



INDUSTRIAL POLICY 2003

GOVERNMENT OF UTTARANCHAL

DEHRADUN

PREFACE

The existing Industrial Policy was framed in the back-drop of potentialities and expectations of the newly created State of Uttaranchal. The policy focused on the sectors where Uttaranchal has inherent advantages e.g., Tourism, Hydro-power, Floriculture, Agro and Food processing, Handloom, Khadi and Village Industries etc.

The Hon'ble Prime Minister of India during his visit to Nainital in March 2002 announced that a special package of incentives would be given to promote Industrial Development in Uttaranchal to offset the constraints that hampered this process. The package was formally declared on 7th January 2003. In the light of this package and seeing the interest already evinced by potential entrepreneurs, drawing lessons from the experience of our existing Industrial Policy and experience of other States, taking note of inputs received from the various stake holders and keeping in view the ground realities of liberalization, and allied trends of economic reforms, the State Government has found it expedient to formulate a New Industrial Policy.

The aim is to provide a comprehensive framework to enable a facilitating, investor friendly environment for ensuring rapid and sustainable industrial development in Uttaranchal and, through this, to generate additional employment opportunities and to bring about a significant increase in the State Domestic Product and eventual widening of the resource base of the State. This will be termed as the New Industrial Policy 2003, and shall remain in force for a period of 5 years.

VISION

- To create high quality world class infrastructure facilities in the State and enhance, in particular, connectivity to the National Capital Region (NCR) and other leading markets.
- To provide single window facilitation in the State to expedite project clearances and provide an investor friendly climate.
- To provide and facilitate expeditious land availability for setting Industrial ventures and Infrastructure projects.
- To promote and encourage private sector participation in the development and management of infrastructure projects such as Industrial Estates/Areas, Growth

Centers, IIDCs, Special Economic and Commodity Zones and Parks, Theme Parks, Tourism infrastructure, development of new tourist destinations, Airports/Helipads/Airstrips, Roads, generation, transmission and distribution of power, and projects in the area of Horticulture, Floriculture, Bio-technology etc.

- To provide assured, good quality, uninterrupted and affordable power for industries.
- To simplify and rationalize labour laws and procedures in tune with the current day requirements, while ensuring that the workers get their due share in the economic prosperity of the State.
- To promote, in particular, Small scale, Cottage and Khadi and Village Industries and Handicrafts Silk and Handloom sectors, assist them in modernization and technological up-gradation and provide the necessary common facilities and backward and forward linkages, including product design and marketing support so as to make them globally competitive and remunerative.
- To address problems of sickness and incipient sickness in Industry, particularly SSIs and facilitate required restructuring and rehabilitation, etc. in coordination with the Banks and financial institutions.
- To promote Industries based on local resources particularly in the Areas of Agriculture, Horticulture, Agro & Food Processing and Floriculture.
- To promote planned and scientific exploitation of the mineral resources of the State and maximize value addition within the State.
- To promote leading edge technologies and sunrise industries in the State in the areas of Information Technology and Bio-Technology.
- To promote public/private sector involvement in generation of power and strengthening of the transmission and distribution network.
- To promote Tourism as a focus area and develop Uttaranchal as a premier global tourism destination.
- To provide special attention for setting up industries in remote areas.

- To develop and strengthen air, road, rail and other connectivity.
- To develop Uttaranchal as a premier education and research centre by leveraging the presence of world-class Research and Technical Institutes existing in Uttaranchal.

ADVANTAGE UTTARANCHAL

NON – FISCAL

- ❖ Uttaranchal is blessed with a rare bio-diversity, inter-alia, 175 rare species of aromatic & medicinal plants are found in the State.
- ❖ The State has almost all major climatic zones, making it amenable to a variety of commercial opportunities in horticulture, floriculture and agriculture.
- ❖ The State has rich mineral deposits of limestone, soapstone, magnesite etc., besides minor minerals. Resource mapping is being undertaken.
- ❖ The State has a vast tourism potential: adventure, leisure, eco-tourism in its widest sense, religious/spiritual, with a large potential for related services and scope to develop niche markets, apart from traditional investment opportunities.
- ❖ The Literacy rate in the State is 72%, which is indicative of abundant availability of quality human resources -- the State also has a large number of top quality educational institutions, and National and State level Research & Training Institutes and Institutions of excellence.
- ❖ The State has a peaceful and pollution free environment conducive for Industrial development and good quality of life. The law and order and security situation in the State is very good.
- ❖ The State is rich in Power resources and potential with availability of assured, uninterrupted, quality power at affordable and competitive rates.
- ❖ Action is being taken to simplify and rationalize the Labour Laws.
- ❖ The State has an Earth Station at Dehradun and two more are proposed. An Information Technology Park is in the process of being established
- ❖ The State has four AEZs for Litchi/fruits, Floriculture, Herbs and Medicinal Plants and Basmati Rice.

