ii) To attract an investment of atleast Rs, 2,000 crore per annum in the industrial sector (including services).
- iii) To create over 15,000 direct and indirect employment opportunities annually for the unemployed/educated youth.
- iv) To create industrial infrastructure in the form of Industrial Growth Centres/Estates activity specific industrial parks, upgradation of the existing Industrial Estates and Industrial Growth Centres.
- v) To achieve (i) to (iv) above, the Power Development Department would initiate steps to provide additional 150 MW power to the Industrial area every year. The Industries & Commerce Department would assist the Power Development Department in taking reform measures in the Industrial Estates and mobilizing resources for developing required infrastructure.

2.8 Strategies

- i) Creation of a land bank for development of well provided industrial estates and industry specific industrial parks, clusters, growth centres etc in Public Sector and through PPP.
- ii) Providing improved infrastructure and support services with emphasis on regular and uninterrupted power supply, Telecom/Internet connectivity within the existing and new industrial estates/parks/growth centres, logistics, warehousing etc.
- iii) Ease of Doing Business through simplification of procedures and rules across various departments.
- iv) Attractive financial incentives of the State Government and that of the

Special Central Package coupled with prompt sanction and timely disbursement of the said incentives.

- v) Enabling manufacture of quality consistent products through brand promotion, modernization and quality certification.
- vi) Suitable steps for establishment of Green Corridor/Inland Container Depot/Rail Freight Corridors.
- vii) Environmental protection to conform to the state and national standards by encouraging setting up of green industries and adoption of green technologies.
- viii) Entrepreneurship training and Human Resource Development for capacity building of the educated unemployed youth.
- ix) Encouraging Research & Development (R&D) for industrial applications.
- x) Inviting reputed industrial houses and potential investors from within and outside the State to promote the State as an ideal investment destination. Road shows and Expose within and outside the state to attract investment particularly in Large, Prestigious and Mega projects. Also, to seek assistance from Industry Associations like FICCI, ASSOCHAM, CII, PHD Chamber of Commerce and Industry etc. for promotion of industrial investment in J&K.
- xi) Special focus on setting up of area-and-activity-specific Industrial clusters like Food Parks, IT/ITES, Electronics and Hi-Tech Parks, Export Processing and Export Promotion Parks, Textile Clusters, Handicraft/
- xii) Apex Committee under the Chief Secretary, High Level Monitoring Committee (HLMC) under the Administrative Secretary of Industries and Commerce for ease of doing business and the State Industrial Advisory Committee (SIAC) under the Hon'ble Chief Minister will be utilized to sort out problems of industry and also to suggest measures /interventions for attracting investment, creating a robust manufacturing base and to drive economic growth in the State. Decisions of the Apex Committee and SIAC shall be binding on every department of the government.

2.9 Zoning of the State based on the extent/degree of industrial development in different Districts.

Zone	Name of the District
Zone-A	a) Srinagar, Budgam, Pulwama, Ganderbal, Baramulla and Anantnag in Kashmir region. b) Jammu, Udhampur, Samba and Kathua in Jammu region.
Zone-B	a) Kulgam, Shopian, Bandipora & Kupwara in Kashmir region. b) Reasi, Ramban, Doda, Kishtwar, Rajouri and Poonch in Jammu region. c) Leh and Kargil in Ladakh region.

2.9.1 The State Government shall give priority in the allotment of land, sanction of power and other clearances etc for setting up of Industrial units in Thrust Industries (**Annexure-II & Para 2.18**) especially in Electronics, IT/ITES and Hi- Tech sectors, Food processing, Textile, Pharmaceuticals on investment over at least 50 Crores.

2.10 Land Bank

2.10.1 The State Industrial Policy-2016 envisages to attract investment of Rs 20,000 crore in the industrial sector over a period of 10 years upto 2026. Since availability of adequate land is a pre-requisite for setting up of industry, it is envisaged to create a Land Bank of about 20,000 kanals across the state with emphasis on locations outside the urban areas. For this purpose available state land suitable for industry shall be got transferred to the Industries & Commerce Department.

2.10.2 With a view to ensure faster development of new industrial estates and more efficient maintenance and management of the existing estates, the new policy envisages transferring all the existing industrial estates with the DICs to J&K SICOP and SIDCO. This new measure is expected to give a boost to the development of Micro and Small Scale Industry while simultaneously leaving the DICs free to focus and concentrate on hand holding the entrepreneurs from Conception of the project to the registration and subsequently to operation and continuous production while clearing incentives under the state and central packages.

2.10.3 The State Industries and Commerce Department shall draw up an action plan for creation of the land bank of 20,000 kanals including State land over the first five years of the Industrial Policy and approve annual targets keeping in view the availability and expected allocation of funds.

2.10.4 The J&K SIDCO would initiate action to develop Industrial Parks over about 5,000 kanals on the ready to occupy model to attract investments in Large/Medium Industry by August 2017.

2.10.5 J&K SIDCO/SICOP with the approval of Board of Directors may develop fully owned Industrial Estates/Parks. The corporations shall bear the acquisition cost and development cost of the Industrial Estate/Park and lease out the developed land/parks a premium rate arrived at by adding cost of acquisition plus cost of development and 10% service charge.

2.11 Private Industrial Estates/Parks

2.11.1 The Industries and Commerce Department shall also encourage development of state of the art Industrial Estates/Parks through Public-Private participation mode (as per guidelines of the Finance department of PPP Mode) or exclusively by the Private promoters. Such projects shall be given priority and time bound clearances as per norms.

2.11.2 Private Promoters from the State (including local industrial associations) shall be encouraged to develop private industrial estates/parks on commercial lines on activity specific cluster basis over an area of at least 5 Acres. In case of IT parks, the minimum requirement will be 2 Acres for housing IT units in flatted accommodation. In case of private promoters from outside the state (Non-State subjects), J&K SICOP or J&K SIDCO may with the prior approval of the State Government acquire land through concerned District collector on behalf of the Private Promoter with the cost of land and agency charges as may be determined provided, in full by the promoter and lease it out on long term basis for 90 years (initially for a period of 40 years, renewable at the option of Lessor for a further period of 40 years at a time provided that maximum period of lease shall in no circumstances exceed 90 years) on mutually agreed terms and conditions.

2.11.3 The State Govt. shall provide road connectivity, water connection and electricity upto the proposed Estate/Park. Cost of development of land and infrastructure/services within the estate shall be reimbursed by the State Government to the private promoter on a one time basis as per norms to be laid down by the Industries & Commerce Department to the extent of 25% of expenditure subject to a maximum of Rs.

50,000/- kanal to be disbursed after the date of operation of such Industrial Estates/Parks.

2.11.4 The promoter would be responsible for the operation and maintenance of the facilities created within the estate following the bench-mark standards laid down by the Government.

2.11.5 As in case of Private promoters the State Government may permit J&K SIDCO and J&K SICOP to develop Industrial Parks through their own resources on commercial lines

2.12 Allotment of Land

2.12.1 Land available in the Land Bank after its development by SICOP/SIDCO etc shall be allotted to the entrepreneurs on first come first serve basis. The Director, Industries & Commerce/General Manager, DIC shall consider the request for allotment of land and determine the size of the plot to be allotted as per latest

guidelines in Ease of Doing Business (Chapter-IV). The Committee shall ensure that the size of the plot allotted is not more than what is required for the unit.

2.12.2 The land so allotted shall be on lease basis for a period of 90 years (initially for a period of 40 years, renewable at the option of Lessor for a further period of 40 years at a time provided that maximum period of lease shall in no circumstances exceed 90 years) on the premium and rent as prescribed. If effective steps are not taken by the allottee/promoter for utilization of the allotted land for the purpose, for which it has been allotted within a period of two (02) years after handing over the possession, the land shall be retrieved and resumed by the lessor. The effective steps include the construction of building and placement of orders for procurement of machinery and shall not mean mere construction of Chowkidar Shed and Boundary Wall. However, if the allottee/promoter voluntarily surrenders the land to the lessor before two years, he/she will be provided exit route by way of 100% refund of the premium paid. No refund shall be allowed after a period of two years from the date of handing over of the possession of the land except in circumstances beyond the control of the allottee/promoter. No sale or transfer of the allotted vacant land by the allottee shall be permitted under any circumstances under this policy. Further, no change of constitution shall be permitted in

respect of vacant lands. For the purpose of this policy, vacant land shall mean such lands where no machinery whatsoever has been installed. Mere construction of the shed or boundary wall or Chowkidar shed shall not exempt the land from being treated as vacant land.

- 2.12.3 Under this policy the earlier allotted land still remaining unutilized/vacant or have got extra land than required, shall be retrieved or in case of unit being sick, land will be put to open auction and the highest bidder will become eligible for transfer of that land for Industrial establishment. The land so transferred shall under no circumstances be used for any purpose other than the industrial purpose.
- 2.12.4 Change of constitution, transfer of share holding, induction of partner as a normal trade practice for functional industrial units, may be permitted by the respective Director/General Managers of the DIC's only after the unit goes into production and subject to any other conditions as may be prescribed in this behalf.
- 2.12.5 Under the new policy, the agency incharge of the Industrial Estates namely SIDCO, SICOP etc shall ensure optimum utilization of land including through flatted structures and vertical expansion wherever feasible. Allotment to IT and ITES type units shall generally be made in flatted structures.
- 2.12.6 Under this new Policy, the premium rates per kanal for land to be allotted in the Industrial Estates falling under Zone-A and Zone-B subject to periodical review shall be as under:-

Plot Size	Srinagar and Jammu Municipal areas including Khonmoh, Rangreth and	Zone-A Distts. excluding Municipal areas of Sgr. & Jmu, Khonmoh, Rangreth	Zone-B Distt.(Rs . in lacs/kan
For Land not exceeding 5 Kanals	5 .	4 .	2. 50
For Land not exceeding 10 Kanals	6 . 0	5 . 0	3. 50
For Land not exceeding 20 Kanals	7 . 0 ₇₈	6 . 0	4. 50

For Land exceeding 20 Kanals	8 .	7 .	6. 00
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- 2.12.1 In case a unit holder sets up a new unit on his own land or privately acquired land with an investment of above Rs. 10 crore in Plant and Machinery and direct employment potential of at least 35 persons, Special Capital Investment Subsidy (SCIS) @ 25% of the notified rate under the Stamp Duty Act shall be provided to the entrepreneurs to meet the development cost of such land under the unit subject to a maximum of Rs. 50 lacs. However, this back ended subsidy shall be disbursed only after the commencement of commercial operation of the industrial unit and completion of other formalities as may be prescribed in this behalf.
- 2.12.2 In the event of a Private Company or Promoter desirous of setting up an industrial unit with investment in Plant and Machinery of more than Rs. 25 crore and direct employment potential of more than 100 and if the said Private Company or Promoter has selected Private Land with the consent of the majority of land owners for setting up of the unit and is willing to bear the full cost of acquisition of the said land, then the State Government shall take steps to acquire the land and provide the same to the Private Company/Promoter through J&K SIDCO on lease basis as per law and rules on standard terms. For an investment of Rs. 50 or more crore the land to the entrepreneur shall be allotted out of turn. In undeveloped Industrial Estates, land can also be allotted to the entrepreneurs on the 50% of the rate of land notified above, if the investment is more than Rs 25 crore.
- 2.12.3 50% of the earnings from the land premium and rent received by SIDCO/SICOP shall be invested for land acquisition annually so as to create Land Bank. This shall be a continuous process.
- 2.12.4 **2.13 Prestigious and Mega projects.** To encourage large investments for setting up of Prestigious Projects (Plant and Machinery cost above Rs. 50 crore) and Mega projects (Plant and Machinery cost above Rs. 100 crore), additional

incentives shall be provided under this policy. Additional incentives in cases of large employment potential and shorter gestation period, shall also be considered by the State Govt. for prestigious & Mega projects under Hi-tech and IT/ITES sectors and Green Industries which will then form part of the MOU to be drawn Up between the Promoter and SIDCO/State Government. Prestigious and Mega projects shall be allotted land out of turn.

2.12.5 Environment Protection

2.12.6 To ensure protection of ecology and environment, setting up of green industries and adoption of green technologies, only such projects would be eligible for incentives which undertake to install online pollution control devices. Setting up of red category industries shall be subject to adoption of environmental protection devices/equipment and measures and strict adherence to all existing and future statutory and non-statutory orders, regulations, standards, guidelines and prescribed environmental audit. There would be a special incentive for online pollution control devices to be approved and be monitored by the Pollution Control Board. Industrial units shall be encouraged to undertake rain water harvesting, waste water recycling and zero discharge process/solid waste management and disposal by subsidizing the expenditure incurred on such activities. They shall also be encouraged to undertake sustainable/green initiatives.

2.14 Revival of Sick Units

2.14.1 The frame work for revival and rehabilitation of Micro, Small & Medium Enterprises (MSME) in distress has been notified by the Ministry of Micro, Small and Medium Enterprises vide notification no. S.O. 1432(E), dated 29-05- 2015 (Annexure-III). This notification addresses the problem of early detection of distress and rehabilitation/exit of MSMEs in a more structured and transparent manner.

2.14.1 As regards revival of sick industrial units in the State, the arrangement prescribed under Government Order No. 47-IND of 1999, dated 10-02-1999 shall continue for now. For this purpose, the State Level Revival Committee (SLRC) has also been constituted. However, in view of the Ministry's notification of 29- 05-2015, the SLRC will deal with only such cases as are referred to it by the concerned Bank(s) after the concerned Bank has dealt with the case in terms of

the frame work recommended under the notification dated 29-05-2015 and guidelines thereof and concluded that the unit requires additional assistance under the State Government arrangement through the SLRC.

2.14.2 As per the announcement in 2015-16, budget speech of the Hon'ble Finance Minister for sick units, an Asset Reconstruction Company in partnership with J&K Bank, shall be set up to do asset stripping where need be and formulate a revival package, where revival is possible. Till an Asset Reconstruction Company is set up, the State Government will provide a Corpus fund with an initial contribution of Rs. 15 crore to I & C Department to help the revival of sick industries in the state as per the above scheme. The corpus will be used to disburse recoverable soft loan (as per SLRC recommendation) to the concerned unit holder(s) for revival of the sick unit(s).

2.15 Marketing Support

Marketing Assistance

With a view to create more business opportunities for Micro and Small enterprises, the State Government intends to initiate the following measures:-

- i) Industrial trade fairs shall be organized and State's participation would be promoted on a regular basis at national and international level through the concerned Department(s).
- ii) State would organize marketing events for MSMEs like buyer-seller meets, trade fairs, exhibitions etc. All the MSMEs and other industrial units shall be encouraged to participate in such marketing events.

2.15.2 Up to 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.

2.14 PPP mode

2.14.1 Public Private participation shall be encouraged for:-

- i) Development of Industrial Estates/Parks/Clusters.
- ii) Integrated infrastructure development in the existing Industrial Estates/Parks/Growth Centers;
- iii) For setting up of new and modern Technical Training Institutes for skill development of the local youth, the State Government shall meet 50% of the land cost (cost of acquisition or the notified rate under the Stamp Duty Act whichever is less) as per requirement of such institutions subject to the ceiling of

Rs 50 lac (back-ended) where private land is arranged by the promoter himself and also provide incentive/subsidy under Capital Investment Subsidy (CIS) for Plant and Machinery including buildings subject to upper limits under the State package of incentives for Capital Investment Subsidy as applicable to other industrial units in the State.

