Annexure to Government Order No. 58-IND of 2016 dated 15-03-2016

JAMMU AND KASHMIR
GOVERNMENT

INDUSTRIAL POLICY 2016

DEPARTMENT OF INDUSTRIES AND COMMERCE
## JAMMU & KASHMIR STATE INDUSTRIAL POLICY-2016

### INDEX

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Chapter</th>
<th>Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Introduction</td>
<td>1</td>
</tr>
<tr>
<td>2.</td>
<td>State Industrial Policy-2016</td>
<td>2</td>
</tr>
<tr>
<td>3.</td>
<td>Incentives and Subsides under the State package</td>
<td>13</td>
</tr>
<tr>
<td>4.</td>
<td>Ease of Doing Business</td>
<td>21</td>
</tr>
<tr>
<td>5.</td>
<td>Environment Protection and Green initiatives</td>
<td>28</td>
</tr>
<tr>
<td>6.</td>
<td>Annexure – I</td>
<td>30</td>
</tr>
<tr>
<td>7.</td>
<td>Annexure – II</td>
<td>32</td>
</tr>
<tr>
<td>8.</td>
<td>Annexure – III</td>
<td>34</td>
</tr>
<tr>
<td>9.</td>
<td>Annexure – IV</td>
<td>40</td>
</tr>
<tr>
<td>10.</td>
<td>Annexure – V</td>
<td>42</td>
</tr>
<tr>
<td>11.</td>
<td>Abbreviations</td>
<td>47</td>
</tr>
</tbody>
</table>
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.

1.5 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.

1.6 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.

1.7 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 yatrees (over 15 million per year) visiting the State for leisure and pilgrimage respectively.

1.8 The State Industrial Policy-2016 has to build on the strengths, overcome the weaknesses and create employment opportunities attract bigger and larger investment.
Chapter – 2

State Industrial Policy - 2016

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 craftmanship 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.
vii) 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 at least 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 Expos 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
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/Handloom Clusters, Pharmaceutical Clusters etc.

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.

<table>
<thead>
<tr>
<th>Zone</th>
<th>Name of the District</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zone-A</td>
<td>a) Srinagar, Budgam, Pulwama, Gandarbal, Baramulla and Anantnag in Kashmir region.</td>
</tr>
<tr>
<td></td>
<td>b) Jammu, Udhampur, Samba and Kathua in Jammu region.</td>
</tr>
<tr>
<td>Zone-B</td>
<td>a) Kulgam, Shopian, Bandipora, &amp; Kupwara in Kashmir region.</td>
</tr>
<tr>
<td></td>
<td>b) Reasi, Ramban, Doda, Kishtwar, Rajouri and Poonch in Jammu region.</td>
</tr>
<tr>
<td></td>
<td>c) Leh and Kargil in Ladakh region.</td>
</tr>
</tbody>
</table>

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 atleast 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:-
<table>
<thead>
<tr>
<th>Plot size</th>
<th>Srinagar and Jammu Municipal areas including Khyam, Rangreth and BBIEs (Rs. in lacs/kanal)</th>
<th>Zone-A Distts. excluding Municipal areas of Sgr &amp; Jmu, Khyam, Rangreth and BBIEs (Rs. in lacs/kanal)</th>
<th>Zone-B Distt. (Rs. in lacs/kanal)</th>
</tr>
</thead>
<tbody>
<tr>
<td>For land not exceeding 5 Kanals</td>
<td>5.00</td>
<td>4.00</td>
<td>2.50</td>
</tr>
<tr>
<td>For land not exceeding 10 Kanals</td>
<td>6.00</td>
<td>5.00</td>
<td>3.50</td>
</tr>
<tr>
<td>For land not exceeding 20 Kanals</td>
<td>7.00</td>
<td>6.00</td>
<td>4.50</td>
</tr>
<tr>
<td>For land exceeding 20 Kanals.</td>
<td>8.00</td>
<td>7.00</td>
<td>6.00</td>
</tr>
</tbody>
</table>

2.12.7 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 atleast 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.

2.12.8 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.

2.12.9 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.

2.12.10 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.

2.13 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.

2.14 Environment Protection
2.14.1 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.

2.14.2 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.

2.15 Revival of Sick Units
2.15.1 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.

2.15.2 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.

2.15.3 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).

2.16. Marketing Support
2.16.1 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.

2.16.2 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.