- ❖ State level Udyog Mitra has been set up under the Chairmanship of Hon'ble Chief Minister.
- ❖ A multipurpose Industrial Promotion, Investment & Infrastructure Development Corporation in the style of State Industrial Development Corporation of Uttaranchal Limited (SIDCUL) has been set up in which participation of various Banks and Financial Institutions like SIDBI, ICICI and LIC is committed and of various others is proposed.
- ❖ Marketing assistance to Khadi and Village Industries, SSIs, Cottage Industries, Wool-based Industries, Handloom, Silk and Handicrafts Industries.
- ❖ Major Bio-Technology complex is proposed to be setup around the Pantnagar Agriculture University.
- ❖ State is putting in place mechanisms to:-
 - Provide Single Window Facilitation in the State to help/cut delays and provide an investor friendly climate.
 - Provide and facilitate expeditious land availability for setting Industrial ventures and Infrastructure projects.
 - Arrange financing through a Consortium of Banks and Financial Institutions.
 - Promote and encourage private sector participation in the development and management of infrastructure projects such as Industrial Estates / Areas, Growth Centers, IIDC's, Special Economic and Commodity Zones and Parks, Theme Parks, Tourism infrastructure, development of new tourist destinations, Airports/Helipads/Airstrips, Roads, generation, transmission and distribution of power, and projects in the area of Horticulture, Floriculture, Bio-technology etc.

FISCAL

- ❖ 100% Central Excise exemption for 10 years on items other than those mentioned in the negative list in the Concessional Industrial Package announced by the Central Government.
- ❖ 100% Income Tax exemption for first 5 years and 30% for next 5 years for the Companies and 25% for others.

- ❖ Capital Investment Subsidy @15% with a maximum of Rs. 30 Lakhs. (Rs. 3 million).
- ❖ Central Transport Subsidy extended till 2007.
- ❖ Exemption from entry tax on Plant & Machinery for setting up Industry or undertaking substantial expansion and modernization.
- ❖ Land use conversion and development charges and regime will be rationalized.
- ❖ Stamp duty concessions will be provided in respect of land in specialized commodity parks, including I.T. parks.
- ❖ Interest incentive @ 3% with a maximum of Rs. 2 lakhs per annum per unit shall be provided to New Small Scale Industries (SSIs) and existing SSIs for modernization and substantial expansion, provided they have availed loan from State level Financial Institutions or Banks operating in Uttaranchal and not defaulted in payment of principal or interest installments. However, for S.S.I units and units notified as Thrust Industries being set up in remote areas, the interest incentive shall be granted @ 5% with a maximum of Rs. 3 lakhs/annum. The interest incentive shall be admissible to the unit only if it remains in operation for a minimum of three years from the date of disbursement of last instalment, failing which the Government will have the right to recover the entire amount of incentive availed.
- ❖ For the purpose of Interest Incentive, Substantial Expansion shall mean additional investment of not less than 25% of the undepreciated book value of plant and machinery of an industrial unit.
- ❖ For the purpose of the Interest incentive, modernization of new existing Industrial units means additional investment to the extent of 25% of the undepreciated book value of plant and machinery, made in acquisition of plant and machinery and technical know-how for such modernization.
- ❖ For revival/rehabilitation of sick SSI units, interest incentive @ 3% with a maximum of Rs. 2 lakhs per annum shall be provided on the loan taken under fully tied up revival and rehabilitation package from financial institutions, banks etc. For entrepreneurs in remote areas the interest incentive will be granted @ 5% with a maximum of Rs. 3 lakhs per annum. The interest

incentive shall be admissible to the units only if it remains in operation for minimum of 3 years from the date of disbursement of last instalment, failing which the Government will have the right to recover the entire amount of incentive availed.