- iv) For setting up of Effluent Treatment Plants and Solid Waste Management Plants, the State Government shall meet 50% of the cost of land (cost of acquisition or the notified rate under the Stamp Duty Act whichever is less) as per requirement of such plants subject to a ceiling of Rs 10 lac (back-ended) where private land is arranged by the promoter himself and also provide CIS on Plant and Machinery and other incentives as applicable to other industrial units in the State.
- v) Finance Department order No. 238-F of 2015, dated 08-12-2015 shall be taken as General guideline in the matter.

2.14.2 The I & C Department and J&K SIDCO/SICOP with prior approval of the BoD/State Govt. shall issue additional guidelines from time to time to stream

line the procedure and facilitate Public Private Partnership (PPP) f
Thrust Industries for the State Package

Special attention shall be given to setting up of Industrial units in -

- i) Food processing/Agro based Industries
 - a) Sauces, up etc;
 - b) Fruit Concentrate, fruit juices, fruit pulp;
 - c) Jams, Jellies, Vegetable Juices, Puree, pickles etc;
 - d) Processing of fresh fruit, Fruit waxing, packing, grading;
 - e) Spice grinding; and
 - f) Pasteurization/Processing of milk and other dairy products.
 - g) Any other value addition to food and agriculture products for domestic and foreign markets.
 - h) Tissue culture and Mushroom culture, Compost making
 - i) Floriculture, Processing of Aromatic and Medicinal Plants and Green Houses.
 - j) Processing and packaging of Mutton/Chicken.
- ii) Silk reeling, yarn making and yarn spun from silk waste, woven fabrics of silk or silk waste.

- iii) Wool and woven fabrics of wool, Manufacturing of woollen blankets.
- iv) Woven fabrics of cotton.
- v) Leather processing and Leather goods.
- vi) Pharmaceutical Industry.
- vii) Computer hardware (integrated circuit and micro assemblies.
- viii) IT and IT enabled services-Hardware/Software (BPO/Call Centres).
- ix) Hi-Tech (Electronics - Consumer Electronics, Telecom, Solar Photo Voltaic System, VLSI/Chip Design/Micro Controllers, Medical Electronics and Instrumentation).
- x) Auto ancillaries, Assembly of machine parts, machine tools, Renewable, energy equipments, Electrical appliances and Electrical goods.
- xi) Exploration/Exploitation of minerals and minerals based industry- Gypsum, Plaster of Paris with chip boards, Granite and Marble cutting and finishing, cutting and polishing of gems and making of jewellery.
- xii) Handicrafts and Handlooms.
- xiii) Precision engineering.
- xiv) Bottling of mineral water.
- xv) Wood based industry-Manufacturing of plywood/Ply board/Core veneer
/Pencil Blocks/Slates/Joinery/Furniture/Paneling/Sports
Goods/Toys.
- xvi) Poultry (Plant & Machinery part only).

Whenever incentives have been sought/accessed from any other department of the State Government the same shall not be accessed/sought from the Industries and Commerce Department. Moreover, the Unit shall first seek incentives from the Central package and only the balance part wherever admissible shall be sought from the State Package, if eligible.

2.19 The Handicrafts and Handloom Sector are the main stay of State's economy providing employment to over 3.5 lakhs persons. The sector has enormous potential to further augment employment opportunities, being labour intensive with low capital investment. In order to stimulate growth in the sector, strong support systems are required for achieving higher quantity and quality in production and marketing at domestic and international levels. The steps to facilitate Handicrafts/Handloom Sector are as under-

- i. Economic empowerment of the Artisans and Weavers.
- ii. Production of quality items by adhering to high quality standards and to facilitate infrastructural imperatives.
- iii. Seeking expertise of non-governmental and business organizations in

- market research, design development and marketing.
- iv. Creation of craft clusters and provision of common facility centres.
- v. Improvement in the existing common facility infrastructure.
- vi. Provision of institutional fiscal support for encouraging entrepreneurship skills and skills in craft production.
- vii. Promoting labour market efficiencies.
- viii. Rewarding innovation and business process improvement.
- ix. Promoting organized craft production centres.
- x. Skill development leading to employment generation in the sector.

2.19.1 The department will take steps for providing e-Commerce facility for Handicraft products in both Private and Public Sector Undertakings, suitable facilities for warehousing and testing facility would be established in adequate numbers in due course of time. As standardization for e-Trade and Commerce is a time taking process for creation of trust and brand, this would be largely aimed at to provide better returns to artisans and minimize presence and environment of middle man in Handicraft and Handloom Sector.

2.19.2 Micro credit facility with Interest subvention is the key to their economic empowerment. The Government will continue with the Artisans and Weavers Credit Card schemes facilitating bank loans at low rates of interest and thus enabling the Artisans and Weavers to have their own units and be self-employed. Group approach for availing loans on a Cooperative or cluster basis under these schemes shall also be explored for better results.

2.19.3 School of Designs/Craft Development Institute/Indian Institute of Carpet Technology needs to be upgraded as Training Extension Centres. These institutes shall look into the skill demand and develop appropriate training courses addressing various gaps. Research and Development initiatives shall be undertaken to develop new prototypes in consonance with the market demands.

2.19.4 For high quality handicraft and handloom products, a platform for Creative Design Development by integrating designs with traditional, technical and technological resources shall be promoted in Public Private Partnership

2.19.5 For sector specific development, promotion of craft clusters shall be undertaken by the State Government through suitable central assistance. The focus areas shall be high knottage carpet manufacturing, high value Pashmina products, crewel draperies with introduction of new fabric usage, wood based craft products, innovative Paper Machie craft items, Willow Wicker, Kani Shawls, Gabba,

(PPP)

Sazi Namdha Sazi etc. This will enable the handicraft sector to build its production base in an organized manner with proper monitoring mechanism. Establishment of Common Facility Centres alongwith trading counters in each such pocket/cluster will be another intervention to be made in a phased manner.

2.19.6 Patenting of designs to protect the Intellectual Property Rights and Traditional Knowledge Rights of designers and craft persons shall be promoted.

2.20 Central PSEs/International Companies.

In respect of Central Public Sector Enterprises willing to set up units in the State in Green and Orange category with employment generation potential of over 500 primarily for the local persons, the State Govt. may lease out land free of cost or at higher subsidized premium in accordance with the procedures as may be prescribed.

2.21 Special State Economic Zone (SSEZ)

The State Government may declare a well defined geographical area having potential for rapid industrial development as Special State Economic Zone(SSEZ) and provide infrastructure and support services and higher incentives to attract investment in industry in the said Zone.

2.22 Package of Incentives

Details of Incentives/subsidies to be provided under the State Industrial policy- 2016 are given in **Chapter-3**. These incentives are extended till March, 2026 and shall be applicable to the industrial sector as defined under Micro, Small and Medium Enterprises Development Act amended from time to time. These incentives are expected to encourage investment in the industry sector.

2.23 Infrastructure and Support Services

The government will strive to improve the existing industrial infrastructure in the State. In this regard, the policy emphasis will be on:-

- i) Development of modern industrial areas/estates, growth centers and clusters, etc. in a time-bound manner. This is aimed at creating an attractive industrial environment.
- ii) Private sector participation in infrastructure development shall be encouraged through the MoU route/Competitive bidding.
- iii) Efforts shall be made to ensure regular, reliable and quality power supply within the industrial estates and clusters with dedicated industrial feeders.
- iv) Green industrial estates, clusters from amongst the existing/new industrial estates

shall be identified where only Green Category industries shall be allowed. The investors will be facilitated in selecting an appropriate location for setting up their industry based on Green, Orange and Red categorization.

Incentives and Subsidies under the State package

- 3.1 As of now, the State of Jammu and Kashmir is covered under the Special Central Package of incentives upto 14-06-2017. These incentives apply to the units under the thrust industries as notified by the Department of Industrial Policy and Promotion (DIPP), GoI irrespective of their location in the state and to all other industrial units (non thrust industries) located in the notified industrial estates. The Special Central Package prescribes incentives under Capital Investment Subsidy, Central Interest Subsidy, Freight Subsidy and Insurance Premium Subsidy (**Annexure-I**).
- 3.2 The State Package of incentives under the Industrial Policy-2016 details various types of incentives to the industrial units including the Capital Investment Subsidy (CIS) and the Interest Subsidy. The Capital Investment Subsidy and the Interest Subsidy shall be claimed from the Special Central Package and not the State Package by all those industrial units in the state who are eligible for drawal of these two incentives under the Special Central Package, however, the industrial units under the non thrust category and located in non notified locations as indicated under Special Central Package being ineligible under the Central Package, may draw these two types of incentives from the State Package subject to fulfillment of prescribed eligibility conditions.
- 3.3 There is a general feeling that the Capital Investment Subsidy (CIS) for Large Industrial units (investment in Plant & Machinery more than Rs. 10 crore) under the Special Central Package is too low at 15% of investment in Plant & Machinery subject to a maximum of Rs. 30 lacs. This issue has been taken up with the DIPP, GoI for reconsideration. Till the time the DIPP takes a decision on this, the State Industrial Policy-2016 would provide subsidy of 30% in investment subject to the maximum/upper ceiling of Rs. 3 crore in case of manufacturing units and Rs. 1.5 crore in case of Services Sector units. The Large, Prestigious and Mega category industrial units shall first claim CIS from the Special

Central Package and only the balance portion of the subsidy shall be claimed from the State Package.

3.4 State Capital Investment Subsidy

3.4.1 The table below indicates the rate and upper ceilings under the State Capital Investment Subsidy for the industrial units in Zone-A and Zone-B.

State Capital Investment Subsidy

S. No.	Category of Industrial Units	Zone-A		Zone-B	
		% of P&M	Upper	% of P&M	Upper
1	<u>Micro, Small & Medium</u>				
	a) Manufacturing	30	60.00	3	75.00
	b) Services	30	30.00	0	37.50
2.	<u>Large Industries</u>				
	a) Manufacturing Sector	30	150.00	3	300.00
	b) Services Sector	30	75.00	0	150.00
3.	<u>Prestigious/ Mega Projects</u>				
	a) Non-thrust industries				
	i) Manufacturing	30	150.00	3	200.00
	ii) Services	30	75.00	3	100.00
	b) Thrust industries				
	i) Manufacturing	30	200.00	3	300.00
	ii) Services	30	100.00	3	150.00

Rs. in Lakh

3.4.1 The State Industrial Policy-2016 provides additional incentive from the State package for Micro and Small Industries under the Capital Investment Subsidy (CIS) for the new units in Zone-B districts @ 10% of the Capital Investment in plant and machinery(subject to an upper ceiling of Rs. 20 lacs).

3.4.2 As a matter of policy and existing instructions of the Industries and Commerce Department, the industrial units subject to their eligibility, are supposed to first avail the Capital Investment Subsidy under the Special Central Package. In case the claims of Capital Investment Subsidy (CIS) under the State Package exceeds the admissible amount under the Special Central Package, then the difference can be claimed from the State Package. Same procedure shall apply under the new Industrial Policy.

10% additional CIS for Micro and Small Industrial units as at para 3.3 will however, be claimed from the State funds by those units under Thrust Industries who have first drawn CIS from the Central package.

3.4.3 Prestigious and Mega projects in Green and Orange category can begin their civil works immediately after taking possession of the land obtaining all other permissions and approvals will be assisted by the J&K SIDCO before they get into commercial production.

3.4.4 Prestigious/Mega units in thrust industries shall also be provided 75% Subsidy on the cost of construction of Captive tube well or building a Captive Water lifting Plant subject to a limit of Rs. 30.00 lacs, which shall be in addition to the Capital Investment Subsidy prescribed above.

3.5 Interest Subsidy on Working Capital

3.5.1 In order to attract more investment in the industrially backward districts in Zone 'B' the interest subsidy on working capital for existing and new Industrial units in Zone-B shall be enhanced from the present rate of 3% to 5% subject to a ceiling of Rs. 15 lacs per year for a period of 5 years from the date of commercial production (DoP). However, for industrial units in Zone.-'A', the interest subsidy shall be @3% on working capital subject to a limit of Rs. 10 lacs per year for a period of 5 years from the date of commercial production (DoP), as per details given below:-

S. No.	Zone	Existing rate of Interest Subsidy	New Rate of interest subsidy on Working Capital.
1.	A		3
2.	B	3% on W/C	% 5

3.5.2 Industrial units in Zone-A shall avail the entire 3% Interest Subsidy under the Special Central Package of incentives wherever eligible. In case of Zone-B they shall first avail the 3% Interest Subsidy on working capital under the Special Central Package, wherever eligible, in the first instance and claim the balance 2% under the State Package subject to the upper ceilings as prescribed above drawn from both the sources. No interest subsidy shall be available on penal interest or on default payments.

3.5.3 The industrial units who are not eligible under prescribed conditions to draw the 3% interest subsidy from the

Special Central Package can draw entire working capital subsidy from the State Package subject to eligibility under the State scheme and subject to upper ceiling prescribed above.

- 3.5.4 The existing industrial units undergoing substantial expansion are not eligible for Central Interest Subsidy under the Special Central Package-II. However, under this new State Industrial Policy-2015 such units shall also be eligible for 3% Interest Subsidy from the State Package of incentives subject to a ceiling of Rs. 10 lacs per year for a period of 5 years from the date of commencement of commercial production/date of operation after substantial expansion.

3.6 Subsidy on Pollution Control Devices

For installation of latest, online monitoring and high quality pollution control devices (PCD) in the factories/units by the promoters, subsidy on the cost of Pollution Control Devices (PCD) installed shall be available @ 60% of the cost of Pollution Control Devices subject to a maximum of Rs. 50 lacs, if this has not been already claimed under CIS or similar subsidy scheme of the Central or State Government.

3.7 Green and Environment Protection Initiatives

Industrial units shall be encouraged to undertake rain water harvesting, waste water recycling, zero discharge process/solid waste management. For this purpose, 50% subsidy on the expenditure incurred on the equipment subject to limits indicated in **Chapter-5** shall be provided by the State Government and subject to the condition that capital investment subsidy has not been already claimed on this investment.