2.17 PPP mode

2.17.1 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 Centres;

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.

2.17.2 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 streamline the procedure and facilitate Public Private Partnership (PPP) for industrial and industrial infrastructure development.

2.18 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 woolen 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.  
xii) 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 mainstay 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 (PPP) mode.

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 Sazi, Namtha 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 alongside 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.
Chapter – 3

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 lac. 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

<table>
<thead>
<tr>
<th>S. No</th>
<th>Category of Industrial Units</th>
<th>Zone-A</th>
<th>Zone-B</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>% of P&amp;M cost</td>
<td>Upper limit</td>
</tr>
<tr>
<td>1</td>
<td><strong>Micro, Small &amp; Medium</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>a) Manufacturing</td>
<td>30</td>
<td>60.00</td>
</tr>
<tr>
<td></td>
<td>b) Services</td>
<td>30</td>
<td>30.00</td>
</tr>
<tr>
<td>2</td>
<td><strong>Large Industries</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>a) Manufacturing Sector</td>
<td>30</td>
<td>150.00</td>
</tr>
<tr>
<td></td>
<td>b) Service Sector</td>
<td>30</td>
<td>75.00</td>
</tr>
<tr>
<td>3</td>
<td><strong>Prestigious/ Mega Projects</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>a) Non-thrust industries</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>i) Manufacturing</td>
<td>30</td>
<td>150.00</td>
</tr>
<tr>
<td></td>
<td>ii) Services</td>
<td>30</td>
<td>75.00</td>
</tr>
<tr>
<td></td>
<td>b) Thrust industries</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>i) Manufacturing</td>
<td>30</td>
<td>200.00</td>
</tr>
<tr>
<td></td>
<td>ii) Services</td>
<td>30</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Rs. in lakh

**3.4.2** 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).

**3.4.3** 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.

**3.4.4** 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.

**3.4.5** 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:

<table>
<thead>
<tr>
<th>S.No</th>
<th>Zone</th>
<th>Existing rate of Interest Subsidy</th>
<th>New Rate of interest subsidy on Working Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>A</td>
<td>3% on W/C</td>
<td>3%</td>
</tr>
<tr>
<td>2</td>
<td>B</td>
<td></td>
<td>5%</td>
</tr>
</tbody>
</table>

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:-

<table>
<thead>
<tr>
<th>Existing capacity of DG Set permissible</th>
<th>New capacity of DG Set permissible</th>
<th>Upper ceiling</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 KW to 1000 KW</td>
<td>10 KW to 2000 KW</td>
<td>Rs. 40 lacs for Zone-A</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rs.45 lacs for Zone-B</td>
</tr>
</tbody>
</table>

3.8.2 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.

3.8.3 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.

3.8.4 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 Handicraft and Handloom 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 lac. 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 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.

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 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.

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 Lakhanpur 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.
Chapter – 4

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, PDD 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 Udyog 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. Udyayog 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 and land 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 up to 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 alongwith 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.

4.7 **Incentives under State Package:**

4.7.1 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.

4.7.2 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 (Jammu/Kashmir)  
2. Joint Director (Dev), Directorate of I&C (Jammu/Kashmir)  
3. Chief Accounts Officer of Directorate of I&C (Jammu/Kashmir)  
4. Deputy Director (Planning), Directorate of I&C (Jammu/Kashmir)  
5. General Manager, DIC (concerned) 

Chairman  
Member  
Member  
Member  
Member Secretary 

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.

4.7.3 30% audit of all incentive claims shall be conducted by Directorate of Industries and Commerce Jammu/ Kashmir before disbursement.

4.7.4 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.

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

4.8 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 materials and finished goods  
VIII. 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.

4.9 Toll tax exemption/assessment:
4.9.1 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.
4.9.2 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.

4.9.3 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 bona fide use or not. This inspection would be done routine manner. Delay on part of General Manager would draw penalty clause /activation.

4.10 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 notification/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 Lakhanpur for which separate notification will be issued by the Finance Department.

4.11 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.

4.12 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.
4.13 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.

4.14 Strengthening and Computerization of DICs
4.14.1 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.

4.14.2 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.

4.15 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.

4.16 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.

4.17 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.

4.18 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.
4.19 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.

4.20 The Director, Industries and Commerce, Kashmir/ Jammu shall also host and maintain a proper website along with links to other sister websites of the Industries & Commerce Department and other Departments to facilitate the industrial unit holders, stakeholders and potential entrepreneurs.