- ❖ In the case of sick non-SSI units, Government will sympathetically consider measures required under revival/rehabilitation package drawn by Operating Agency/Financial Institutions/Banks.
- ❖ 100% exemption on Entertainment tax will be allowed for Multiplex projects in the State for a period of three years, and for all new amusement parks and ropeways for five years.
- ❖ 75% of the Total Expenditure subject to a maximum of Rs.2 lakhs incurred in obtaining national/internationally approved quality marks such as ISO series certificate etc., shall be reimbursed to the entrepreneurs provided that the reimbursement / grant availed for this from all sources should not exceed the total expenditure on this head.
- ❖ 50% of the expenses subject to a maximum of Rs.1 lakh incurred in installing pollution control equipments shall be reimbursed to the entrepreneurs, provided that the total reimbursement /grant availed for this from all sources should not exceed the total expenditure on this head.
- ❖ 75% of the cost subject to a maximum of Rs. 2 lakhs shall be made available to the entrepreneurs in the shape of assistance for registering their patents, provided that the total reimbursement/grant availed for this from all sources should not exceed the total expenditure on this head.
- ❖ For educated unemployed youth, financial loan assistance for projects upto Rs. 2 lakhs in case of Manufacturing/Service Industry and projects upto Rs. 1 lakh in business sector shall be available under the “PRIME MINISTER ROZGAR YOJNA” with subsidy of 15% of the project cost subject to a maximum of Rs. 15,000. Age limit has also been relaxed under this scheme from 35 years to 40 years.
- ❖ Industries generating employment opportunities shall be encouraged.

- ❖ Purchase preference and price preference will be given to State SSIs in State purchases.
- ❖ Purchase preference shall be accorded to Non-SSI units within the State vis-a-vis units outside the State.
- ❖ Matching State subsidy on approved projects of National Horticulture Board (NHB), Agricultural & Processed Food Products Export Development Authority (APEDA), National Medicinal Plant Board (NMPB) subject to a maximum of Rs. 20 Lakhs and subject to a total subsidy not exceeding over 50% of the project cost.

POLICY INSTRUMENTS

INSTITUTIONAL MECHANISM

SINGLE WINDOW CONTACT, INFORMATION AND FACILITATION

- This would be operative in the District Industries Centres at the District level and State Industrial Development Corporation of Uttarakhand Limited (SIDCUL) at the State level. These Centres would be providing all information and escort services to the entrepreneurs.
- A data bank will also be maintained at these centres and they will also endeavor to provide a composite application forms and related information to the entrepreneurs.
- The DICs are also working as District Offices of State Industrial Development Corporation of Uttarakhand Limited (SIDCUL).

SINGLE WINDOW CLEARANCE MECHANISM

- State Industrial and Investment Promotion Board will be setup under the Chairmanship of the Hon'ble Chief Minister with concerned Ministers and Government officials, Captains of Industry and specialists of National/International repute as its members.
- State level Investment and Infrastructure Committee to be headed by the Chief Secretary and having the concerned Secretaries as its members shall be set up for expeditious disposal of proposals involving inter-departmental policy issues

or any special dispensation. The recommendations of the committee will be placed before the Hon'ble Chief Minister for final approval.

- At the District level, a committee headed by the District Magistrate will be setup to act as a forum for facilitating single window clearances.
- The DIC and SIDCUL shall function as the Secretariat for these District and State level Committees respectively.

DEEMED CLEARANCES

A system of deemed clearances will be put up in place wherever possible and time bound limits will be prescribed for the purpose in respect of various concerned departments.

For other statutory, financial and Government of India related clearances, the State shall render all possible assistance and escort services to the entrepreneurs.

UDYOG MITRA

At the State level, Udyog Mitra has been setup under the Chairmanship of Hon'ble Chief Minister as an apex interactive, policy and problem redressal body with the concerned Ministers, Government officials, Banks, FIs and representatives from the Industrial Associations as its members.

The District level Udyog Mitra has been setup under the Chairmanship of District Magistrate for the above purpose. Its membership includes the district level officials of the various departments, Banks, FIs and representatives of Industrial associations.