3.8 Power tariff/Diesel Generator Set/ Green Energy Option

- 3.8.1 Power tariff for the industrial sector in the State is already subsidized. As the State of J&K is still lagging behind in meeting the domestic/commercial requirements of electricity, coupled with high transmission and distribution losses, the assured/uninterrupted power supply to the industries/factories everywhere may not be possible to be made available immediately. Therefore, 100% subsidy on purchase & installation of DG sets from 10 KW to 2000 KW capacity purchased from reputed/Standard Companies shall be allowed with upper ceiling as indicated below:-

3.8.2

Existing capacity of DG Set permissible	New capacity of DG Set permissible	Upper ceiling
10 KW to 1000 KW	10KW to 2000 KW	Rs. 40 lacs for Zone-A Rs. 45 lacs

3.8.3 The subsidy shall be available to the unit after it has been verified that the DG set has been actually installed and after fulfillment of the following conditions or as may be prescribed:-

- i) The amount of subsidy on purchase of one (01) DG set shall be paid to the supplier 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.
- ii) 50% of the amount of subsidy on DG set shall be paid on verification of installation and the remaining 50% shall be paid after 6 months of installation or date of commercial production of the unit whichever is later.
- iii) 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 as duplication of subsidy from more than one source is not allowed and is strictly prohibited.

3.8.4 The Power Development Department shall take steps subject to availability of power and infrastructure to ensure 24x7 power supply to Industrial estates/ growth centres where 100% collection of power is undertaken, by the Industrial Associations.

3.8.5 For promotion of green and environmentally friendly technologies, the Units availing Diesel generator sets can substitute or opt for Solar/Wind Generator/Hybrid Solar Wind Systems within the upper ceiling not exceeding that of the existing capacity of the permissible generator.

3.9 GI Certification

3.9.1 With increasing competition in the market, manufacturers of quality consumer products can sustain themselves only if they adopt an intelligent marketing strategy and build up a Brand of their own. In order to help such manufacturers, who are operating in highly competitive markets, the Government shall provide assistance for GI Certification in sector.

3.9.2 The assistance shall be available in the shape of subsidy for a period of 03 years, The subsidy shall be paid to a unit holder for GI Certification of his/her products

@ 50% of expenses incurred during the first year subject to a maximum of Rs. 15

lacs, 30% of expenses incurred during the second year subject to a maximum of Rs.10 lacs and 10% of expenses incurred during the third year subject to a maximum of Rs. 05 lacs.

- 3.9.3 Application in the prescribed form, obtainable from the office of the Director, Industries and Commerce Jammu/Kashmir must be submitted by the concerned unit-holder prior to undertaking of such activity. Disbursement of subsidy for Brand promotion will be made subject to approval of the Divisional Level

Committee constituted by the Industries and Commerce department for sanction of incentives.

3.10 Quality Control and Testing Equipment

- 3.10.1 Installation of quality control and testing equipment is a prerequisite for successful trial as well as continuous and efficient functioning of a factory/industry. Incentive of 100% subsidy on cost of such equipment shall be available to the industrial units subject to the upper limit of Rs. 35 lacs. The incentive available shall however be restricted to 25% of the total capital investment, if the cost of testing equipment exceeds 25 % of the total investment. To the extent incentive for such equipment is availed under the Central Capital Investment Subsidy, deductions will be made from the amount due under the State scheme. The incentive shall be sanctioned only after the unit wanting to avail this incentive, obtains a National/International quality mark.

- 3.10.2 Industrial units procuring Quality Certification like ISO, ISI, BIS, FPO, BEE, AGMARK, ECOMARK, etc. shall be given a subsidy of 30% of the total cost incurred for obtaining the said certificate, subject to a maximum of Rs. 2 lac, as certified by the Chartered Accountant. This incentive, however, can be availed only once.

3.11 Automation through Computers/IT

25% of expenditure incurred on automation/software/hardware/Business process re-engineering (BPR) through computers/IT/Online Pollution Control Devices managed at the start of operations of the Industrial unit or for substantial expansion of the existing unit shall be provided upto a limit of Rs. 2 lakh, after due verification by the Industries Department/Pollution Control Board, if the same has not been claimed under CIS.

3.12 Human Resource Development (HRD)

3.12.1 The State Government shall encourage imparting technical training by the industrial units on the pattern of Apprenticeship Scheme. Some financial assistance will be provided to the industrial unit to partially offset the training cost and a small stipend paid to the trainees. Detailed scheme shall be prepared and notified separately by the Industries and Commerce Department.

3.12.2 Similarly, the State Government shall encourage skill development and technical training of the youth by the empanelled and reputed technical training institutes in activities where the skill base and technical expertise is deficient in the State. The details about the scheme indicating the incentive for cost of training and stipend will be worked out in consultation with the Technical Education, Labour & Employment Departments and notified separately.

3.13 Entrepreneur and Skill Development Fund

An entrepreneur and skill development fund shall be created for incorporating entrepreneurial skills to the local youths for sustained industrial growth in the state. 10% of the premium charged by SIDCO for allotment of the land to the entrepreneurs shall be transferred to this Fund. Separate guidelines shall be issued for utilization of the fund which shall mainly emphasise on skill development. The entrepreneurs shall be provided training and skill development and industrial entrepreneurship from the premier institutes of the country, The concerned departments in the State Government shall also make full use of the various schemes of the Ministry of skill Development, Ministry of Labour and Employment, Ministry of Textiles, Ministry of Food Processing and other Ministries to ensure that the benefits of skill development and technical education percolates to our youth in the state.

3.14 Startup India Programme

The Startup India Programme started by Government of India aims at providing employment opportunities through self employment to the unemployed youths of the country. The unemployed entrepreneurs shall be linked with the Startup program to avail the benefits of the scheme started by Government of India. The Startup India Programme as part of Policy to build a strong Eco-System for nurturing innovation and Startups in the State will drive sustainable economic growth and generate large scale employment opportunities in the state. As the initiative aims to empower Startups to grow through innovation and design which will need a strong Human Resource Management for identification of all

such potential Startups in the State and to create targeted group of entrepreneurship, the programme shall act as action plan for creating hub of new Industrial growth in the state. The Startup India Programme will act as a driving force for new entrepreneurship and identified Startups for strengthening skill development and employment generation.

3.15 Pre-Investment Studies/Feasibility reports

3.15.1 Project profiles shall be got prepared by the Directorate of Industries and Commerce, SIDCO and SICOP and made available off the shelf to the promoters at a nominal price.

3.15.2 The promoters may get a project feasibility report prepared from J&K ITCO, JKDFC, J&K SIDCO, J&K SICOP or any other agency, as may be approved by the GM, DIC from time to time. The promoter may get a report prepared also from any other specialist agency/reputed consultant(s) in the field.

3.15.3 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 lac.

3.16 Stamp Duty and court fee Exemptions.

The Mortgage deeds in favour of financial institutions required to be signed by the promoter shall be exempted from payment of stamp duty. Similarly, exemption from payment of court fee for registration of documents relating to lease of land, will be granted to the registered industrial, units.

3.17 Tax Exemptions.

The exemption from payment of additional toll tax, CST and VAT as available to the industrial units under Industrial Policy-2004 and any subsequent orders of the State and Central Government shall continue for now and also be applicable to all new MSME/Large scale units in Zone - A and Zone - B till further orders, subject to the GST regime.

3.18 Tax Reforms

In addition to the tax incentives given above, the State Government shall also undertake the following tax reforms to boost industrial development in the State:-

- i) Green channel for industrial sector at Lakhapur to reduce the waiting time for import/export of raw material and finished goods with 24 x 7 working hours.
- ii) No additional toll tax on empty containers brought into the state for transportation out of the state of products manufactured within the State.
- iii) The Industries and Commerce Department and the Finance Department shall undertake regular periodical review of the Negative list for better Industrial

development in the state.

- 3.19 In the event of adoption of GST regime by the State Government, the Finance Department shall issue fresh guidelines/orders/notification separately relating to Tax matters and incentives in supersession of the existing notifications/orders and circulars etc in the matter.

3.20 Labour Reforms

The Labour department is in the process of amendments in the existing labour laws and procedures as part of Ease of doing Business while simultaneously securing the welfare, safety and financial interest of the Industrial Labour. Policy encouraging employment of local persons/permanent residents of J&K shall be continued.

3.21 Air Freight subsidy

Air freight subsidy shall be available on export of finished goods and import of raw material for registered micro and SSI units for any destination within the country @50% subject to a maximum of Rs 5 lacs per year per unit. However, in respect of Handicrafts and Handloom traders/exporters, air freight subsidy shall be allowed to the extent of 50% for parcels up to 5000 kgs for destinations within the country and 1000 kgs outside the country per year per registered trader/exporter registered with the Customs Department having maximum limit of Rs. 15 Lakh.

3.22 Freight-Subsidy

Freight Subsidy of 90% is available under Special Central Package. In order to help the unit holders in Thrust Industries in Zone-B districts to meet the higher cost of transportation, 5% additional freight subsidy shall be provided under the State Package. Operational guidelines in this behalf shall be issued separately.

3.23 Power supply

3.23.1 Regular and adequate supply of power to the industrial estates, parks and growth centres etc is extremely essential for the operation and survival of industry. This aspect will be addressed by the State Govt. and separate allocation of funds will be made every year for supply of power to industry and upgradation/development of power supply infrastructure.

3.24 Earnest Money Security Deposit

- i) SSI units shall be required to pay only 50% of the amount of earnest money/security prescribed by the tendering authority or Rs. 5000 whichever, is lower.
- ii) Tender documents shall also be supplied to the SSI units @ 50% of the price of the documents or Rs.500 whichever be lower.
- iii) SICOP shall be treated at par with the SSI units for the purpose of the aforementioned provisions.

3.25 Other Incentives

Various Ministries in the Government of India have launched schemes for implementation by the State Government departments and agencies and the NGO's for development of Industry and welfare of the stake holders including the labour classes. All efforts shall be made to implement these schemes in right earnest. Apart from being a major source of funding for the development of infrastructure, these schemes can be gainfully utilized for capacity building, skill development and employment generation. More notable and relevant schemes (Ministry wise) are listed in **Annexure-IV**. Details can be obtained from the respective Ministry Websites.

Ease of doing Business

4.1 The new J&K Industrial Policy is aimed at attracting investment, fostering growth, employment generation, income generation, skill development and building up of robust manufacturing industrial base. All this is premised on e-governance interface, effective online land allotment mechanism, time-bound NOCs, amendment of outdated rules and regulations, elimination of unnecessary procedures, simplification of complicated procedures, making bureaucratic processes shorter and making government more transparent, responsive and accountable to facilitate the Industrial growth in the state. This Ease of Doing Business is in supersession of Government Order No. 175-IND of 2010 dated 11- 10-2010 with regard to constitution of Single Window Clearance System and Government Order No. 105-IND of 2015 dated 21-07-2015 with regard to Ease of Doing Business.

4.2 Registration of Units:

4.2.1 **EM-I(Provisional Registration):-**

- a) Henceforth, provisional registration (EM-I) shall be made online. The unit holder shall apply online for EM-I registration alongwith submitting the requisite documents

(scanned copy). This shall, however, be supplicated by the hard copy which is to be submitted by the unit holders within 03 days since the date of submission. The concerned General Manager, DICs shall after issuing e-receipts, issue the provisional registration mandatorily in 07 days. Whenever, EM-I and EM-II are replaced by any suitable mechanism by Government of India, the same will be adopted by the State Government so that the incentives schemes of Government of India remain enforced for Jammu and Kashmir State.

- b) In respect of micro units, the submission of DPR shall be dispensed away with.
The General Managers shall, however, maintain an account of the applications and receipts.
- c) For earmarking and allotment of land, the General Manager, DIC shall forward the indent through e-mail to concerned Estate Managers of SICOP/SIDCO with a copy thereof to Pollution Control Board (membersecretaryjkspcb@gmail.com) for issuing Consent to Establish (CTE), and Executive Engineer, FDD for issuing the Power Availability Certificate (PAC) online.
- d) The Manager Estates of SICOP/SIDCO shall earmark the land within 07 days from the date of receipt of e-mail and report back to General Manager, DIC (online) about the demarcation of the plot.
- e) The Ministry of Micro, Small and Medium Enterprises has prepared a one page registration form Udhog Adhaar Memorandum (UAM) that will constitute a self declaration format under which the MSME will self certify its existence, bank account details, promoter's/owner's Adhaar details and other minimum basic information required. Based on the same, the MSME's can be issued online, a unique identifier i.e. Udhog Adhaar Number. The same shall be implemented as per the guidelines of the MSME.
- f) The Power Development Department shall provide the Power Availability Certificate within one month time from the date of online receipt to the unit holder with copy to the concerned General Manager. In case no communication is received, it will be assumed that PDD agrees to the request of power availability applied for and hence Industry and Commerce Department would go ahead with the registration process for the establishment of Industrial Unit and allotment of land.
- g) The PCB shall provide NoC or otherwise within one month from the date of receipt of e-mail. After lapse of one month,

it will be assumed that PCB has no objection in case no communication is received and hence INC Department will go ahead with the registration process for the establishment of Industrial Units.

- h) The land allotment letter shall be issued on-line within 03 days after the receipt of PAC, consent to establish from PCB and earmarking of land from the concerned Estate Manager.
- 4.2.2 The General Manager, DIC shall allot the land to the unit holders in respect of Micro, Small and Medium Industrial Units with investment in Plant and Machinery upto Rs. 05 Crore. The Director, Industries & Commerce shall allot the land to the Unit holders with investment in Plant and Machinery from Rs. 05 to 15 Crore. In this case, the timeline shall further be enhanced to additional 10 days.
- 4.2.3 The Administrative Secretary of Industries & Commerce Department shall approve the industrial units having investment in Plant and Machinery in between Rs. 15 to 25 Crore. In such cases, the timeline shall further be enhanced to additional 1 month.
- 4.2.4 Industrial Units investing above Rs. 25.00 Crores in Plant and Machinery shall be approved by the Standing Apex Committee headed by the Chief Secretary, J&K.
- 4.2.5 In such cases where the land is earmarked, the applicant is required to deposit requisite premium of land within 30 days from the date of land allotment failing which the provisional registration shall be cancelled and the unit holder has to apply ab initio.
- 4.2.6 The entrepreneurs shall set up their units and make them functional within two
(02) years from the date of land allotment failing which the land allotment shall be cancelled and the said land shall be retrieved by the allotting agency.
- 4.2.7 In case the unit does not come in production within two years as the previous registration is granted for two years as per MSME Act and the General Manager is satisfied that the unit is progressing to be functional and effective steps have been taken by the developer by placing orders for supply of plant and machinery and has paid all bills related to this, he may grant extension in provisional registration for an initial period of six months. In extremely exception case, one more extension may be granted for a period of two months only by assigning reasons and passing speaking order in this regard. Thereafter, no extension shall be granted.

4.2.8 However, for such unit holders who have taken effective steps but not completed the projects are required to apply before the designated Committee on a case to case basis for extension. The Committee shall be headed by Director, Industries & Commerce Kashmir/Jammu with following members:

- a) Joint Director (Development), Industries and Commerce.
- b) General Manager, DIC concerned.

4.2.9 Under the Public Premises Act, the concerned Estate Managers shall be vested with the powers of eviction. They shall also be authorized to issue building permission for the purpose of civil works of units having binding to follow all-laws and rules in this regard by the developer in the shape of an affidavit attested before a Judicial Magistrate.

4.2.10 Suitable Administrative Mechanism will be notified separately for the above mentioned delegation.

4.3 EM-II (Formal Registration).

The formal registration process shall be online only. The application forms along with the requisite documents (scanned and uploaded) shall also be received through e- mail and e-receipt issued for which account should be maintained by all General Managers. Formal registration shall be issued within ten (10) days from the date of receipt of application along with requisite documents online.