4.21 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.

4.22 NOC/Self Undertakings:
4.22.1 DIC's, 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.

4.22.2 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.

4.23 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 along with the application for obtaining various services as shown above is enclosed as Annexure-V. The checklist of attachments 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.
Chapter – 5

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 Harvesting”,

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 endeavour 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:
<table>
<thead>
<tr>
<th>Item No.</th>
<th>Initiative</th>
<th>%age of the cost of equipment</th>
<th>Upper Limit Rs. Lacs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Rain water harvesting</td>
<td>40%</td>
<td>2.00</td>
</tr>
<tr>
<td>2</td>
<td>Waste water recycling</td>
<td>50%</td>
<td>5.00</td>
</tr>
<tr>
<td>3</td>
<td>Zero discharge process/ solid waste management</td>
<td>50%</td>
<td>6.00</td>
</tr>
</tbody>
</table>

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.

(Shailendra Kumar) IAS
Commissioner/Secretary to Government Industries and Commerce Department

Place: Jammu
Dated: 15-03-2016
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.

   a) 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.

3) 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

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of District</th>
<th>Name of Industrial Estate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. A)</td>
<td>Kashmir Division</td>
<td>BAMK (Bagi Ali Mardan Khan), Zakura, Zainakote, Khonmoh, Shaltaing</td>
</tr>
<tr>
<td>2.</td>
<td>Ganderbal</td>
<td>Duderhama Ganderbal</td>
</tr>
<tr>
<td>3.</td>
<td>Budgam</td>
<td>Barzulla, Rangreth</td>
</tr>
<tr>
<td>4.</td>
<td>Anantnag</td>
<td>Anantnag, Anchidora, Bijnahara</td>
</tr>
<tr>
<td>5.</td>
<td>Kulgam</td>
<td>Kulgam</td>
</tr>
<tr>
<td>6.</td>
<td>Pulwama</td>
<td>Pulwama, Chatpora, IDC Lassipora</td>
</tr>
<tr>
<td>7.</td>
<td>Shopian</td>
<td>Gagran</td>
</tr>
<tr>
<td>8.</td>
<td>Baramulla</td>
<td>Baramullah, Sopore, Food Park Doabgha</td>
</tr>
<tr>
<td>9.</td>
<td>Bandipora</td>
<td>Sumbal</td>
</tr>
<tr>
<td>10.</td>
<td>Kupwara</td>
<td>Branwara, Chatipora</td>
</tr>
<tr>
<td>11.</td>
<td>Leh</td>
<td>Leh, Phyang, Khaltsi</td>
</tr>
<tr>
<td>12.</td>
<td>Kargil</td>
<td>Chanchik, Khurbathang</td>
</tr>
<tr>
<td>1. B)</td>
<td>Jammu Division</td>
<td>Digiana, Jammu Cantt, Gangyal, Birpur, Bari Brahmana &amp; EPIP</td>
</tr>
<tr>
<td></td>
<td>Jammu</td>
<td>Kartholi, Akhnoor</td>
</tr>
<tr>
<td>2.</td>
<td>Samba</td>
<td>Samba, IGC Samba Phase-III</td>
</tr>
<tr>
<td>3.</td>
<td>Udhampur</td>
<td>Udhampur, H D Battal Ballian</td>
</tr>
<tr>
<td>4.</td>
<td>Reasi</td>
<td>Reasi (Gran)</td>
</tr>
<tr>
<td>5.</td>
<td>Kathua</td>
<td>Kathua, Hiranagar, Billawar, IID Govindsar Ceramix Ind. Complex</td>
</tr>
<tr>
<td>6.</td>
<td>Rajouri</td>
<td>Kheora</td>
</tr>
<tr>
<td>7.</td>
<td>Poonch</td>
<td>Poonch</td>
</tr>
<tr>
<td>8.</td>
<td>Kishwar</td>
<td>Sangrambata</td>
</tr>
<tr>
<td>9.</td>
<td>Doda</td>
<td>Dandi (Bhaderwah)</td>
</tr>
</tbody>
</table>

