

**INDUSTRIAL POLICY 2003**  
**GOVERNMENT OF UTTARANCHAL**  
**DEHRADUN**

❖ **VISION ( MSME Related)**

- To promote, in particular, **Small scale, Cottage and Khadi and Village Industries and Handicrafts Silk and Handloom sectors**, assist them in modernization and technological up-gradation and provide the necessary common facilities and backward and forward linkages, including product design and marketing support so as to make them globally competitive and remunerative.
- To address problems of sickness and incipient sickness in Industry, particularly **SSIs** and facilitate required restructuring and rehabilitation, etc. in coordination with the Banks and financial institutions.

❖ **ADVANTAGE UTTARANCHAL (MSME Related)**

- Marketing assistance to **Khadi and Village Industries, SSIs, Cottage Industries, Wool-based Industries, Handloom, Silk and Handicrafts Industries.**

➤ **FISCAL**

- Interest incentive @ 3% with a maximum of Rs. 2 lakhs per annum per unit shall be provided to **New Small Scale Industries (SSIs)** and existing **SSIs** for modernization and substantial expansion, provided they have availed loan from State level Financial Institutions or Banks operating in Uttaranchal and not defaulted in payment of principal or interest installments. However, for **S.S.I units** and units notified as Thrust Industries being set up in remote areas, the interest incentive shall be granted @ 5% with a maximum of Rs. 3 lakhs/annum. The interest incentive shall be admissible to the unit only if it remains in operation for a minimum of three years from the date of disbursement of last installment, failing which the Government will have the right to recover the entire amount of incentive availed.
- For revival/rehabilitation of sick **SSI units**, interest incentive @ 3% with a maximum of Rs. 2 lakhs per annum shall be provided on the loan taken under fully tied up revival and rehabilitation package from financial institutions, banks etc. For entrepreneurs in remote areas the interest incentive will be granted @ 5% with a maximum of Rs. 3 lakhs per annum.

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

- Purchase preference and price preference will be given to State **SSIs** in State purchases.

#### ❖ **POWER ( MSME Related)**

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

#### ❖ **KHADI AND VILLAGE INDUSTRIES**

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

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

#### ❖ **SMALL SCALE INDUSTRIES**

- **Small Scale Industries (SSIs)** to be set up in the State shall be encouraged to procure modern technology and shall be accorded price and purchase preference in Government purchases.
- An interest incentive @ 3% with a maximum of Rs. 2 lakhs/annum shall be provided to **New SSIs** and to existing **SSIs** for modernization and substantial expansion provided they have availed loan from State level Financial Institutions

and Banks and not defaulted in payment of principal or interest installments. For **SSI** units coming up in remote areas the rate of interest incentive will be 5% with a maximum of Rs. 3 lakhs/annum.

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

#### ❖ **MARKETING SUPPORT**

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

#### ❖ **HANDICRAFTS**

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

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

## ❖ **HANDLOOMS**

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

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

- Silk and silk products have been declared as thrust industries. Keeping in view the availability of high quality of silk in the State, silk production and its allied activities will be encouraged and steps will be taken to modernise the existing industries as well as to promote the measures for value addition.

#### ❖ **AGRO AND FOOD PROCESSING INDUSTRY**

- The State Government will assist in establishing **small & medium size Agro Parks**, Food Parks etc., which will provide common infrastructure facilities for storage, processing, grading and marketing, thus ensuring that surplus fruits and vegetables do not go waste as at present.

#### ❖ **TEA INDUSTRY**

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

#### ❖ **RESTRUCTURING AND REVIVAL OF SICK UNITS**

- For revival/rehabilitation of sick **SSIs** units, an interest incentive @ 3% with a maximum of Rs. 2 lakhs/annum shall be provided on the loan taken from financial institutions, banks etc. under a fully tied up revival and rehabilitation package. For units in remote areas the interest incentive will be granted @ 5% with a maximum of Rs. 3 lakhs/annum.
- In the case of sick non-**SSIs** units, Government will sympathetically consider measures required under revival/rehabilitation package drawn by Operating Agency/Financial Institutions/Banks.