4.4 Change of Constitution:-

The concerned Director, Industries & Commerce shall issue change of constitution for existing units in production for the organized sector after completion of all the formalities as per the checklist, from the concerned General Managers and the process shall be completed within 15 days.

4.5 Change of line of activity/change of location: -

The powers shall lie with the General Managers and same shall be done within 10 days. The application form is to be supplemented with the requisite documents.

4.6 De-registration of Units:

The powers to de-register the units shall be vested with concerned Director, Industries & Commerce. The applicant shall have to apply to the General Managers with all requisite formalities who shall forward the same to the Director, Industries & Commerce. The whole process shall be

completed within a period of 21 days-07 days for concerned General Managers and another 14 days for concerned Director, Industries

& Commerce. The concerned General Managers shall not insist for the formalities for which the Industries Department is not responsible and they shall obtain only an affidavit duly attested by the Judicial Magistrate.

Incentives under State Package:

4.6.1 All the incentives under the State Package upto Rs. 5.00 lacs shall be sanctioned and disbursed by the concerned General Manager for which Director, Industries

& Commerce, Jammu/Kashmir shall nominate a Committee. The same shall be done within a period of one month by the said Committee after receipt of complete case from the applicant as per checklist.

4.6.2 The incentives above 5.00 lacs shall be sanctioned by the Divisional Level Committee of respective Directorates of Industries and Commerce, Jammu/Kashmir, with the following composition and the incentives shall be disbursed by the General Manager, DIC concerned.

1	Director, Industries and Commerce	Chairman
2	Joint Director (Dev), Directorate of I&C,	Member
3	Chief Accounts Officer of Directorate of I&C	Member
4	Deputy Director (Planning), Directorate of I&C	Member
5	General Manager, DIC (concerned)	Member

The committee shall meet once in a quarter for each district in the division. The concerned General Manager shall submit the cases to the Director, Industries and Commerce within the period of 21 days and shall be disposed of by the Divisional Level Committee within one month.

4.6.3 30% audit of all incentive claims shall be conducted by Directorate of Industries and Commerce Jammu/Kashmir before disbursement.

4.6.4 Incentives under the Special Central Package shall, however, continue to be sanctioned by the State level Committee (SLC) headed by the Administrative Secretary, Industries and Commerce Department. The General Manager concerned shall submit the case to the Director, Industries and Commerce with regard to Central Package within a period of 21 days and the Director, Industries and Commerce shall

place before the SLC within one month from the date of receipt.

4.6.5 Incentive shall be available only for such units which install online pollution control devices.

4.7 Delegation of powers:

The following powers shall be delegated in respect of Micro, Small and Medium units to the General Manager, DICs:

- I. Issuance of EM-I and EM- II.
- II. Renewal of provisional certificate.
- III. Grant of diversification of line of activity in case of formally registered units.
- IV. Grant of additional line of activity.
- V. Grant of permission for substantial expansion/modernization.
- VI. Grant of permission to purchase DG sets.
- VII. Assessment/reassessment of raw Grant of permission for repair/export of machinery out of state where incentives have been received by the unit holder in case of Small and Medium scale units.

However, the General Managers should ensure that wherever permission has to be granted on self-certification as pointed out at S. No. 6 above should strictly be adhered to.

4.8 Toll tax exemption/assessment:

4.8.1 It shall be obligatory on the part of DICs to carry out the basic assessment of raw material and finished goods within ten (10) days from the date of issuance of EM-II without waiting for further documents or application in this regard.

4.8.2 Toll tax proforma in respect of raw materials imported and finished goods exported shall be prepared at the end of each financial year by the unit- holder/promoter. To do away with the furnishing of the toll tax proforma and annual verification certificate (AVC) to the Commercial Taxes Department through the General Manager, DIC and the Director, Industries and Commerce, the Commercial Taxes Department shall, introduce a self-certification mechanism with appropriate checks and balances. Further instructions, in this behalf, shall be issued by the Commercial Taxes/Finance Department

4.8.3 The General Manager, DIC shall, however, inspect the unit on quarterly basis from the date of start of production to ascertain whether the raw material/spare parts imported by the unit holder have been put to bonafide use or not. This inspection would be done routine manner. Delay on part of General Manager would draw penalty clause/activation.

4.9 Self certification for Export, Import and Green Corridor:

The following shall be submitted on self certification basis by the promoters of Micro and Small Scale units to the Commercial Taxes Department/Excise Department alongwith a

copy of the DIC registration certificate. In case of any misuse, the said Department will be within its rights to impose heavy penalty. The Finance Department/Commercial Taxes Department shall issue necessary notifications/SRO with respect to:

- a) Permission for export out of the State scrap material for sale.
- b) Permission for Import from outside the State of spare parts and consumables.
- c) Permission to import from outside the State additional machinery and equipments without intending to seek any new incentives or change in capacity, within the sanctioned power load. In case of additional power requirement, the same shall be sought from the PDD by the unit holder.
- d) Annual Verification Certificate in respect of import of raw material and export of finished goods. For sending out the machinery outside the State for repairs, prior permission from the General Manager, DIC (concerned) is required and he shall ensure that no Plant & Machinery on which Central/State incentives have been disbursed is taken out of the State without permission. Similar procedure will be followed for utilizing Green Corridor at Lakhampur for which separate notification will be issued by the Finance Department.

4.10 Clearance from the State Pollution Control Board (SPCB):

The State Pollution Control Board (SPCB) shall ensure to give or refuse clearances within one month from the date of application, in the prescribed manner in respect of all types of industry - Green, Orange and Red. In case of Green category units, State Pollution Control Board (SPCB) clearance shall not be insisted upon at the time of filing application under EM-II if the applicant furnishes proof of having applied to the SPCB in the prescribed manner one month before the date of filing such application.

4.11 Power Connection:

The Power Development Department shall issue power connection within 07 days in the Industrial Estates and outside the Industrial Estates within one month from the date of application when the industrial unit is established and applies for certificate of production.

4.12 At present the following services are under the ambit of J&K Public Service Guarantee Act, 2011 :—

- 1. NDC from DIC (for employment purposes)
- 2. Provisional Registration of new industrial units (EM-I)
- 3. Formal Registration of new industrial units (EM-II)
- 4. Electricity Connection.
- 5. Issuance of NOC (by Pollution Control Board for installment of Industry/Projects)

6. Issuance of VAT-65 Form.
7. Issuance of statutory Forms i.e. C/H/F forms etc.

The additional services shall also be brought within the ambit of the J&K Public Service Guarantee Act as per details in the preceding paras after the issuance of the Industrial Policy.

4.13 Strengthening and Computerization of DICs

4.13.1 The State Government shall take all steps for computerization of the processes involving registration, incentives, allotment besides computerization of other data in the DICs. Since the Government of India is implementing the e-biz project- a mission mode project of the National e-Governance Plan (NeGP), the State Government shall also take steps for link up and effective implementation of this project.

4.13.2 IT trained personnel to be engaged on contractual basis shall be provided to each DIC and Director, Industries and Commerce Jammu/Kashmir to assist in e-governance and IT related initiatives till suitable posts are created for IT trained staff.

4.14 Investment Facilitation Cell

In order to attract investment in the State, a special cell namely the "Investment Facilitation Cell" shall be created within SICOP/SIDCO whose mandate shall be to facilitate investors to invest in the State. This cell shall be linked with the e-biz portal of the DIPP.

4.15 Information Hubs

District Industries Centers will also function as Information Hubs for the entrepreneurs to enable access to the State and National information hubs and markets, thereby enhancing productivity and exports. Setting Up of Industrial Grievance Forums

"Industrial Grievance Forums" to speedily sort out grievances and solve inter- departmental related issues faced by entrepreneurs will be set up at the Director (I&C) and GM, DIC levels under the direct supervision of the concerned Director (I&C) and GM, DIC. These forums shall serve as a nodal point of appeal for any grievance/dispute/complaint faced by the industry Stake holders and initiate immediate action to ensure grievance redress in a time bound manner. Representatives of Chamber of Commerce and Industry and the Federation of Industries of Kashmir and Jammu shall be included in the Forums in addition to representatives of Associations

of specific Industrial Estates/Growth Centres. The Director, Industries & Commerce, Kashmir/Jammu shall assign adequate functions/duties to the Functional/Project Managers for the facilitation of the unit holders and smooth functioning of the DICs in consultation with General Manager concerned. The General Managers of the DICs shall also erect billboards outside their office buildings showing the authority vested in them and the work distribution among different Managers of the DIC, timelines as per this order for various activities, check list (list of documents enclosed with the application) and the mail ID on which the applicant can apply and interact for various services. The same information may be made available on the DIC/Directorate of Industries & Commerce websites. The Director, Industries and Commerce, Kashmir/Jammu shall also host and maintain a proper website alongwith links to other sister websites of the Industries & Commerce Department and other Departments to facilitate the industrial unit holders, stakeholders and potential entrepreneurs.

5 The General Manager of DICs while processing the cases of subsidy like CIS shall not ask for the documents which have already been submitted by the beneficiary/entrepreneur while obtaining date of production and process the case of subsidy as per timeline.

5.1 NOC/Self Understandings:

5.1.1 DICs, SICOP and SIDCO while processing cases for establishment of Industrial Units shall undertake affidavit (attested before Judicial Magistrate) from the perspective developer that he/she/they would abide by provisions of various State/Centre laws related to the Industrial Units/Establishment/Production /Marketing. It would also be undertaken that any deviation/non-compliance would be the responsibility of the unit owner/management, Industries & Commerce Department would not be party/responsible for any omission/commission on this account.

5.1.2 Industries and Commerce Department shall not obtain NOC on behalf of various departments except for Pollution Control Board, Power Development Department, Excise and Commercial Tax Department.

5.2 Right to Information:

Any person desirous of seeking information may apply under J&K RTI Act 2009 to the designated authorities as per the Act.

- 4.24 The checklist of documents required to be submitted alongwith the application for obtaining various services as shown above is enclosed as **Annexure-V**. The checklist of attachment with application shall be displayed in the office of General Manager and Director Industries & Commerce and shall also be available on website.
- 4.25 At the district level, Deputy Commissioner/ DDC would co-ordinate and review implementation of provisions of Ease of Doing Business in the industry sector. Accordingly he/she would keep the administrative department apprised about the progress and bottle-necks if any for taking course correction measures.

Environment Protection and Green Initiatives

- 5.1 An important part of the new Industrial Policy will be to encourage environment protection through setting up of Green industries and adoption of Green technologies. Incentives schemes would be available to such units/projects which undertakes to install online pollution control devices to be monitored by the Pollution Control Board. Similarly, industrial units will be encouraged to utilize Renewable energy. Preference in land allotment and additional incentives subject to the prescribed upper ceilings will be admissible for all such projects using renewable energy.
- 5.2 Special attention shall be paid to environment protection by way of installation of Effluent Treatment Plants (ETPs), hazardous waste management systems, zero discharge processes, energy conservation measures, solid waste disposal plants, recycled water utilization and dense plantation. Installation of such plants under PPP mode shall be encouraged with grant of incentives as are applicable under the policy or as may be prescribed.
- 5.3 Renewable energy projects are being administered by the Science and Technology Department for the purpose of incentives and concessions.
- 5.4 Setting up of red category industries in certain cases shall be allowed subject to adoption of all environmental protection measures, installation of on-line pollution control equipment/devices and adherence to prescribed measures in relation to location of such units and environmental audit

under the over all supervision of Pollution Control Board.

5.5 Water Supply and Industrial Waste Management

5.5.1 Water is a scarce resource and optimal utilization of water by industry would be actively encouraged. Industries would be encouraged to recycle and reuse water generated from industrial processes after adopting appropriate technologies and techniques, for which special incentives shall be provided. Accordingly, emphasis will be to:

- i) replenish and recharge ground water by adopting "Rain Water
- ii) recycle & re-use water recovered from industrial processes,
- iii) solid waste management.

5.5.2 Besides, the State Government while developing any new Industrial Estate/Cluster shall all possible endeavor for establishment of Common Effluent Treatment Plant (CETP) and other common environment protection measures for treatment of industrial waste.

5.5.3 The State Government shall provide incentives uniformly to industrial units for undertaking following activities:

Item No.	Initiative	%age of the cost of	Upper Limit Rs. Lacs
1	Rain water harvesting	4	2
2	Waste water recycling	5	5
3	Zero discharge process/solid waste	5	6
.		0	.

5.6 Energy conservation measures

- i) Efforts will be made to educate industry stakeholders about low-carbon, low waste, non-polluting and safe technologies.
- ii) Encourage industries to go for carbon auditing.
 - iii) Use of energy efficient equipment in industries will be encouraged.
 - iv) Industries with connected load of above 100 KW will be encouraged to adopt energy auditing.
 - v) Facilitate industries in implementing clean technology projects utilizing various Government of India Schemes.

Annexure-I
State Industrial
Policy-2004 and
Special Central
Industrial
Packages

A) State Industrial Policy - 2004

- 1) A new Industrial Policy indicating the package of incentives for development of industries in J&K was sanctioned by the State Govt. on 27-1-2004. The Policy was to remain in operation for a period of ten years from 1-2-2004 to 31-3-2015. The details of the incentives provided are given below.

i) The existing Capital Investment Subsidy (CIS) of the State Government was replaced by the Government of India scheme which provided for 15% subsidy on 'Plant & Machinery' subject to a ceiling of Rs. 30 lakhs for all new units and existing units undergoing substantial expansion. This was applicable to all the areas across the State. However, in case of notified backward blocks the CIS was available as under: -

- a) CIS for new SSI, Medium and Large units @ 30% of the capital investment subject to upper limit of Rs. 30 lakhs.
- b) For thrust areas, the upper limit of the CIS was Rs. 45 lakhs.
- c) For prestigious units (with total investment of and above Rs. 25 crore), the upper limit of CIS was Rs. 60 lakhs.
- d) For Prestigious units in Thrust areas the upper limit of CIS was Rs. 75 lakhs.
- e) CIS was available for items of manufacture not included in the negative list.
- f) Where the eligible limit of CIS under the Central package exceeded the maximum limit of Rs. 30 lakhs, the balance amount subject to a ceiling of Rs. 15 lakhs, Rs. 30 lakhs and Rs. 45 lakhs, for thrust area units, prestigious units and prestigious units in thrust areas, respectively was to be paid under the State scheme.

ii) For modernization of existing units CIS was allowed to a maximum limit of Rs. 30 lakhs.

- 2) Other incentives available under the State Industrial Policy were as under:-

i) Subsidy on expenses incurred for Brand promotion of consumer products.