#### II. New Industrial Estates (Under Development)

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

32
### III. Thrust Industries

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Activity/Industry</th>
</tr>
</thead>
</table>
| 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.  |
| 7.     | Floriculture, processing of aromatic and medicinal plant, Green house.  |
| 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 and polishing of gems and making of jewellery.  |
| 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, barrels, cans, ROPP caps for bottles, Woven sacks and HDPE fabric.  |
| 16.    | Bottling of mineral water.  |
| 17.    | Stationary items like note book, pen, pencils, Erasers, sharpeners, Geometry boxes etc.  |
| 18.    | Wood based industry- Manufacturing of plywood/Ply board/Core veneer/Pencil locks/Slates/Joinery/Furniture/Panelling.  |
Annexure – III

MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

NOTIFICATION

New Delhi, 29th May, 2015

S.O. 1432(E).—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:

<table>
<thead>
<tr>
<th>Special Mention Account (SMA)</th>
<th>Basis for classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMA-0</td>
<td>Principal or interest payment not overdue for more than 30 days but account showing signs of incipient stress</td>
</tr>
<tr>
<td>SMA-1</td>
<td>Principal or interest payment overdue between 31-60 days</td>
</tr>
<tr>
<td>SMA-2</td>
<td>Principal or interest payment overdue between 61-90 days</td>
</tr>
</tbody>
</table>

(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 by an affidavit of authorised person.

(4) 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 1, 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.


(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 convenor 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 procedures 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.

(5) 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

(b) 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 admission 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 to 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-greasing the account.

(ii) Restructuring - Consider the possibility of restructuring the account if it is prima facie viable and the borrower is not a wilful 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.

II. 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 them.

(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) Any restructuring under this Framework shall be completed within the specified time periods.

(4) 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.

(5) 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.

(6) 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 favour it.

(7) 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.

(8) 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 extent regulations and statutory requirements.

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

(10) 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.

(11) 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.

[F. No. NCEUS Cell/4/2010-Pt.]

S. N. TRIPATHI, Pt. Secy.
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 (CDP)
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 (TUFIS)
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. E.M-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 (duly 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 the 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/DG 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. Performa Invoices machinery from supplier

B. Issuance of date of Installation of Additional Machinery and commencement of production
   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 at least 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 labour).
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).

X. 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 & Networth.

XI. 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.

XII. 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, DIC, Industries and Commerce.
   b. Bills/Vouchers of equipment purchased.
   c. Mode of payment certificate from bank.
   d. Satisfactory commissioning certificate from SICOP/DIC/ any other authorized agency.
XIII. 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.

XIV. 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.

XV. Capital Investment Subsidy (CIS)
1. CIS Application Form.
2. Copy of Project Report.
3. Copy of acknowledgement 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. C.A 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.
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.
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.