LAND

The State Government is developing and promoting Industrial Estates and will provide land/plots to the entrepreneurs keeping in view their requirement, preference and availability at the earliest. Stamp Duty concessions will be provided for plots in designated theme parks and specialized commodity estates, including IT parks. Land use conversion and development charges and regime shall be rationalized.

The Government has identified Industrial Areas to be notified with reference to the Industrial Package announced by the Government of India. Such areas will be notified from time to time as per need. The State Government will, wherever necessary, facilitate the entrepreneurs to secure land in such areas.

PRIVATE SECTOR PARTICIPATION

The State Government also invites private sector participation in development of infrastructure projects including specialised Industrial Estates and Special Economic Zones, Export Zones, Food Parks, Theme Parks, Biopolis, Tourism Destinations, Generation, Transmission & Distribution of Power, Roads, Airports, ICDs, Integrated Industrial Townships, Civic Infrastructure, etc.

INFRASTRUCTURE

Specific concessions as may be necessary for infrastructure projects will be considered on merit basis. The State Government along with the Infrastructure Development and Finance Company (IDFC) has set up a joint venture Company in the name of Uttaranchal Infrastructure Development Company (U-Dec) to provide necessary professional advisory services to the State Government in this regard.

MEGA PROJECTS

Projects over Rs. 50 crores (Rs. 500 Million) Investment or projects of significance for the State shall be considered, on a case to case basis, for grant of any further concessions or dispensation by the State level Investment & Infrastructure Committee.

FINANCE

The State Government through SIDCUL along with Consortium of Bankers and Financial Institutions shall endeavour to arrange timely and adequate credit to the entrepreneurs. The State will also endeavor to arrange to mobilize venture capital for suitable projects from existing venture capital funds and also consider setting up such a fund in the State.

POWER

- The State of Uttaranchal has adequate availability of Power and is aiming to further increase Hydro Power production by over 5000 MW before the end of present decade. A number of small & medium size hydro-sites have already been identified to be developed in the private sector or in public-private partnership, besides development of projects in the public sector. Thus assured supply of quality power will be made available to the entrepreneurs setting up Industrial Units in the State.

- As per Electricity Reforms Act, the tariffs are to be determined and regulated by the State Electricity Regulatory Commission. However, with the addition of capacities, augmentation of existing capacities and expansion and revamping of transmission and distribution network, power will be available to Industrial units in the State at the attractive and competitive rates.
- There is no restriction in the State in using power during the peak hours. However, the tariff for continuous and non continuous supply is to be fixed by the Regulatory Commission.
- As a large investment is being made in the distribution network, it will enable substantial reduction in the system loading charges.
- District level Udyog Mitra will sanction load upto 50 BHP and the load above 50 BHP will be sanctioned by the Regional Committee of the Uttaranchal Power Corporation Limited (UPCL).
- The minimum charges shall be subsumed in the monthly bill.
- Industrial consumers shall also have the option to lay their own line from the nearest sub-station of the Uttaranchal Power Corporation through registered engineers/contractors at their own cost.

SIMPLIFICATION OF LABOUR LAWS

- ✚ Labour laws will be simplified in such a manner so as to create a conducive atmosphere for industrialization while protecting the interests of the workers.
- ✚ System of self-certification and amalgamation of returns will be put in place so as to substantially decrease the paper work.
- ✚ With a view to end harassment, the entire regime of inspections will be rationalized to ensure that they are corrective rather than punitive in nature.

REMOTE AREAS

A large part of Uttaranchal comprises of remote & hilly areas. There is deficiency of infrastructure and other constraints relating to market access etc. in such areas. The State Government will take the following measures to promote appropriate industrialization in these areas:

- All areas located at altitudes higher than 3000 ft above mean sea level shall be deemed as remote areas for the purpose of State Interest incentive.
- Under the State Interest Incentive Scheme, units located in such remote areas will be given an enhanced interest incentive which shall be @ 5% with a maximum of Rs. 3 lakhs/annum. This shall be admissible to only if the unit remains in operation for a minimum of 3 years from the date of disbursement of last instalment, failing which the Government will have the right to recover the entire amount of subsidy availed.
- The State Government will give special attention for developing infrastructure and common facilities in these areas.