- ii) Subsidy on preparation of feasibility reports through approved/reputed agencies.
 - iii) 100% Subsidy on purchase of DG sets (maximum limit Rs. 25 lakhs).
 - iv) 3% interest subsidy on working capital. In case of technocrats, 5% interest subsidy was allowed on working capital
 - v) 30% subsidy on purchase of Pollution Control Devices (maximum limit Rs.20 lakhs).
 - vi) 75% subsidy on cost of construction of captive tube well/building a captive water lifting plant by a prestigious unit in any of the thrust areas, subject to a maximum limit of Rs. 22.50 lakhs.
 - vii) Subsidy was also available for installation of testing equipment, research and development through reputed organization, training of employees & skill development trainings leading to employment of trainees and air freight of raw materials & finished goods.
 - viii) Prestigious units were also exempted from payment of GST (till VAT was implemented)/CST and additional toll tax till 31.3.2015.
 - ix) Exemptions were also available from payment of toll tax, general sales tax, court fees, stamp duty and central sales tax as per details laid down in the said policy.
- B) Special Central Industrial Packages**
- 1) The Special Package-I of Industrial incentives for the J&K State was announced by Govt. of India on 14-6-2002 and was applicable upto 14-6-2012. As per modification announced on 6.1.2011, CIS @ 30% of investment in Plant and Machinery in respect of new units or additional such investment in respect of first and every substantial expansion was allowed subject to a ceiling of Rs. 3 crore for Manufacturing and Rs 1.50 crore for Service sector in the industrial areas notified by the Government of India and for thrust industries irrespective of their location.
 - 2) GOI further extended the said package (J&K package - II) on 3.10.2013 for a period of five years, effective from 15-6-2012 to 14-6-2017, with the following incentives:-
 - i) Capital Investment Subsidy @ 15% of the investment of Plant & Machinery, subject to a ceiling of Rs. 30 lakhs for new industrial units (which commence commercial production on or after 15-6-2012) and existing industrial units (which had commenced commercial production before 15-6-2012) on their substantial expansion.
 - ii) For Micro, Small and Medium enterprises, Capital Investment Subsidy @ 30% of investment in plant & machinery subject to ceiling of Rs. 3.00 crore for manufacturing and Rs. 1.50 crore for service sector.
 - iii) 3% interest subsidy on the average of daily working capital loan in respect of all new industrial units for a period of five years from the date of commencement of commercial production/operation.
 - iv) Insurance premium subsidy to the extent of 100% admissible to all new units and to the existing units on substantial expansion for a period of five years from the date of commencement of commercial production/operation.

- v) 90% freight subsidy on import of raw materials and export of finished goods for a period of five years from the commencement of commercial production.

a) These subsidies are available to the Industries to be set up in the areas as notified by GOI and also for specified thrust industries outside such notified areas.

Annexure-II

Central Industrial Package-II (2013) for J&K **List of notified Industrial areas and Thrust industries as notified under the package** **I. List of Existing Industrial Estates**

S.No.	Name of District	Name of Industrial Estate
1.	A) <u>Kashmir Division</u> Srinagar	BAMK (Bagi Ali Mardan Khan), Zakura , Zainakote, Khonmoh, Shaltaing
2.	Ganderbal	Duderhama Ganderbal
3.	Budgam	Barzulla, Rangreth
4.	Anantnag	Anantnag , Anchidora , Bijbehara
5.	Kulgam	Kulgam
6.	Pulwama	Pulwama, Chatpora, IDC Lassipora
7.	Shopian	Gagran
8.	Baramulla	Baramulla, Sopore, Food Park Doabgah
9.	Bandipora	Sumbal
10.	Kupwara	Branwara, Chotipora
11.	Leh	Leh , Phyang, Khaltsi
2.	Kargil	Chanchik, Khurbathang
1.	B) <u>Jammu Division</u> Jammu	Digiana, Jammu Cantt. Gangyal, Birpur, Bari Brahmna & EPIP Kartholi, Akhnoor
2.	Samba	Samba, IGC Samba Phase-III
3.	Udhampur	Udhampur, H D Battal Ballian
4.	Reasi	Reasi (Gran)
5.	Kathua	Kathua, Hiranagar , Billawar, IID Govindsar Ceramix Ind. Complex
6.	Rajouri	Kheora
7.	Poonch	Poonch
8.	Kishtwar	Sangrambata
9.	Doda	Dandi (Bhaderwah)

I. New Industrial Estates (Under Development)

S.No.	Name of District	Name of Industrial Estate
1.	<u>A Kashmir Division</u> Anantnag	Vessu Anantnag Shestergam Mehmooda Bagh Duru
2.	Pulwama	Takia Razak Shah Tral, Khrew near Khanmoh
3.	Kulgam	Ashmuji Kulgam, Malwan Kulgam, Kulgam Phase II
4.	Budgam	Rangreth Phase-II, Ompora
5.	Kupwara	Chotipora (Handwara), Radbugh
6.	Shopian	Aglar
7.	Baramulla	Bangil Tangmarg
8.	Leh	Phyang, Khaltsi
9.	Kargil	Khrbathang (Changrathang)
1.	<u>B) Jammu Division</u> Kathua	Ghatti, Govindsar Phase I-II Dambra Billawar Hiranagar (Chak Bulananda)
2.	Rajouri	Thandi Pani (Silk Cluster), Lamberi
3.	Udhampur	Majalta
4.	Doda	Beoli
5.	Reasi	Nimba
6.	Poonch	Surankote
7.	Samba	IGC Samba Phase-III

II. Thrust Industries

S. No.	Activity/Industry
1.	Food Processing /Agro based Industries a. Sauces, Ketchup etc. b. Fruit Juices and Fruit pulp c. Jams, Jellies, Vegetable juices, puree, pickles etc. d. Processing of fresh fruits, fruit waxing, packing, grading. e. Flour mills and Rice Mills. f. Spice grinding. g. Pasteurization /processing of milk and other dairy products.
2.	Leather processing and leather goods.
3.	Tissue culture and Mushroom culture, compost making, dairy farming
4.	Silk reeling, yarn and yarn spun from silk waste, woven fabrics of silk or silk waste.

5.	Wool and woven fabrics of wool, Manufacturing of woolen blankets.	
6.	Woven fabrics of cotton.	
7.	Floriculture , processing of aromatic and medicinal plant, Green house	
8.	Computer hardware/ Electronics (integrated circuit and micro assemblies).	
9.	Sports goods and articles and equipment for general physical exercise.	
10	Auto ancillaries.	
11 .	Exploration of minerals and minerals based Industry. Gypsum, Plaster of Paris with, chip boards, Granite and Marble cutting and finishing, cutting	
12 .	Eco tourism- Hotels, Houseboats, Resorts, Adventure and leisure sport. Amusement parks, cable car. Guest house.	
13	Handicrafts and Handlooms.	
14	Precision engineering.	
15 .	Packing industry- Items like adhesive tapes, strapping rolls, pet bottles, card bard corrugated boxes, plastic container caps, HDPL bottles, drums,	
16	Bottling of mineral water.	
17 .	Stationary items like note book , pen, pencils, Erasers, sharpeners, Geometry	
18 .	Wood based industry- Manufacturing of plywood/Ply board/Core veneer/Pencil	

Annexure-III

SO 1432(E) of 2015, dated 29.5.2015, Ministry of Micro, Small And Medium Enterprises

In exercise of the powers conferred in section 9 of the Micro, Small and Medium Enterprises Development Act, 2006, the Central Government, for the purpose of facilitating the promotion and development of Micro, Small and Medium Enterprises, hereby notifies the instructions for the Framework for Revival and Rehabilitation of Micro, Small and Medium Enterprises (hereinafter referred to as the "Framework"), which shall come into force on the date of its publication in the official Gazette, namely the Framework for Revival and Rehabilitation of Micro, Small and Medium Enterprises

1. Identification of incipient stress

(1) Identification by Banks or creditors - Before a loan account of a Micro, Small and Medium Enterprise turns into a Non-Performing Asset (NPA), banks or creditors are required to identify incipient stress in the account by creating three sub-categories under the Special Mention Account (SMA) category as given in the Table below:

Special Mention		Basis for classification
(1)		(2)
	S M A	Principal or interest payment not overdue for more than 30 days but account showing signs of incipient stress.
	S M	Principal or interest payment overdue between 31-60 days.
	S M	Principal or interest payment overdue between 61-90 days.

(2) Identification by the Enterprise - Any Micro, Small or Medium Enterprise may voluntarily initiate proceedings under this Framework if enterprise reasonably apprehends failure of its business or its inability or likely inability to pay debts and before the accumulated losses of the enterprise equals to half or more of its entire net worth.

(3) The application for initiation of the proceedings under this Framework shall be verified

- (1) When such a request is received by lender, the account should be processed as SMA-0 and the Committee under this Framework should be formed immediately.

2. Committees for Stressed Micro, Small and Medium Enterprises

(1) Subject to any regulations prescribed by the Reserve Bank of India for this Framework, all banks shall constitute one or more Committees at such locations as may be considered necessary by the board of directors of such bank to provide reasonable access to all eligible Micro, Small and Medium enterprises which have availed of credit facilities from such bank.

(2) Subject to inclusion in categories referred to in paragraph I, stressed Micro, Small and Medium Enterprises shall have access to the Committee for stressed Micro, Small and Medium Enterprises for deciding on a corrective action plan and determining the terms thereof in accordance with regulations prescribed in this Framework:

Provided that where the Committee decides that recovery is to be made as part of the corrective action plan, the manner and method of recovery shall be in accordance with the existing policies approved by the board of directors of the bank which has extended credit facilities to the enterprise, subject to any regulations prescribed by the Reserve Bank of India.

3. Composition of Committee for Stressed Micro, Small and Medium Enterprises

(1) The constitution of the Committee shall be as under:

- (a) The regional or zonal head of the bank, who shall be the Chairperson of the Committee;
- (b) Officer in charge of the Micro, Small and Medium Enterprises Credit Department of the bank at the regional or zonal office level, who shall be the member and convener of the Committee;
- (c) One independent external expert with expertise in Micro, Small and Medium Enterprises related matters to be nominated by bank.
- (d) One representative from the concerned State Government

(2) The composition of the Committee, the terms of appointment of its members, the manner of filling vacancies, and the procedure to be followed in the discharge of the Committee's functions shall be as may be prescribed by the board of directors of the bank.

4. Application to the Committee for a Corrective Action Plan

(1) Any eligible stressed Micro, Small or Medium Enterprise or a bank or creditor which has provided credit facilities to such enterprise may file an application to the Committee in the manner specified by the Bank for a decision on a corrective action plan and the terms thereof.

Provided that if a Micro, Small or Medium Enterprise has availed of credit facilities from more than one bank,—

- (a) the application shall be made to the Committee of that bank to which the enterprise owes the maximum amount of debt;
- (b) the Committee shall include representatives from other concerned banks in such proportion as may be specified in the regulations prescribed by the Reserve Bank of India;

(2) The participating banks or affected creditors shall cooperate with each other in all proceedings of the Committee.

(3) In case of disagreement between the participating banks or affected creditors on any issue before the Committee or any matter contemplated in this Framework, such disagreement shall be resolved in accordance with regulations prescribed by the Reserve Bank of India.

(4) The eligibility criteria and the grounds for filing an application and the time limits within which such application shall be made will be in accordance with the regulations prescribed by the Reserve Bank of India and only applications meeting the said eligibility criteria and grounds shall be admitted by the Committee.

- (a) Where an application is filed by a Micro, Small or Medium Enterprise, such application shall be -
 (a) filed in a form prescribed by the bank in consultation with the Reserve Bank of India; and

- (a) accompanied by details of all liabilities of the enterprise, including the liabilities owed to the State or Central Government and unsecured creditors, if any.

(6) Where an application is filed by a bank and admitted by the Committee, the Committee shall notify the concerned enterprise about such application within the time limit prescribed by the Reserve Bank and require the enterprise to -

- (a) respond to the application or make a representation before the Committee; and
- (b) disclose the details of all its liabilities, including the liabilities owed to the State or Central Government and unsecured creditors, if any, within fifteen working days of receipt of such notice:

Provided that if the enterprise does not respond within the above period, the Committee may proceed ex-parte.

(7) On receipt of information relating to the liabilities of the enterprise, the Committee may send notice to such creditors of the enterprise as it may deem fit, informing them about the application and permit them to make a representation before the Committee within fifteen working days of receipt of such notice.

(8) On admitting an application received, the Committee shall take a decision on the option to be adopted under the corrective action plan in accordance with the regulations prescribed by the Reserve Bank of India and notify the enterprise about such a decision, within the time limit prescribed by the Reserve Bank of India.

(9) If the corrective action plan decided by the Committee envisages revival of the enterprise, the Committee shall finalise

the terms of such a plan in accordance with the regulations prescribed by the Reserve Bank of India and notify the enterprise about such terms, within the time limit prescribed by the Reserve Bank of India.

(10) Upon finalisation of the terms of the corrective action plan for revival, the implementation of that plan shall be completed by the concerned bank within the time limit prescribed by the Reserve Bank of India.

(11) On and from the date of the coming into operation of the corrective action plan the plan shall be binding on all the parties to the corrective action plan.

(12) Where an application has been admitted by the Committee in respect of a Micro, Small or Medium Enterprise, the enterprise shall continue to perform contracts essential to its survival but the Committee may impose such restrictions as it may deem fit for future revival of the enterprise.

(13) On admitting the application, the Committee shall notify the enterprise within a period of seven working days from the date of admittance of such application, stating that such an application is under consideration by the Committee.

(14) The Committee shall make suitable provisions for payment of tax or any other statutory dues in the corrective action plan and the enterprise shall take necessary steps to submit such plan to the concerned taxation or statutory authority and obtain approval of such payment plan.

5. Corrective Action Plan by the Committee

(1) The Committee may explore various options to resolve the stress in the account.

(2) The Committee shall not endeavour to encourage a particular resolution option for restructuring or recovery of the enterprise but shall endeavour to arrive at an early and feasible solution to preserve the economic value of the underlying assets as well as the lenders' loans and also to allow the enterprise to continue with its business.

(3) During the period of operation of Corrective Action Plan, the enterprise shall be allowed to avail both secured and unsecured credit for its business operations.

(4) The options under Corrective Action Plan by the Committee may include:

- (i) Rectification - Obtaining a specific commitment from the borrower to regularise the account so that the account comes out of Special Mention Account status or does not slip into the Non-Performing Asset category and the commitment should be supported with identifiable cash flows within the required time period and without involving any loss or sacrifice on the part of the existing lenders. The Committee may also consider providing need based additional finance to the borrower, if considered necessary, as part of the rectification process. It shall be ensured by the bank that additional financing is not provided with a view to ever greening the account.
- (ii) Restructuring - Consider the possibility of restructuring the account if it is

prima facie viable and the borrower is not a willful defaulter, i.e., there is no diversion of funds, fraud or malfeasance, etc. Commitment from promoters for extending their personal guarantees along with their net worth statement supported by copies of legal titles to assets may be obtained along with a declaration that they would not undertake any transaction that would alienate assets without the permission of the Committee. Any deviation from the commitment by the borrowers affecting the security or recoverability of the loan may be treated as a valid factor for initiating recovery process. The lenders in the Committee may sign an Inter Creditor Agreement and also require the borrower to sign the Debtor Creditor Agreement which would provide the legal basis for any restructuring process. The formats used by the Corporate Debt Restructuring mechanism for Inter Creditor Agreement and Debtor Creditor Agreement could be considered, if necessary with appropriate changes for Enterprise Debt Restructuring as may be prescribed by Reserve bank of India. Further, a stand-still clause may be stipulated in the Debtor Creditor Agreement to enable a smooth process of restructuring. The stand-still clause does not mean that the borrower is precluded from making payments to the lenders. The Inter Creditor Agreement may also stipulate that both secured and unsecured creditors need to agree to the final resolution.