XVI. 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.
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.

**XVII. 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. C.A. Certificate regarding investment made on the project as per the prescribed proforma.
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.
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.
# ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGMARK</td>
<td>Agricultural Marketing</td>
</tr>
<tr>
<td>ASSOCHAM</td>
<td>Associated Chamber of Commerce and Industry</td>
</tr>
<tr>
<td>AVC</td>
<td>Annual Verification Certificate</td>
</tr>
<tr>
<td>BIS</td>
<td>Bureau of Indian Standard</td>
</tr>
<tr>
<td>BPR</td>
<td>Business Process Re-engineering</td>
</tr>
<tr>
<td>CEPT</td>
<td>Common Effluent Treatment Plants</td>
</tr>
<tr>
<td>CII</td>
<td>Confederation of Indian Industry</td>
</tr>
<tr>
<td>CIS</td>
<td>Capital Investment Subsidy</td>
</tr>
<tr>
<td>CST</td>
<td>Central Sales Tax</td>
</tr>
<tr>
<td>CTO</td>
<td>Consent to Operate</td>
</tr>
<tr>
<td>CTE</td>
<td>Consent to Establish</td>
</tr>
<tr>
<td>DIPP</td>
<td>Department of Industrial Policy and Promotion</td>
</tr>
<tr>
<td>DoP</td>
<td>Date of Commercial Production</td>
</tr>
<tr>
<td>ETPs</td>
<td>Effluent Treatment Plants</td>
</tr>
<tr>
<td>FICCI</td>
<td>Federation of Indian Chamber of Commerce &amp; Industry</td>
</tr>
<tr>
<td>FPO</td>
<td>Food Products Order</td>
</tr>
<tr>
<td>GoI</td>
<td>Government of India</td>
</tr>
<tr>
<td>GSDP</td>
<td>Gross State Domestic Product</td>
</tr>
<tr>
<td>GST</td>
<td>Goods and Service Tax</td>
</tr>
<tr>
<td>HLMC</td>
<td>High Level Monitoring Committee</td>
</tr>
<tr>
<td>HRD</td>
<td>Human Resources Development</td>
</tr>
<tr>
<td>ITES</td>
<td>Information Technology Enable Services</td>
</tr>
<tr>
<td>ISO</td>
<td>International Standards Organization</td>
</tr>
<tr>
<td>MSME</td>
<td>Micro, Small and Medium Enterprises</td>
</tr>
<tr>
<td>NeGP</td>
<td>National e-Governance Plan</td>
</tr>
<tr>
<td>NGO</td>
<td>Non Governmental Organization</td>
</tr>
<tr>
<td>PAC</td>
<td>Power Availability Certificate</td>
</tr>
<tr>
<td>PCD</td>
<td>Pollution Control Devices</td>
</tr>
<tr>
<td>PPP</td>
<td>Public Private Participation</td>
</tr>
<tr>
<td>PSEs</td>
<td>Public Sector Enterprises</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>Research and Development</td>
</tr>
<tr>
<td>SCIS</td>
<td>Special Capital Investment Subsidy</td>
</tr>
<tr>
<td>SIAC</td>
<td>State Industrial Advisory Committee</td>
</tr>
<tr>
<td>SICOP</td>
<td>Small Scale Industries Development Corporation Ltd</td>
</tr>
<tr>
<td>SIDCO</td>
<td>State Industrial Development Corporation</td>
</tr>
<tr>
<td>SLC</td>
<td>State Level Committee</td>
</tr>
<tr>
<td>SLRC</td>
<td>State Level Revival Committee</td>
</tr>
<tr>
<td>SPCB</td>
<td>State Pollution Control Board</td>
</tr>
<tr>
<td>SSEZ</td>
<td>Special State Economic Zone</td>
</tr>
<tr>
<td>VAT</td>
<td>Value Added Tax</td>
</tr>
</tbody>
</table>
Industries & Commerce Department
Government of Jammu & Kashmir
Civil Secretariat, Jammu, J&K.

Subject : Industrial Policy 2016.
Ref : State Administrative Council Decision No. 31/5/2016 dated: 14-03-2016

GOVERNMENT ORDER NO: 58 - IND of 2016
DATED : 15 -03-2016

1. Sanction is accorded to the adoption of Industrial Policy 2016 as per annexure appended to this order for its implementation with immediate effect.

2. All industrial units to be established after the coming into effect of this Policy shall be entitled to the incentives provided in the Industrial Policy 2016. All existing units shall be entitled to the incentives specifically provided in the Industrial Policy 2016 subject to guidelines/procedures issued in respect of such incentives.

3. It shall be ensured that the incentives are given to genuine industrial units.

4. The Industries and Commerce Department shall issue appropriate instruction and guidelines consistent with the new Industrial Policy and the Package of Incentives. Such guidelines and instructions shall be issued in consultation with the Finance Department wherever financial implications are involved.

5. All instructions / orders and procedures issued by the Industries and Commerce Department from time to time for implementation of earlier Package of Incentives shall continue mutatis mutandis in respect of the new package of incentives. Where such instructions / orders are inconsistent with any provision of the new Industrial Policy 2016, further modifications to the existing instructions, orders and procedures shall be notified.


Sd/-
(Shailendra Kumar) IAS
Commissioner /Secretary to Government,
Industries and Commerce Department

No: IND/DIC-98/2013

Copy to:-
1. Chairman, J&K Special Tribunal.
2. Financial Commissioner, Planning and Development Department, Civil Aviation, H&P, Information and Estates Departments.
4. Principal Secretary to the Governor.
5. All Principal Secretaries to the Government.
6. Commissioner/Secretary to the Government Finance Department.
7. All Commissioner/Secretaries to the Government.
9. All Secretaries to the Government.
10. Director General, Information Department, J&K.
11. All Heads of Departments/Managing Directors of PSUs.
12. All Deputy Commissioners.
14. Private Secretary to the Advisor (D).
15. Private Secretary to the Advisor (G).
16. Private Secretary to the Chief Secretary.
17. PA to Commissioner / Secretary to the Government, GAD.
19. Industries & Commerce Department, Website In-charge.

(Ashok Kumar Sharma) KAS
Additional Secretary to the Government
Industries and Commerce Department