KHADI AND VILLAGE INDUSTRIES

Special emphasis will be laid on the development of Khadi and Village Industries, cottage and tiny industries.

- Common facility centres for packaging and marketing will be developed. Efforts will be made to develop channels for marketing through private outlets with common branding and facilitation of global exports.
- Action will be taken to provide assistance in respect of new and innovative designs, in tune with consumer demand, including demand in Khadi silk, etc.
- The State Government will provide assistance for standardization of quality and production of ready-made garments from Khadi Cloth.

SMALL SCALE INDUSTRIES

- ❖ Small Scale Industries (SSIs) to be set up in the State shall be encouraged to procure modern technology and shall be accorded price and purchase preference in Government purchases.
- ❖ An interest incentive @ 3% with a maximum of Rs. 2 lakhs/annum shall be provided to New SSIs and to existing SSIs for modernization and substantial expansion provided they have availed loan from State level Financial Institutions and Banks and not defaulted in payment of principal or interest installments. For SSI units coming up in remote areas the rate of interest incentive will be 5% with a maximum of Rs. 3 lakhs/annum.

- ❖ For revival/rehabilitation of sick SSIs units, an interest incentive @ 3% with a maximum of Rs. 2 lakhs per annum shall be provided on the revival and rehabilitation package loan taken from financial institutions, banks etc. For entrepreneurs in remote areas the interest incentive will be granted @ 5% with a maximum of Rs. 3 lakhs per annum. The interest incentive shall be admissible only if the unit remains in operation for a minimum of 3 years from the date of disbursement of last instalment, failing which the Government will have the right to recover the entire amount of incentive availed.
- ❖ For revival/rehabilitation of sick non - SSIs units, Government will sympathetically consider measures required under the revival/rehabilitation package drawn up by Operating Agency / Financial Institutions / Banks.

MARKETING SUPPORT

- ✓ Purchase and price preference in Government purchases shall be accorded to the SSIs located in Uttaranchal subject to quality norms.
- ✓ Prices at pre-trade tax level shall be reckoned for comparison while making Government purchases to provide an impetus to local Industry.
- ✓ Non-SSI units located at Uttaranchal shall also be given purchase preference in Government purchases with reference to units located outside the State.
- ✓ Marketing assistance will be provided to the Small Scale Enterprises through organisation of buyer-seller meets, and facilitating participation in Trade Fairs etc.

HANDICRAFTS

Uttaranchal's potential for traditional Handicraft items, will be tapped by aggressive support in the area of Marketing, Design upgradation and provision of adequate backward and forward linkages. Under Baba Saheb Ambedkar Hast Shilp Vikas Yojna and other centrally sponsored schemes, a package of support to artisans and handicraft artisans will be provided which include basic inputs and infrastructure support like diagnostic survey and project plan, mobilization of artisans, training, design development, new techniques, packing, common facility centre, marketing events, exhibitions, emporiums and publicity.

The traditional handicrafts like woollen carpet, wood carving, Ringal crafts and copper crafts, etc shall be encouraged through various initiatives like:-

- Training by Master Craftsmen will be organised in situ and these locations will be developed as "Shilp Grams".
- Action will be taken to promote and develop Handicraft products as souvenir items, and facilitation of their marketing in Tourist and Commercial Centres within and outside the State.
- Efforts will be made to promote export of these items by organizing fairs, development of showrooms with private participation, and support in the area of publicity.
- An Urban Haat is being developed in Dehradun and Rural Handicrafts Centres (Gramin Shilp Kendras) are being developed in the other districts for the display and marketing of Handicraft products.
- A Crafts Design Center is also proposed to be developed in district Nainital with a view to develop new designs and products in line with the market demand.
- In order to encourage diamond cutting & polishing and gem industry, a Gem and Jewellery Park is proposed to be established in the State.

HANDLOOMS

This Industry is of vital importance for employment generation in rural areas.

- Under the Deen Dayal Hathkargha Protsahan Yojna action will be taken to benefit Cooperative Societies or registered groups of Handloom weavers. Members of these groups would be imparted training as well as be provided with modern looms and designs.
- Action will be taken for facilitating the marketing of their products by setting up showrooms in public private partnership and motivating them to export their produce.
- Establishment, expansion and modernization of Design Centres will also be undertaken.