- (iii) Recovery- Once the first two options at (a) and (b) above are seen as not feasible, due recovery process may be resorted to. The Committee may decide the best recovery process to be followed, among the various legal and other recovery options available, with a view to optimising the efforts and results.

6. The decisions agreed upon by a majority of the creditors by value in the Committee would be considered as the basis for proceeding with the restructuring of the account, and will be binding on all lenders under the terms of the Inter Creditor Agreement. If the Committee decides to proceed with recovery, the minimum criteria for binding decision, if any, under any relevant laws or Acts shall be applicable.

7.(1) The Committee shall arrive at an agreement on the option to be adopted for Corrective Action Plan within thirty days from, (i) the date of an account being, reported as SMA-2 by one or more lender, or (ii) receipt of request from the borrower to form a Committee, with substantiated grounds, if it senses imminent stress.

(2) The Committee shall sign a detailed final Corrective Action Plan within the next thirty days from the date of arriving at such an agreement.

8.(1) If the Committee decides that the enterprise requires financial resources to restructure or revive, it may draw up a plan for provision of such finance.

(2) If the existing promoters are not in a position to bring in additional funds the Committee may allow the enterprise to raise secured or unsecured loans and create charge on its assets

for such loans:

Provided further, the Committee may, with the consent of all creditors recognised under Paragraph 4 (7), provide such loans higher priority than any existing debt.

9. If the Committee decides on options (4) (i) or (ii), but the account fails to perform as per the agreed terms under option (4) (i) or (ii), the Committee shall initiate recovery under option (4) (iii).

10. If the Committee decides restructuring of the account as Corrective Action Plan, it will have the option of either referring the account to Enterprise Debt. Restructuring Cell after a decision to restructure is taken or restructure the same independent of the Enterprise Debt. Restructuring mechanism.

11. Restructuring by Committee

(1) If the Committee decides to restructure an account independent of the Enterprise Debt. Restructuring mechanism, the Committee shall carry out the detailed Techno-Economic Viability study, and if found viable, finalise the restructuring package within thirty days from the date of signing off the final Corrective Action Plan as mentioned above.

(2) For accounts with Aggregate Exposure of less than Rs. 10 crore, the above- mentioned restructuring package shall be approved by the Committee and conveyed by the lenders to the borrower within the next fifteen days for implementation.

(3) For accounts with Aggregate Exposure of Rs. 10 crore and above, the above- mentioned Techno-Economic Viability study and restructuring package shall have to be subjected to an evaluation by an Independent Evaluation Committee of experts fulfilling certain eligibility conditions.

(4) The Independent Evaluation Committee shall look into the viability aspects after ensuring that the terms of restructuring are fair to the lenders.

(5) The Independent Evaluation Committee shall give their recommendation in these cases to the Committee within a period of thirty days.

(6) Thereafter, considering the views of Independent Evaluation Committee, if the Committee decides to go ahead with the restructuring, the restructuring package including all terms and conditions as mutually agreed upon between the lenders and borrower, shall be approved by all the lenders and communicated to the borrower within next fifteen days for implementation.

(7) Asset Classification benefit as applicable under the extant guidelines shall accrue to such restructured accounts as if they were restructured under Enterprise Debt. Restructuring mechanism and for this purpose, the asset classification of the account as on the date of formation of Committee shall be taken into account.

(8) The above-mentioned time limits are maximum permitted time periods and the Committee shall try to arrive at a restructuring package as soon as possible in cases of simple restructuring.

(9) Restructuring cases shall be taken up by the Committee only in respect of assets reported as Standard, Special Mention Account or Sub-Standard by one or more lenders of the Committee.

(10) The Committee shall have the discretion to consider restructuring of the debt. where the debt. is doubtful i.e., the account is Standard or Sub-Standard in the books of majority of creditors (by value).

(11) Willful defaulters shall not be eligible for restructuring:

Provided that the Committee may review the reasons for classification of the borrower as a willful defaulter and satisfy itself that the borrower is in a position to rectify the willful default and the decision to restructure such cases shall have the approval of the board of concerned bank within the Committee who has classified the borrower as willful defaulter.

(12)(a) The viability of the account shall be determined by the Committee based on acceptable viability benchmarks determined by then.

(b) The parameters may include the Debt. Equity Ratio. Debt. Service Coverage Ratio, Liquidity or Current Ratio and the amount of provision required in lieu of the diminution in the fair value of the restructured advance, etc.

(c) The Committee may consider the benchmarks for the viability parameters adopted by the Enterprise Debt. Restructuring mechanism and adopt the same with suitable adjustments taking into account the fact that different sectors of the economy have different performance indicators.

12. Restructuring Referred by the Committee to the Enterprise Debt Restructuring Cell

(1) If the Committee decides to refer the account to Enterprise Debt. Restructuring Cell after a decision to restructure is taken the following procedure may be followed.

(a) As the preliminary viability of account has already been decided by the Committee, Corporate Debt Restructuring/Enterprise Debt Restructuring Cell shall directly prepare the Techno-Economic Viability study and restructuring plan in consultation with Committee within thirty days from the date of reference to it by the Committee.

(b) For accounts with Aggregate Exposure of less than Rs. 10 crore, the above- mentioned restructuring package should be submitted to Enterprise Debt Restructuring Empowered Group for approval.

(c) Under extant instructions, Enterprise Debt Restructuring

Empowered Group can approve or suggest modifications but ensure that a final decision is taken within a total period of ninety days, which can be extended up to a maximum of one hundred and eighty days from the date of reference to Enterprise Debt Restructuring Cell.

- (d) The cases referred to Enterprise Debt Restructuring Cell by Committee shall have to be finally decided by the Enterprise Debt Restructuring Empowered Group within the next thirty days. If approved by Enterprise Debt Restructuring Empowered Group, the restructuring package shall be approved by all lenders and conveyed to the borrower within the next thirty working days for implementation.

(2) For accounts with Aggregate Exposure of Rs. 10 crore and above, the Techno- Economic Viability study and restructuring package prepared by Enterprise Debt Restructuring Cell will have to be subjected to an evaluation by an Independent Evaluation Committee of experts.

(3) The composition and other details of the Independent Evaluation Committee would be communicated separately by Indian Banks Association to banks. The Independent Evaluation Committee will look into the viability aspects after ensuring that the terms of restructuring are fair to the lenders.

(4) The Independent Evaluation Committee shall give their recommendation in these aspects to the Enterprise Debt Restructuring Cell under advice to Committee within a period of thirty days.

(5) Considering the views of Independent Evaluation Committee if the Committee decides to go ahead with the restructuring, the same shall be communicated to Enterprise Debt Restructuring Cell and Enterprise Debt Restructuring Cell shall submit the restructuring package to Enterprise Debt Restructuring Empowered Group within a total period of seven days from receiving the views of Independent Evaluation Committee.

(6) Thereafter, Enterprise Debt Restructuring Empowered Group should decide on the approval or modification or rejection within the next thirty working days.

(7) If approved by Enterprise Debt Restructuring Empowered Group, the restructuring package shall be approved by all lenders and conveyed to the borrower within the next thirty working days for implementation.

13. Conditions Relating to Restructuring by Committee and Enterprise Debt Restructuring Cell

- (1) Under this Framework, the restructuring package shall

stipulate the timeline during which certain viability milestones such as improvement in certain financial ratios after a period of 6 months may be achieved.

(2) The Committee shall periodically review the account for achievement/non- achievement of milestones and shall consider initiating suitable measures including recovery measures as deemed appropriate.

(3) The Committee and Enterprise Debt Restructuring Cell shall optimally utilise the specified time periods so that the aggregate time limit is not breached under any mode of restructuring.

(4) If the Committee or the Enterprise Debt Restructuring Cell takes a shorter time for an activity as against the prescribed limit, then it can have the discretion to utilise the saved time for other activities provided the aggregate time limit is not breached.

(5) The general principle of restructuring shall be that the stakeholders bear the first loss rather than the debt holders. The Committee or Enterprise Debt Restructuring Cell may consider the following options, when a loan is restructured—

- (a) possibility of transferring equity of the company by promoters to the lenders to compensate for their sacrifices;
- (b) promoters infusing more equity into their companies;
- (c) Transfer of the promoters' holdings to a security trustee or an escrow arrangement till turnaround of enterprise to enable a change in management control, if lenders favor it.

(6) In case a borrower has undertaken diversification or expansion of the activities which has resulted in the stress on the core-business of the group, a clause for sale of non-core assets or other assets may be stipulated as a condition for restructuring the account, if under the Techno-Economic Viability study the account is likely to become viable on hiving-off of non-core activities and other assets.

(7) For restructuring of dues in respect of listed companies, lenders may be ab-initio compensated for their loss or sacrifice (diminution in fair value of account in net present value terms) by way of issuance of equities of the company upfront, subject to the extant regulations and statutory requirements.

(8) If the lenders' sacrifice is not fully compensated by way of issuance of equities, the right of recompense clause may be incorporated to the extent of shortfall.

(9) In order to distinguish the differential security interest available to secured lenders, partially secured lenders and unsecured lenders, the Committee or Enterprise Debt Restructuring may consider various options, such as-

- (a) prior agreement in the Inter Creditor Agreement among the above classes of lenders regarding repayments;

- (b) a structured agreement stipulating priority of secured creditors;
 - (c) appropriation of repayment proceeds among secured, partially secured and unsecured lenders in certain pre-agreed proportion
- (10) The Committee shall, on request by the enterprise or any creditor recognised under paragraph 4(7), provide information relating to the proceeding as requested by the enterprise or such creditor.
- 14. Prudential Norms on Asset Classification and Provisioning
 - (1) While a restructuring proposal is under consideration by the Committee or Enterprise Debt Restructuring Cell, the usual asset classification norm shall continue to apply.
 - (2) The process of re-classification of an asset shall not stop merely because restructuring proposal is under consideration.
 - (3) The special asset classification benefit on restructuring of accounts as per extant instructions shall be available for accounts undertaken for restructuring under this Framework.
- 15. Review.
 - (1) In case the Committee decides that recovery action is to be initiated against an enterprise, such enterprise may request for a review of the decision by the Committee within a period of thirty working days from the date of receipt of the decision of the Committee.
 - (2) The request for review shall be on the following grounds
 - (a) a mistake or error apparent on the face of the record; or
 - (b) discovery of new and relevant fact or information which could not be produced before the Committee earlier despite the exercise of due diligence by the enterprise.
 - (3) A review application shall be decided by the Committee within a period of thirty days from the date of filing and if as a consequence of such review, the Committee decides to pursue a fresh corrective action plan, it may do so.
- 16. Removal of difficulties

If any difficulty arises during the course of implementation of this Framework, the same shall be clarified by the Central Government.

Annexure - IV

Centrally Sponsored Schemes of GOI

Ministry of Commerce & Industry

1. Industrial Infrastructure Up-gradation Scheme (IIUS)
2. Marketing Development Assistance Scheme

3. Freight Subsidy Scheme
4. Industrial Park Scheme
5. Investment Promotion Scheme
6. Transport Subsidy Scheme
7. Indian Leather Development Programme
8. Human Resource Development Scheme

Ministry of Textiles

1. Scheme for Textile Industry Workers' Hostel
2. Scheme for Integrated Textile Park (SITP)
3. Integrated Processing Development Scheme (IPDS)
4. Scheme for setting up of Incubation Centers for Apparel Manufacturing
5. Catalytic Development Programme (CDF)
6. Pashmina Wool Development Scheme
7. Technology Mission on Technical Textiles
8. Integrated skill development scheme
9. Development of Mega Clusters Scheme
10. Modified Comprehensive Powerloom Cluster Development Scheme (CPCDS)
11. Comprehensive Powerloom Cluster Development Scheme (CPCDS)
12. Comprehensive Handicrafts Cluster Development Scheme (CHCDS)
13. Comprehensive Handloom Cluster Development Scheme (CHCDS)
14. Technology Upgradation Fund Scheme (TUFS)
15. Schemes for Decentralized Powerloom Sector
16. Group Insurance Scheme for Powerloom Workers
17. Scheme of In-Situ Upgradation of Plain Powerlooms for SSI Powerloom Sector
18. Scheme for Group Workshed for Powerloom Sector
19. Jute Technology Mission
20. Textile Workers' Rehabilitation Fund Scheme (TWRFS)
21. Export Promotion Scheme
22. NER Textile Promotion Scheme

Ministry of MSME

1. Micro & Small Enterprises Cluster Development Programme (MSE-CDP)
2. Scheme of Fund for Regeneration of Traditional Industries (SFURTI)
3. Assistance to Training Institutions (ATI)
4. Marketing Assistance Scheme
5. Credit Linked Capital Subsidy Scheme for Technology Upgradation
6. Micro Finance Programme

7. MSME Market Development Assistance (MDA)
8. National Awards (Individual MSEs)
9. National Manufacturing Competitiveness Programme (NMCP)
10. Raw Material Assistance
11. Marketing Support/Assistance to MSMEs
12. Enterprise Development Schemes
13. Prime Minister Employment Generation Programme (PMEGP)
14. Janshree Bima Yojana for Khadi Artisans
15. Market Development Assistance (MDA)
16. Rejuvenation, Modernization and Technology Upgradation of (REMOT)
17. CSS of Export Market Promotion
18. Skill Upgradation & Quality improvement and Mahila Coir Yojana
19. Development of Production Infrastructure (DPI)
20. Welfare Measures Scheme (Coir workers)
21. Programme for promotion of Village Industry Cluster - Rural Industry Service Centre (RISC) for Khadi and Village Industry
22. Technology Acquisition and Development Fund (TADF)

Ministry of Food Processing

1. National Mission on Food Processing (NMFP)
 2. Mega Food Park Scheme
 3. Scheme for setting up of Cold Chain
 4. Scheme for Modernization of Abattoirs
 5. Scheme for Research & Development Quality Assurance, Codex, Promotional Activities
- #### Ministry of Labour and Employment
1. National Policy on Skill Development
 2. National Child Labour Policy Scheme
 3. Rashtriya Swasthya Bima Yojana

Ministry of Heavy industries & Public Sector Enterprises

1. Capital Goods Scheme
2. Scheme for Excise duty Exemption to PWDs
3. Scheme for Customs Duty Concession

Ministry of Coal and Mines

1. Coal Mines Deposit Linked Insurance Scheme
2. Coal Mines Provident Fund Scheme
3. Coal Mines Pension Scheme
4. Coal Mines provident Fund Scheme

Ministry of Power

1. Decentralized Distributed Generation Scheme
2. Capital Scheme of Central Power & Research Institute

Ministry of Science & Technology (Non-Conventional energy)

1. Scheme/Programme for Utilization of Chemical Sources of Energy
2. Scheme/Programme for Hydrogen Energy
3. Scheme/Programme for Geothermal Energy
4. Scheme/Programme for Ocean Energy
5. Scheme/Programme for Alternative Fuel for Surface Transportation

Ministry of Petroleum & Natural Gas

1. PAHAL (DBTL) Scheme

Ministry of Pharmaceuticals

1. Pharma Promotion and Development Scheme (PPDS)
2. Jan Aushadhi Scheme.

Annexure-V

Checklist for availing various services in the Industries and Commerce Department

I. Provisional Registration

A. On Private land

1. EM-I Form (duly filled)
2. Project profile/Project Report.
3. Copy of Permanent Resident Certificate.

B. In Government Industrial Estate

1. Project profile/Project Report.
2. Composite application Form/EM-I
3. Partnership deed/certificate of incorporation by ROC.
4. Resolution by Board of Directors.

