

**No.1(10)/2001-NER
Government of India
Ministry of Commerce & Industry
(Department of Industrial Policy & Promotion)**



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New Delhi, dated 7th January, 2003

OFFICE MEMORANDUM

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Subject: New Industrial Policy and other concessions for the state of Uttaranchal and the state of Himachal Pradesh.

The Hon'ble Prime Minister, during the visit to Uttaranchal from 29th to 31st March, 2002, had, inter-alia made an announcement that 'Tax and Central Excise concessions to attract investments in the industrial sector will be worked out for the Special Category States including Uttaranchal. The industries eligible for such incentives will be environment friendly with potential for local employment generation and use of local resources.'

2. In pursuance of the above announcement, discussion on Strategy and Action Plan for Development of Industries and generation of employment in the states of Uttaranchal and Himachal Pradesh were held with the various related Ministries/agencies on the issue, inter-alia, infrastructure, development, financial concessions and to provide easy market access, The new initiatives would provide the required incentives as well as an enabling environment for industrial development, improve availability of capital and increase market access to provide a fillip to the private investment in the state.

3. Accordingly, it has been decided to provide the following package of incentives for the states of Uttaranchal and Himachal Pradesh

3.1 Fiscal Incentives to new Industrial Units and to existing units on their substantial expansion:

(I). New industrial units and existing industrial units on their substantial expansion as defined, set up in Growth Centres, Industrial Infrastructure Development Centres (IIDCs), Industrial Estates, Export Processing Zones, Theme Parks (Food Processing Parks, Software Technology Parks, etc.) as stated in [Annexure-I](#) and other areas as notified from time to time by the Central Government, are entitled to :

(a) 100% (hundred percent) outright excise duty exemption for a period of 10 years from the date of commencement of commercial production.

(b) 100% income tax exemption for initial period of five years and thereafter 30% for companies and 25% for other than companies for a further period of five years for the entire states of Uttaranchal and Himachal Pradesh from the date of commencement of commercial production.

(II) All New industries in the notified location would be eligible for capital investment subsidy @ 15% of their investment in plant & machinery, subject to a ceiling of Rs.30 lakh. The existing units will also be entitled to this subsidy on their substantial expansion, as defined.

(III). Thrust Sector Industries as mentioned in [Annexure-II](#) are entitled to similar concessions as mentioned in para 3(I) & (II) above in the entire state of Uttaranchal and Himachal Pradesh without any area restrictions.

3.2 Development of Industrial Infrastructure:

(i) The funding pattern under the Growth Centre Scheme currently envisaging a Central assistance of Rs.10 crore per centre is raised to Rs.15 crore per centre.

(ii) The financing pattern of Integrated Infrastructure Development Centres (IIDC) between Government of India and SIDBI will change from 2:3 to 4:1, and the GOI funds would be in the nature of a grant, so as to provide the required infrastructural support.

3.3 Other Incentives:

(i) **Deen dayal Hathkargha Protsahan Yojna and other incentives of Ministry of Textiles:** The funding pattern between Government of India and both the States would be changed from 50:50 to 90:10 under this Scheme. Ministry of Textiles would extend its package of incentives, as notified for North-Eastern States, to the states of Uttaranchal and Himachal Pradesh also.

(ii) **Ministry of Food Processing Industries** would include Uttaranchal in difficult areas category. The state of Himachal Pradesh is already included in the difficult areas category.

(iii) **Pradhan Mantri Rozgar Yojana (PMRY)** : Ministry of Agro & Rural Industries would provide for states of Himachal Pradesh and Uttaranchal relaxation under PMRY with respect to Age (i.e. 18-40 years from 18-35 years) and Subsidy (@ 15% of the project cost subject to a ceiling of Rs.15,000/- per entrepreneur).

3.4 Ineligible Industries under the policy:

The list of industries excluded from the purview of proposed concessions is at [Annexure-III](#).

In addition, the Doon Valley Notification (S.O.No. 102(E) dated 1st February, 1989 [Annexure-IV](#)) as amended from time to time, issued by Ministry of Environment & Forests would continue to operate in the [Doon Valley area and the industries notified under it](#) are excluded from the proposed concessions, in the state of Uttaranchal.

3.5 Nodal Agency

The Nodal Agency for routing the subsidies/incentives under various schemes under this Policy will be notified separately.