- The State Government proposes to develop Integrated Handloom Complexes where facilities for dyeing, carding, development of designs, etc. will be provided.
- Silk and silk products have been declared as thrust industries. Keeping in view the availability of high quality of silk in the State, silk production and its allied activities will be encouraged and steps will be taken to modernise the existing industries as well as to promote the measures for value addition.

WOOL BASED INDUSTRY

- ⇒ Special emphasis will be given on improving availability of good quality raw material, wool processing, grading, and quality and design improvement, providing training to artisans, strengthening of marketing arrangements and mobilize institutional finance for development of this Industry.
- ⇒ Non-traditional animal wool fibres will also be encouraged and developed.
- ⇒ By way of developing backward linkages, efforts will be made to promote scientific methods of shearing, sorting, grading and other wool processing activities.
- ⇒ Action for product diversification, design improvement, technology upgradation, training and marketing support will be undertaken in a systematic manner.
- ⇒ Wool Banks and Wool auction yards and integrated complexes for processing, grading etc. will be established at suitable locations.

AGRO AND FOOD PROCESSING INDUSTRY

A large quantity of agro produce is wasted because of lack of adequate post harvest technology, storage and processing facilities. In order to exploit the natural advantages and potential of the State in terms of crop and climatic diversity, special efforts will be made to develop & strengthen this sector. Action will be taken to bring about synergy between related schemes of various Central and State Government departments, and provision of backward and forward linkages in an integrated manner.

- ✚ The State Government will assist in establishing small & medium size Agro Parks, Food Parks etc., which will provide common infrastructure facilities for storage, processing, grading and marketing, thus ensuring that surplus fruits and vegetables do not go waste as at present.
- ✚ Four Agri Export Zones have already been declared under the AEZ scheme of the Government of India for Leechi, Horticulture, Herbs, Medicinal Plants and Basmati Rice. Further, efforts will continue to promote production for export and provide access to domestic and export markets for products from the State.
- ✚ Special efforts will be made to modernize the packaging Industry in the State with the objective of producing durable, attractive and eco-friendly packaging material.
- ✚ To avoid wastage of fruits and vegetables, action will be taken to develop, in public/private partnership, post harvest management infrastructure and to create an integrated network for marketing of horticulture produce including cool chains. The State Government will endeavor to develop Horticulture Farms as integrated complexes to disseminate modern technology and provide market linkages in collaboration with reputed Non-Governmental Organisations and Companies in a public- private partnership framework.
- ✚ Uttaranchal has been included in difficult area category by the Ministry of Food Processing Industry (MFPI), Government of India and hence units being set up in Uttaranchal will be eligible for higher incentives under the schemes of MFPI.
- ✚ The State Government is also providing matching subsidy for projects under various schemes of Agricultural & Processed Food Products Export Development Authority (APEDA), National Horticulture Board (NHB), Ministry of Food Processing Industry (MFPI) and the Natural Medicinal Plant Board (NMPB) subject to a maximum limit of Rs. 20 lakhs.

FLORICULTURE

- Uttaranchal has almost all the different Agro-geo climatic zones which makes it particularly conducive to commercial floriculture. The State Government will make efforts to develop this activity in a big way with a reference to both

domestic and export markets and as means for creation of employment and income generation opportunities for farmers in the State.

- This Sector will be accorded Industry status.
- It is proposed to establish Floriculture Parks with common infrastructure facilities for sorting, pre-cooling, coldchain, processing, grading and packing/marketing facilities.
- Infrastructure by way of centres for development and supply high quality root stock and planting materials and collection and transportation network etc will be developed. The airstrips near Dehradun and Pantnagar will be expanded and strengthened to facilitate air lifting facilities in course of time.
- Efforts will be made to enlist the cooperation of institutions like the APEDA, NHB, MFPI for the development of projects and facilities for this sector.

TEA INDUSTRY

Recently, intensive efforts have been commenced in the State to significantly expand the plantation of tea with the involvement of a large number of small, marginal farmers and landless labour. Already 560 acres of new plantations have been developed and it is proposed to bring very substantial and additional acreage under tea plantation over the next few years. A database of suitable land for the purpose has been created. Action will be taken to encourage the setting up of tea processing and packaging units and thus establish Uttaranchal as a major tea producer in the country.