II. Entrepreneur Memorandum-II (Formal Registration (PMT))

1. EM-II form (dully filled)
2. Copy of bills or Vouchers or GRs of machinery installed.
3. Land documents-ownership deed or rent deed or lease deed.
4. Power connection slip by AEE/Executive Engineer.
5. CA Certificate for fixed capital investment.
6. Consent to operate from J&K SPCB.

7. An undertaking (attested by Judicial Magistrate) stating that Entrepreneur shall obtain all the clearances/licenses from the other

Departments and shall be responsible for any irregularity.

III. Change of constitution (Only in case of registered units)

1. Partnership Deed/Dissolution Deed duly registered in the Court of Law/Form-14 in case of companies.

2. Public Notice in leading dailies inviting objections for change of constitution.
3. NOC/NDC from the concerned Bank/Financial Institution/Sales Tax/PDD/ SIDCO/ SICOP wherever required.
4. An undertaking (attested by Judicial Magistrate) stating liability, if any arising due to change of location shall be borne by the Proprietor/Partners/Company duly.

IV. Change of location

1. Land documents for new location.
2. Power availability certificate/NOC for DG sets from PDD (exempted in case the unit is shifted in the same Industrial Estate).
3. An undertaking (attested by Judicial Magistrate) stating liability, if any arising due to change of location shall be borne by the Proprietor/Partners/Company.
4. Public Notice in leading dailies inviting objections for change of constitution.
5. NOC/NDC from the concerned Bank/Financial Institution/Sales Tax/PDD/SIDCO/SICOP wherever required.
6. Resolution of Board of Directors for change of location of the unit in case of companies.
7. An undertaking (attested by Judicial Magistrate) stating that the entrepreneur shall obtain NOC from Municipality/Panchayat shall be responsible for any irregularity.

V. Documents required for permission for Additional line of Activity

A. Prior Permission

1. Detail project report from approved consultant.
- B. Issuance of date of commencement of production of additional line of activity.**
 1. Copies of Bills/GRs/TTRs of Additional Machinery Installed.
 2. Fitness of Power/D.G Set fitness from Power Development Department.
 3. Consent to operate from J&K State Pollution Control Board for additional line of activity.
 4. CA Certificate regarding Fixed Capital Investment (for additional activity)

VI. Documents required for permission of Additional Product with existing machinery

A. Prior Permission

1. List of additional items to be manufactured.
2. An undertaking (attested by Judicial Magistrate) by the promoter that the existing machinery is sufficient to undertake additional line of activity/additional product.
- B. Issuance of Date of Production for additional Product.**

1. Consent to operate from J&K SPCB for additional Product.

VII. Purchase and Installation of Additional Machinery (for existing line of activity)

A. Prior Permission

1. Proforma Invoices machinery from supplier
- B. Issuance of date of Installation of Additional Machinery a**

1. Fresh certificate of Fitness of Power in case of DG Sets, Certificate of fitness of DG Sets from PDD.
2. Copies of Bills /GRs/TTRs of additional Machinery installed.
3. Land documents (if additional land required).
4. Self declaration that no CIS shall be claimed on additional machinery.
5. Consent to Operate from J&K SPCB for additional machinery if required (In case of green category the unit holder shall furnish proof of having applied to SPCB atleast one month back).

VIII. Substantial Expansion: Documents required for permission under Substantial Expansion Programme

1. A copy of Project Profile/detailed Project report.
2. Substantial Expansion (S.E) form-A (shows existing labour and proposed labor).
3. Land documents (if additional land required).
4. CA certificate of capital investment as per devised format.
5. Resolution of Board of Directors for undertaking substantial expansion in case of companies.
6. Acknowledgment of Industrial Entrepreneur Memorandum from Secretarial of Industrial Assistance Ministry of Commerce & Industry, Government of India in case of proposed expansion involves investment of more than 10 Crores.

IX. Substantial Expansion: Documents required for issue of date of installation of machinery and date of commencement of production

1. Permission granted by General Manager DIC/Director, Industries and Commerce as the case may be.
2. Additional Power Sanction/Power fitness in respect of additional machinery installed. In case of DG sets fitness of DG set from PDD.
3. Copies of Bills, (GRs, TTRs in case machinery purchased from outside the State).
4. Substantial Expansion Form-B (shows existing labour and fresh labour engaged applicable for central excise exemption only).
5. CA certificate regarding new investments made in machinery under substantial expansion.
6. Consent to Operate (CTO) on enhanced capacity from J&K SPCB (in case of green category the unit holder shall furnish proof of having applied to SPCB).

Documents required for Rehabilitation of the Sick

Units

1. Application form in the prescribed format.
2. Copy of acknowledgment of EM Part-II.
3. Copy of Partnership deed/Memorandum of Articles of Association/ROC.
4. General Managers recommendation regarding whether the unit

confirms with the criteria laid down by sick unit duly accompanied with the copies of last three years audited balance sheet.

5. Copy of the rehabilitation/revival plan from the approved Consultant/ Financial Institution.
6. Whether Financial Institution/bank has approved the proposal with details.
7. Present status of the unit outlining details of production, Sales & Net worth.

X. De-Registration of Units

1. Application.
2. Notice in two leading dailies.
3. An affidavit (attested by Judicial Magistrate) from the unit holder regarding owning of liabilities arising post registration.
4. An affidavit (attested by Judicial Magistrate) for compliances with regard to other departments including Surrender/Transfer of Power Connection.
5. NOC from SIDCO/SICOP.
6. NOC from licensing authority.
7. Copy of ADHAAR and PAN Card.

XI. Testing Equipment (Incentive)

1. Quotation of Testing Equipment.
2. List of Testing Equipment to be purchased.
3. Form to be filled by the unit holder.
4. CA certificate for fixed assets.
5. Sanction and disbursement.

a. Copy of permission by General Manager, Commerce.

DIC, Industries and

b. Bills/Vouchers of equipment purchased.

c. Mode of payment certificate from bank.

d. Satisfactory commissioning certificate from SICOP/DIC/any other authorized agency.

XII. Check list for DG set permission

1. Quotations of DG set to be purchased, minimum from two suppliers.
2. List of plant and machinery installed with power load.
3. Self declaration from the entrepreneur regarding not having installed the DG set and not having availed subsidies earlier.
4. NOC from PDD regarding installation of DG. Set of the desired load. Sanction/Disbursement of subsidy for DG set

1. Permission from GM DIC, Industries and Commerce.
2. Bills/Vouchers of DG set purchased.
3. CA certificate regarding investments made on purchase of DG set.
4. Satisfactory commissioning certificate/sanctioned power load and fitness certificate from PDD.
5. Mode of payment certificate from bank, if any.

XIII. Capital Investment Subsidy (CIS)

1. CIS Application Form.
2. Copy of Project Report.
3. Copy of acknowledgment of EM-II/Permission for SE
4. Copy of Lease Deed/Rent Deed/Ownership Deed.
5. Bills/Vouchers/GR's /Toll Receipts of the Plant and Machinery Installed.
6. CA Certificate regarding investment made on the project as per the prescribed proforma.
7. Valuation of Civil Works of the Factory Building as per the prescribed proforma/work done estimates, site plan by the approved valuer.
8. Bank Loan Certificate/Mean of Finance/Source of investment.
9. Power connection sanction copy/power fitness certificate, Power fitness of DG sets and CTO from PCB for DG sets.
10. Mode of payment certificate of Plant and Machinery and Civil Works from CA.
11. An undertaking (attested by Judicial Magistrate) stating that the entrepreneur has valid licenses from concerned departments and shall be responsible for any irregularity.
12. Affidavit/Undertaking & Indemnity Bond (attested by Judicial Magistrate) as per proforma available in the respective DIC's.
13. Balance Sheet.
14. Photographs of the Plant and Machinery Installed in the unit.
15. Affidavit (attested by Judicial Magistrate) from the promoter(s) if he has obtained unsecured loans.
16. Partnership Deed/Memorandum and Articles of Association/ROC.
17. NOC/Consent from PCB.
18. PAN Card.

XIV. Documents required for 3% Interest Subsidy Claim on Working Capital

1. Bank application form duly filled in by Banker.
2. Date of sanction of working capital loan with amount sanctioned/Bank Sanction letter with date of sanction/disbursement.
3. Date of encashment in case of enhancement in working capital/enhancement sanction letter.
4. Production certificate/Balance sheet & profit and Loss Account.
5. Annual sales turnover by CA and annual sales tax return.
6. An undertaking (attested by Judicial Magistrate) stating that the entrepreneur has valid licenses from concerned departments and shall be responsible for any irregularity.

XV. Pollution Control Equipments

1. Application Form.

2. Copy of Project Report.
3. Copy of acknowledgment of EM-II.
4. Copy of Lease Deed/Rent Deed/Ownership Deed.
5. Bills/Vouchers/GR's/Toll Receipts of the Plant and Machinery Installed.
6. CA Certificate regarding investment made on the project as per the prescribed proforma.
7. Bank Loan Certificate/Mean of Finance/Source of investment.
8. Power connection sanction copy/power fitness certificate, NOC from PDD in case of unit operated on DG set, Bills of DG set, Fitness from PDD, NOC from PCB for DG Set.
9. Mode of payment certificate of Plant and Machinery and Civil Works from CA.
10. Affidavit/Undertaking & Indemnity Bond (attested by Judicial Magistrate) as per proforma available in the respective DIC's.
11. Balance Sheet.
12. Photographs of the plant and machinery installed by the promoter,(s), if he has obtained unsecured loans.
13. Affidavit (attested by Judicial Magistrate) of the promoter,(s) if got unsecured loan.
14. Partnership Deed/Memorandum and Articles of Association/ROC
15. NOC/Consent from PCB.
16. PAN Card.

Chapter 11

Industrial Scenario of Jammu And Kashmir.

Jammu and Kashmir mostly has manufacturing industries, small-scale industries, cottage industries etc. There are industries in almost all parts of Jammu and Kashmir but some areas have been marked as primarily and significantly industrial areas. Some of these important areas are:

- Industrial Growth Centre in Samba
- Integrated Infrastructure Development Project in Udhampur
- Industrial Complex in Bari Brahman
- Industrial Estate in Zakura
- Industrial Growth Centre in Ompora

The Government of Jammu and Kashmir has also laid some policies for the development of industries in the state.

Small Scale Industries of Jammu and Kashmir - The Jammu and Kashmir State is heavily dependent on its tourism industry. The government is aware of the fact and they are trying to build an industrial atmosphere in the state. They have invited leading industrial houses of the country. However, the state is not in a very good condition as it has faced severe terrorism threats and insurgencies. The people of the state need jobs and since the industrial process is time taking, only Small Scale Industries of Jammu and Kashmir can help.

The following are the areas, which have been given preference to promote Small Scale Industries in Jammu and Kashmir are:

- Priority sector lending by Banks and Financial Institutions.
- Excise Exemption or concessions
- Reservation of items for exclusive production
- Package of Incentives
- Emphasis now on promotion of quality, technology and efficiency
- Price & Purchase preference
- Infrastructure Development

The main types of small-scale industries in Jammu and Kashmir are:

- Food products
- Beverages
- Machinery parts
- Plastic goods
- Chemicals
- Drugs
- Paper products
- Automobile equipment
- Handicrafts

These industries help to provide bread and butter to the people of the state, both in the urban and rural sector.

Industrial Infrastructure - The Jammu and Kashmir State is eager to introduce industrialization in the state with the hope that it will support the state revenue to a considerable extent. The revenue earning of the state of Jammu and Kashmir is largely dependent on the tourism industry, but in the recent past the government is stressing on the hard-core industries keeping in mind the positive effects of in-detribalization. Jammu and Kashmir Industrial Infrastructure is fast developing and the state government is emphasizing

on the other aspects of the state to make the state favorable for the out-side industrial groups so that they come and invest in and generate the existing businesses here.

The other aspects, which should be kept in good condition to back and assist the Industrial Infra-structure in Jammu and Kashmir, are road and railway network, transport system, law and order, etc.

The government of the state of Jammu and Kashmir has already demarcated certain areas as favor-able for industrialization. These are:

- Industrial Complex at Bari Brahmana in Jammu
- Industrial Estate at Gangyal in Jammu
- Electronic Complex at Rangreth in Srinagar
- Industrial Complex Lassipora at Pulwama in Kashmir
- Industrial Complex at Khonmoh in Srinagar
- Industrial Growth Centre at Samba in Jammu
- Export Promotion Industrial Park at Kartholi in Jammu
- Industrial Area in Kathua
- Industrial Estate at Zainakote in Srinagar
- Industrial Estate at Zakura in Srinagar
- Industrial Growth Centre at Ompora in Budgam.

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	-	-	-
g) Borax	-	-	-
h) Lime	2	84	144.86
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.

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 , 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 , 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.

Chapter 12

District Wise Identified Potential Industrial.

The economy of state Jammu and Kashmir has suffered from disturbed conditions prevailing in the state since past 28 years .Both the centre and state governments are trying to put the economy back on the rails by enabling the average person to get employment opportunities in a state ridden with violence and having a population 600,000 unemployed youths, the challenges before j & k state are immense. In this scenario, the thrust is on employment generation for youth-both boys and girls in state. This is because without technological skills, entrepreneurial spirit which drives economic development through job creation will be lacking. Jammu and Kashmir consists of 22 districts and most of districts differ in terms of geography and availability of resources and thus there is diversified industrial potential. Brief industrial potential of various districts of Jammu and Kashmir is below:

1.Industrial profile of District Anantnag.

Potentials areas for service industry,

- ❖ *Distribution of electric transformers*
- ❖ *Diognising labs*
- ❖ *Potential for new manufacturing sector*
- ❖ *Wood based*
- ❖ *mineral based ,*
- ❖ *tourism related activities*
- ❖ *Food based activities.*
- ❖ *Automobiles*
- ❖ *Electronics*
- ❖ *Electrical*
- ❖ *Agro based*
- ❖ *Fabrications works*

2.Industrial profile of District Pulwama.