4. Government reserves the right to modify any part of the policy in the interest of public.

5. The Ministry of Finance & Company Affairs (Department of Revenue), Ministry of Agro & Rural Industries, Ministry of Textiles, Ministry of Food Processing Industries, Ministry of Small Scale Industries, etc. are requested to amend Act/rules/notifications, etc. and issue necessary instructions for giving effect to these decisions.

(S.Jagadeesan)

Joint Secretary to the Govt of India

To

1. Chief Secretary, Government of Himachal Pradesh, Shimla.
2. Chief Secretary, Government of Uttranchal, Dehradun.
3. Secretary, Industries Department, Government of Himachal Pradesh, Shimla.
4. Secretary, Industries Department, Government of Uttranchal, Dehradun.
5. Secretary, Department of Revenue, North Block, New Delhi.
6. Secretary, Ministry of Textiles, Udyog Bhavan, New Delhi.
7. Secretary, Agro Rural Industry, Udyog Bhavan, New Delhi.
8. Secretary, Small Scale Industry, Udyog Bhavan, New Delhi.
9. Secretary, Planning Commission, Yojana Bhavan, New Delhi.
10. Joint Secretary (CBDT-TPL-II), Department of Revenue, North Block, New Delhi.
11. Joint secretary (TRU), Department of Revenue, North Block, New Delhi.

Copy for information to:

All Ministries and Departments.

Annexure-I

Locations Identified in the following Tehsil of the state of Uttranchal for excise exemption under the new Industrial Policy for the state of Uttranchal and the state of Himachal Pradesh.

I. State : Uttranchal

S. No.	Name of Districts	Name of Industrial Estates/ Industrial Area Existing & Proposed
1.	Udhamsingh Nagar	Jaspur, Block Kashipur Bajpur, Hempur, Gadarpur, Sitarganj, Nanakmatta, Chakkarpur, Majhola, Kichha, Rudrapur, Barah-Bari, Gular Bojh, Nadehi, Pantnagar Industrial Area, Beria Daulat-Kelakhera
2.	<u>Nainital</u> Kumaon Mandal Vikas Nigam Inds. Area	Haldwani, Lalkuan, Bhimtal, Garampani Bhowali, Betalghat, Ram Nagar, Ramgarh Block Pipalsana, Rimidhara, Kaladhungi

3.	Almora	Almora, Pataldevi, Renikhet, Dwarahat, Chilianola, Bhikyasain, Mohaan.
4.	Champawat	Tanakpur, Lohagaat, Champawat, Reetha Meetha Khetihan, Banbassa, Shaklipur, Devidhara.
5.	Pithoragarh	Didihaat, Munsiyari, Vin, Gangolihat, Pithoragarh
6.	Bageshwar	Kapkot, Garud, Bageshwar
7.	<u>Dehradun</u> Garhwal Mandal Vikas Nigam Inds. Area	Kalsi, Doiwala, Sahaspur, Dakhrani, Vikasnagar Herbertpur, Dakhpathar, Rishikesh, Sainj, Selankuin, Chakrata, Teuni.
8.	Haridwar	Haridwar, BHEL, Mangalore, Narsan Mohand, Laksar, Landora, Lalchaur, Iqbalpur,
9.	Uttarkashi	Saini, Chiniyalisaur, Barkot, Naogaon, Purola
10.	Chamoli	Gairsain, Bhatwarisain, Karanprayag-Char Dham
11.	Pauri Garhwal	Bubakhal, Dwarikhal, Kotdwara, Srinagar, Srikot, Thalishain, Bironkhal, Dhuwankot
12.	Tehri Garhwal	Dhalwala, Laksmoli, Sarat, Narendra Nagar, Tehri Block.

II. State : Himachal Pradesh

Identified locations in the state of Himachal Pradesh for excise exemption under the new Industrial Policy for the state of Uttaranchal and the state of Himachal Pradesh.

A. Existing Identified Industrial locations where infrastructure has been developed through Govt/Govt. owned Corporations/Boards.

(As per [Enclosure I](#))

B. Proposed extension of Existing Industrial Areas:-

Sr.No.	Name of the District.	Name of the industrial area/ Estate.
1.	Bilaspur.	Bilaspur Sadar
2.	Hamirpur.	Hamirpur, Nadaun.
3.	Mandi.	Perri, Baldwara
4.	Solan.	Doon, Mamligh, Nalagarh.