FOREST BASED INDUSTRY

Uttaranchal has a reported forest area of around 65 percent. There is, thus, excellent potential for the development of forest resources based Industries in the State, while taking due care to maintain the ecological balance and compliance with laws relating to forest conservation and environmental protection. In addition, there is ample scope to develop industries based on forest and agro-wastes such as lantana, pine-needles, plant and vegetative fibers such as Rambans, etc. Action will be taken in an integrated manner and in cooperation with specialized agencies, for research and development, product development and promotion of industries based on such materials.

Steps will be taken to encourage non-timber based industries such as Bamboo, Ringal, Resin, non traditional fibres, matches, paper and paper products, plywood / flush boards, furniture, wood carvings, sport goods, toys, pencils etc, keeping in view their vast employment opportunity and export potential.

TOURISM

- Uttarakhand offers immense opportunities for development of a vast array of tourism, infrastructure related activities and services.
- The State Government has set up Statutory Uttarakhand Tourism Board under the Chairmanship of the Hon'ble Minister of Tourism to function as an apex body for development of Tourism in the State.
- A shelf of projects has been prepared through reputed consultants for development through the private sector. Further, such opportunities will be identified on a continuing basis. Various options for public - private partnership in the Tourism sector would be available.
- Tourism Industry has been accorded the status of a thrust in the State.
- 100% exemption on Entertainment tax will be allowed for all new Multiplex projects in the State for a period of three years.
- A detailed separate Tourism Policy has also been formulated under which:
 - New tourism units will be allowed rebate/deferment facility in respect of luxury tax for a period of five years from the date of commencement.
 - New Ropeways installed in the State will be exempt from payment of entertainment tax for a period of five years from commencement
 - New Amusement parks set up will be exempt from entertainment tax for a period of five years from the date of becoming fully operational.

INFORMATION TECHNOLOGY

The State is naturally endowed and has all pre-requisites for developing as a preferred destination for IT & ITES along with hardware production.

- IT and IT related services have been accorded Industry status.

- Uttaranchal offers high speed connectivity with the establishment of an STPI Earth Station at Dehradun and proposed Earth Station at other locations. Other reliable connectivities available in the State are by BSNL and Reliance.
- A dedicated IT park is already coming up in Dehradun & other are planned in other parts of the State.
- Land use and conversion charges and regime are being rationalized.
- IT and IT enabled services will be accorded public utility status. Relaxation of norms will be given for the working of women in all three shifts subject to proper controls, facilities & infrastructure.
- Exemption on Electricity duty on Generator sets will be given for IT Industry established in IT Parks/Industrial Estates.
- Stamp Duty Concessions will be given to units located in IT Parks.
- The State Government will provide free Bandwidth up to 2 mbps to all IT Software Companies/IT enabled service based Companies, Call Centres, BPOs etc for 1 year, subject to the following stipulation:
 - (i) Hardware/Installation cost would be borne by the applicant.
 - (ii) The Bandwidth will be non-sharing and non-transferable.
 - (iii) The Entrepreneur/Company can connect to BSNL/VSNL/STPI or any private service provider for the said Bandwidth. However, the cost of the said Bandwidth would be kept at the rates offered by STPI/BSNL.
 - (iv) The following criteria will be adopted for providing the connectivity:
 - a) **Category -1.**
Call Centres.
25 Seater – 512 KBPS.
50 Seater – 1 MBPS.
100 Seater- 2 MBPS.
 - b) **Category -2.**
Offline BPO and such other establishments: 1/4th of the above.
 - c) **Category -3.**
Online BPO and such other establishments: 1/2 of the above.
 - d) **Category -4.**

Combination of activities: subject to maximum prescribed in 1st category.