Potentials areas for service industry

- ❖ *Automobiles*
- ❖ *Electronics*
- ❖ *Electrical*
- ❖ *Agro based*
- ❖ *Fabrications works*
- ❖ *Cold Storage Plants*

Potential for new MSMEs

- ❖ *Food Industries*
- ❖ *Thermo/Plastic ware*
- ❖ *Mineral Water*
- ❖ *Agriculture Implement/Tools*
- ❖ *Steel Almirah Fabrications*
- ❖ *Horticulture based industry*
- ❖ *Extraction of Minerals*
- ❖ *Manufacturing of Cement Tiles*

- ❖ *Manufacturing of Sports Goods.*
- ❖ *Manufacturing of Fruit Juice.*

3.Industrial profile of District Budgam.

Major Exportable Item

- ❖ *Apple Juice Conentrates*
- ❖ *Walnut & walnut Kernel*
- ❖ *Almond & Almond Kernel*

List of the units in the district & Near By Area

- ❖ *M/s Fill Industries ,*
- ❖ *I/E, Rangreth , Srinagar*

Service Enterprises

- ❖ *Potentials areas for service industry*
- ❖ *Automobiles*
- ❖ *Electronics*
- ❖ *Electrical*
- ❖ *Agro based*
- ❖ *Fabrications works*
- ❖ *Cold Storage Plants*

Potential for new MSMEs

- ❖ *Food Industries*
- ❖ *Thermo/Plastic ware*
- ❖ *Mineral Water*
- ❖ *Agriculture Implement/Tools*
- ❖ *Steel Almirah Fabrications*
- ❖ *Horticulture based industry*
- ❖ *Extraction of Minerals*
- ❖ *Manufacturing of Cement Tiles*
- ❖ *Sports Goods*
- ❖ *Plywood Industries*

Existing Clusters of Micro & Small Enterprise

- ❖ *Sanzi pora area has the potential to be a cluster for Plywood activity*
- ❖ *Kothi Pora area has also potential to be a cluster for weaving of Cotton, Silk and raffie activities.*

4.Industrial profile of District Kulgam.

Potentials areas for service industry

- ❖ *Automobile workshop ,*
- ❖ *Distribution of electric transformers*
- ❖ *Diognising labs.*

Potential for new MSMEs

- ❖ *Wood based,*
- ❖ *Mineral based*
- ❖ *Tourism related activities and food based activities*

5.Industrial profile of District Shopian.

Potentials areas for service industry

- ❖ *Electronics*
- ❖ *Automobiles Electrical*
- ❖ *Agro based*
- ❖ *Electronics e) Automobiles*
- ❖ *Fabrications works*
- ❖ *Cold Storage Plants*

Potential for new MSMEs

- ❖ *Food Industries Agriculture Implement/Tools*
- ❖ *Steel Almirah Fabrications*
- ❖ *Thermo/Plastic ware*
- ❖ *Mineral Water*
- ❖ *Food Industries*
- ❖ *Horticulture based industry*
- ❖ *Extraction of Minerals*
- ❖ *Manufacturing of Cement Tiles*
- ❖ *Sports Goods.*

6.Industrial profile of District Srinagar.

Service Enterprises

- ❖ *Potentials areas for service industry*
- ❖ *Tourism Industry*
- ❖ *Hotel, House Boat & Restaurant*
- ❖ *Radio Taxi*
- ❖ *Adventure Tourism*
- ❖ *Health Spa*

Potential for new MSMEs

- ❖ *Food Based Industries*
- ❖ *Mineral based Industries*
- ❖ *Agro based Industries*
- ❖ *Fruit based Industries*
- ❖ *Existing Clusters of Micro & Small Enterprise*

DETAIL OF MAJOR CLUSTERS

- ❖ *Wooden Furniture Cluster Identified at Srinagar*

7.Industrial profile of District Baramulla.

Potentials areas for service industry

The district is having a good number of service Enterprises Especially in health Sectors and others. In addition following are the potential areas

- ❖ *Automobiles*
- ❖ *Electronics*
- ❖ *Electrical*

Potential for new MSMEs

- ❖ *Thermo/Plastic ware*
- ❖ *Mineral Water*
- ❖ *Agriculture Implement/Tools*
- ❖ *Steel Almirah Fabrications*

- ❖ *Horticulture based industry*
- ❖ *Extraction of Minerals*
- ❖ *Manufacturing of Cement Tiles*
- ❖ *Sports Goods*
- ❖ *Plywood Industries*
- ❖ *Food Industries*
- ❖ *Bakery Product*

8.Industrial profile of District Kupwara.

Potentials areas for service industry

- ❖ *Automobiles*
- ❖ *Electronics*
- ❖ *Electrical*
- ❖ *Agro based*
- ❖ *Fabrications works*
- ❖ *Cold Storage Plants*
- ❖ *Potential for new MSMEs*
- ❖ *Hotels Restaurants,*
- ❖ *Camping equipments*
- ❖ *Food Industries*
- ❖ *Thermo/Plastic ware*
- ❖ *Mineral Water d) Agriculture Implement/Tools*
- ❖ *Steel Almirah Fabrications*
- ❖ *Horticulture based industry*
- ❖ *Extraction of Minerals*
- ❖ *Manufacturing of Cement Tiles*
- ❖ *Sports Goods*
- ❖ *Plywood Industries*

9.Industrial profile of District Bandipora.

Potentials areas for service industry

- ❖ *Automobile workshop*
- ❖ *Health Diagnostic Lab*
- ❖ *Tourism Based*

Potential for new MSMEs

- ❖ *Silk Based*
- ❖ *Agro Based*
- ❖ *Bakery*
- ❖ *Textile Based*
- ❖ *Food Processing*
- ❖ *Horticulture based*

10.Industrial profile of District Ganderbal.

Potentials areas for service industry

- ❖ *Automobile workshop*
- ❖ *Health Diagnostic Lab*
- ❖ *Tourism Based*

Potential for new MSMEs

- ❖ *Silk Based*
- ❖ *Agro Based*
- ❖ *Bakery*
- ❖ *Textile Based*
- ❖ *Food Processing*
- ❖ *Horticulture based*

11.Industrial profile of District Leh.

Potentials areas for service industry

- ❖ *Photostat/ Xeroxing*
- ❖ *Lamination*
- ❖ *Dry Cleaning*
- ❖ *Book Binding*
- ❖ *Whole Sale of Eggs/Meats*
- ❖ *Beauty Parlor*
- ❖ *PCO/ISD/STD*
- ❖ *Data processing*
- ❖ *Colour lab digital*
- ❖ *Travel Agency*
- ❖ *Automobile workshop*
- ❖ *Dhaba/ Restaurant*
- ❖ *Mobile Repairing*

Potential for new MSMEs

- ❖ *Dairy & dairy products*
- ❖ *General Engg Workshop*
- ❖ *Ceramic Bricks*
- ❖ *Cement Bricks & Blocks*
- ❖ *Wooden Furniture & Fixtures*
- ❖ *Milk Products*
- ❖ *Biscuits And Bakery Products*
- ❖ *Agriculture Implements*
- ❖ *Fruit Juice*
- ❖ *Silk weaving & reeling*
- ❖ *Soft Toys(mfg toys of any material)*
- ❖ *Food products*
- ❖ *Fruit Processed (nuts)*

12.Industrial profile of District Kargil.

Potentials areas for service industry

- ❖ *Electronics*
- ❖ *Automobiles Electrical*
- ❖ *Agro based*
- ❖ *Electronics*
- ❖ *Automobiles*
- ❖ *Fabrications works*

- ❖ *Cold Storage Plants*

Potential for new MSMEs

- ❖ *Food Industries Agriculture Implement/Tools*
- ❖ *Fabrications works*
- ❖ *Mineral Water*
- ❖ *Horticulture based industry*
- ❖ *Extraction of Minerals*
- ❖ *Manufacturing of Cement.*

13.Industrial profile of District Jammu.

Potentials areas for service industry

- ❖ *Travel agency*
- ❖ *Beauty Parlours.*
- ❖ *Screen-printing*
- ❖ *Dry-cleaning.*
- ❖ *Data processing.*
- ❖ *Testing laboratories.*
- ❖ *Health Club*

Potential for new MSMEs

- ❖ *Dairy and Dairy products*
- ❖ *Hallow cement bricks.*
- ❖ *Bakery product*
- ❖ *Maize flakes.*
- ❖ *Honey Processing.*
- ❖ *Woolen clothing.*
- ❖ *Spices grinding*
- ❖ *Bamboo baskets,*
- ❖ *Novelty items made out of bamboo.*
- ❖ *Potato chips.*
- ❖ *Silk Weaving & reeling.*
- ❖ *Soft Toys*
- ❖ *Food processing and fruit processing.*
- ❖ *Extraction of oils herbs and flowers.*
- ❖ *Laundry Soap*
- ❖ *Gem cutting and polishing*

Existing Clusters of Micro & Small Enterprise

- ❖ *Rice Milling Cluster*

14.Industrial profile of District Poonch.

Potentials areas for service industry

- ❖ *Automobiles,*
- ❖ *Repair of electrical appliances*
- ❖ *Rice husking,*
- ❖ *Cotton carding etc*

Potential for new MSMEs

- ❖ *Cement based units*
- ❖ *Wooden based units*
- ❖ *Agriculture implements*
- ❖ *Cattle & Poultry feed*
- ❖ *Dairy products*
- ❖ *Leather products*
- ❖ *Steel fabrication*
- ❖ *candle manufacturing*
- ❖ *Readymade garments*
- ❖ *Mini Floor Mills*

15.Industrial profile of District Doda

Potentials areas for service industry

- ❖ *Automobiles*
- ❖ *Electronics*
- ❖ *Electrical*
- ❖ *Agro based*
- ❖ *Fabrications works*

Potential for new MSMEs

- ❖ *Food Industries*
- ❖ *Thermo/Plastic ware*
- ❖ *Mineral Water*
- ❖ *Agriculture Implement/Tools*
- ❖ *Steel Almirah Fabrications*
- ❖ *Horticulture based industry*
- ❖ *Extraction of Minerals*
- ❖ *Manufacturing of Cement Tiles*

16.Industrial profile of District Rajouri

Potentials areas for service industry.

- ❖ *Tyre retreading,*
- ❖ *service stations,*
- ❖ *wheel alignment units*
- ❖ *processing of dry fruits*
- ❖ *automobile workshop*
- ❖ *telecommunication booths etc*

Potential for new MSMEs.

- ❖ *cement tile*
- ❖ *cement house pipes*
- ❖ *steel fabrication*
- ❖ *furniture units*
- ❖ *stone crusher*
- ❖ *flour mills/oil mills/Atta chakkis*
- ❖ *Repairing & Servicing of Automobiles Repairing*

- ❖ *Servicing of Electronics Items*
- ❖ *Repairing & Servicing of Electrical*
- ❖ *Food Industries*
- ❖ *thermo/Plastic ware*
- ❖ *Mineral Water*
- ❖ *Agriculture Implement/Tools*
- ❖ *Steel Almirah Fabrications*
- ❖ *Horticulture based Industries*
- ❖ *Medicinal Plants*
- ❖ *Aromatic Plants*
- ❖ *Floriculture*
- ❖ *Bee Keeping etc*

17.Industrial profile of District Kishtwar.

Potentials areas for service industry

- ❖ *Repairing & Servicing of Automobiles*
- ❖ *Repairing & Servicing of Electronics Items*
- ❖ *Repairing & Servicing of Electrical*
- ❖ *Agro based Industries*
- ❖ *Fabrications works*

Potential for new MSMEs

- ❖ *Food Industries*
- ❖ *Thermo/Plastic ware*
- ❖ *Mineral Water*
- ❖ *Agriculture Implement/Tools*
- ❖ *Steel Almirah Fabrications*
- ❖ *Horticulture based Industries*

18.Industrial profile of District Udhampur.

Potentials areas for service industry

- ❖ *Lamination.*
- ❖ *Testing laboratories*
- ❖ *Dhaba/restaurant.*
- ❖ *Cold storage.*
- ❖ *P.C.O.*
- ❖ *Travel agency.*
- ❖ *Beauty Parlous.*

Potential for new MSMEs

- ❖ *Bakery product.*
- ❖ *Dairy and Dairy products.*
- ❖ *Food processing and fruit processing.*

- ❖ *Silk Weaving & reeling*
- ❖ *Extraction of oils herbs and flowers.*
- ❖ *Laundry Soap*

19.Industrial profile of District Ramban

Potentials areas for service industry:

- ❖ *Repairing & Servicing of Automobiles*
- ❖ *Repairing & Servicing of Electronics Items*
- ❖ *Repairing & Servicing of Electrical*

Potential for new MSMEs

- ❖ *Food Industries*
- ❖ *Thermo/Plastic ware*
- ❖ *Mineral Water*
- ❖ *Agriculture Implement/Tools*
- ❖ *Steel Almirah Fabrications*
- ❖ *Horticulture based Industries*
- ❖ *Medicinal Aromatic Plants*
- ❖ *Floriculture*
- ❖ *Bee Keeping*

20.Industrial profile of District Reasi

Potentials areas for service industry

- ❖ *Hotel*
- ❖ *Restaurant*
- ❖ ***Potential for new MSMEs***
- ❖ *paper & paper products*
- ❖ *disposable Industries.*

21.Industrial profile of District Samba .

Potentials areas for service industry

- ❖ *X-rays, Ultrasound machine*
- ❖ *Data process.*
- ❖ *Dhaba/restaurant.*
- ❖ *Colour lab.*

Potential for new MSMEs

- ❖ *Mineral water*
- ❖ *Joinery & wooden furniture,*
- ❖ *Steel fabrication*
- ❖ *Corrugated boxes*
- ❖ *Leather Tanning*

22.Industrial profile of District Kathua .

- ❖ ***Potentials areas for service industry***
- ❖ *Photostat*
- ❖ *Dry-cleaning.*

- ❖ *X-rays.*
- ❖ *Data processing.*
- ❖ *Colour lab.*

Potential for new MSMEs

- ❖ *Honey Processing.*
- ❖ *Potato chips.*
- ❖ *Bakery product.*
- ❖ *Maize flakes.*
- ❖ *Dairy and Dairy products.*
- ❖ *Woolen clothing.*
- ❖ *Spices grinding.*
- ❖ *Bamboo baskets, Novelty items made out of bamboo.*
- ❖ *Hallow cement bricks.*
- ❖ *Silk Weaving & reeling.*
- ❖ *Gem cutting and polishing.*
- ❖ *Food processing and fruit processing.*
- ❖ *Extraction of oils herbs and flowers.*
- ❖ *Laundry Soap*
- ❖ *Soft Toys*

Role of MSME-DI J & K.

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. MSME Development Institute, J&K is in possession of 32.7 kanals of land one office building consisting of three rooms and twenty one sets of staff quarters (presently under occupation of security forces) at Sanatnagar Srinagar and presently this office along with MSME Branch Jammu are operating from rented accommodation located at industrial estate Digiana Jammu.

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-9000etc.
- (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

Table:
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:

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

Table:

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 & Coverters 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 details of EM –II filed by Entrepreneur in the State is as under:

	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