- (v) Cyber Cafe / IT establishments for entertainment of people are excluded from the purview of this offer.
- (vi) The commencement date would be the date of first connect and the offer of an incentive is for continuous one year and cannot be availed in patches

BIOTECHNOLOGY

Biotechnology (BT) is poised to make significant contributions in agriculture, human and animal health care, environment management and process industries. Rare species of plants and animals found in the State, add to its natural advantage in this sector. In this context, a MOU has already been signed between Rabo India Finance Company, Infrastructure Development Finance Company and the G.B.Pant University of Agriculture and Technology in order to forge strategic cooperation to jointly pursue initiatives in the sphere of research in food and agriculture sectors. A high level Biotechnology Board is also being setup under the Chairmanship of the Hon'ble Chief Minister. The strategy of the State will include the following:-

- ✓ Units coming up in this sector, including the R & D units in this field, shall be accorded Industry status and the provisions made for the IT sector shall be made applicable to this sector.
- ✓ Establish an internationally competitive business infrastructure and environment for the BT Industry in the State.
- ✓ Develop Uttaranchal as a centre of excellence in biotechnology by providing necessary education and training facilities for the creation of a large pool of multi-skilled, technically competent manpower and organizations for state of the art biotechnology research in the State.
- ✓ A Biotechnology Park will be developed near Pantnagar to achieve the vision of the Government. The proposed Biotechnology Park will integrate resources and provide amongst others, a focused institutional set up for accelerated commercial growth of Bio-Technology and Bio-Informatics.

INDUSTRY BASED ON HERBAL AND MEDICINAL PLANTS

Uttaranchal is a store house of rich variety herbs, medicinal and aromatic plant species. The Government wishes to exploit this by helping industries for value addition in this sector and giving emphasis on institutional R&D driven by the market.

- An integrated action plan has been drawn up for this purpose in coordination with the Government of India and other concerned agencies in the State and elsewhere in the country.
- Strategic linkages and connectivity will also be forged between this Industry and Tourism related activities.
- Special emphasis will be given to arrangements for marketing both within the country and abroad.
- R&D in the Medicinal Plants and commercial production of applications and formulations will be developed in conjunction with Research Institutions and reputed companies.
- Scientific cultivation on contract farming will be encouraged with special emphasis on value addition within the State.
- A Medicinal and Aromatic Plants Export Zone has been set up covering seven districts of Uttaranchal and Specialized Herbal Parks are in the offing.

BOTTLING PLANTS, WINERIES, BREWERIES AND MINERAL WATER

- ✚ The State Government has already announced its Excise Policy. The applications of competent entrepreneurs will be considered in accordance with the Excise Policy of the State for setting-up of bottling plants, wineries, breweries.
- ✚ A number of rivers are originating in the State. These are providing a good source for mineral water industry. The Government will encourage setting up of new mineral water bottling plants in the State.

RESTRUCTURING AND REVIVAL OF SICK UNITS

- Incidence of sickness and incipient sickness as defined by RBI guidelines shall be expeditiously dealt within co-ordination with Banks and Financial Institutions.

- The District Level Committee under the Chairmanship of District Magistrate and the State Level Inter Institutional Committee (SLIIC) shall consider the package, concessions and assistance to be provided by the various agencies for such revival and rehabilitation as per the revival plan prepared by OA/Banks/FIs.
- For revival/rehabilitation of sick SSIs units, an interest incentive @ 3% with a maximum of Rs. 2 lakhs/annum shall be provided on the loan taken from financial institutions, banks etc. under a fully tied up revival and rehabilitation package. For units in remote areas the interest incentive will be granted @ 5% with a maximum of Rs. 3 lakhs/annum.
- In the case of sick non-SSIs units, Government will sympathetically consider measures required under revival/rehabilitation package drawn by Operating Agency/Financial Institutions/Banks.

HUMAN RESOURCE DEVELOPMENT

- ❖ The Government with the active participation of Industry, shall revitalise the network of Industrial Training Institutes and Polytechnics to upgrade the quality and skill of manpower. The involvement of Industry in the management of government training institutes will be encouraged.
- ❖ As part of the initiative to promote a strong entrepreneurial base, the Government, with the help of Industry Associations and others, will promote Entrepreneurship Development programmes.
- ❖ Special focus will be given on Entrepreneurship Development in remote areas to develop local entrepreneurship.

EMPLOYMENT

One of the main objectives of the Industrial Policy 2003 is enhancement of employment opportunities. To this end all endeavours will be made to promote self employment, entrepreneurship development, industrialization and ancillarization.