5.	Sirmour	Nahan.
6.	Una.	Dulehar.
7	Kangra	Kangra, Jawali , Nagrota Bagwan , Dehra

C. Commercial Estates on private land/leased land throughout the state.

Sr.No.	Name of the District.	Name of Commercial Estates.
1	Kangra	Indora, Gagal, Dharamshala, Gangath.
2	Kinnaur	Tapri, Nichar
3	Kullu.	Bhunter , Ujhi, Kullu.
4	Mandi.	Aut , Dehar, Bagshar.
5	Solan.	Darlaghat, Kasauli, Dharampur.
6	Sirmour	Paonta Sahib, Rajgarh.
7	Una.	Gagret.
8	Shimla	Rawla Kwar, Sarahan, Sunni.
9	Chamba	Salooni

D. NEW LOCATIONS:

Sr. No.	Name of the District	Locations.
1.	Bilaspur.	Bahadurgarh, Ghumarwin, Kuthera, Balseena.
2.	Chamba.	Panjala, Banikhet , Chowari, Sihunta.
3.	Hamirpur	Bijri, Nalti, Taal, Sujanpur-I, Bamson.
4.	Kangra.	Raja Ka Talab, Palampur.
5.	Kinnaur.	Moorang.
6.	Kullu.	Banjar, Sainj.
7.	Mandi.	Dhellu , Sundernagar, Chauntra, Gopalpur, Nachan, Tungal, Darang Sira.
8.	Shimla.	Theog, Jutogh, Rohru.

9.	Sirmour.	Majra, Kamrao.
10.	Solan.	Changar, Solan, Kandaghat, Arki, Patta.
11.	Una.	Daulatpur, Ishpur, Una , Chururu.

Enclosure I

Sr.No.	Name of the District.	Name of the industrial area/ Estate.
1.	Bilaspur.	Bilaspur, Goalthai (IID), Behal, Gehrwin
2.	Chamba.	Sultanpur, Hatli, Parel, Shivnagari (Holi), Garnota.
3.	Hamirpur.	Hamirpur, Nadaun
4.	Kangra	Nagrota-Bagwan, Sansarpur Terrace (growth Center),Nagri, Dhaliara,Bain Attarian, Kangra, Dehra, Jawali, Nargala, Raja – ka-Bag.
5.	Kinnaur.	Recong-Peo.
6.	Kullu.	Shamshi, Ramabai
7	Lahul –Spiti.	Keylong
8	Mandi.	Mandi (Saulikhad), Ratti, Maigal, Bhambla, Saigloo, Pali (Paddar)
9.	Solan.	Baddi, Parwanoo, Chambaghat, Barotiwala, Export Promotional Industrial Park Jharmajri- Thanna, Dharampur, Neri (Mamlig), Vakanaghat, Rachhiana, Banalgi, Dhabota, Katha- Bhatholi.
10.	Shimla.	Shoghi, Raighat. Pandranoo, Jais, Shilli- Bagi, Mehandli, Sunda Bhaura, Chargaon, Nogli, Nerwah (Chopal)
11	Sirmour	Gondpur, Johron.
12.	Una.	Mehatpur, Tahliwala, Kuthera, Ramnagar.

Annexure –II

THRUST INDUSTRIES FOR STATES OF UTTRANCHAL AND HIMACHAL PRADESH

Sl.No	Activity	4/6 digit Excise Classification	Subclass under NIC classification 1998	ITC(HS) classification 4/6 digit
1	Floriculture	-	-	0603/060120/06029020/ 06024000
2	Medicinal herbs and aromatic herbs etc. - processing	-	-	
3	Honey	-	-	040900
4	Horticulture and Agro based industries such as a. Sauces, Ketchup, etc. b. Fruit Juices & fruit pulp c. Jams, Jellies, vegetable juices, puree, pickles etc. d. Preserved fruits and vegetables e. Processing of fresh fruits and vegetables including packaging f. Processing, preservation, packaging of mushrooms.	21.03 2202.40 20.01	15135 to 15137 & 15139	
5	Food Processing Industry excluding those included in the negative list	19.01 to 19.04		
6	Sugar and its by-products	-	-	17019100
7	Silk and silk products	50.04 50.05	17116	
8	Wool and wool products	51.01 to 51.12	17117	
9	Woven fabrics (Excisable garments)	-	-	6101 to 6117
10	Sports goods and articles and	9506.00		

	equipment for general physical exercise and equipment for adventure sports/activities, tourism (to be separately specified)			
11	Paper & paper products excluding those in negative list (as per excise classification)	-	-	-
12	Pharma products	30.03 to30.05		
13	Information & Communication Technology Industry Computer hardware Call centres	84.71	30006/7	
14	Bottling of mineral water	2201	-	-
15	Eco-tourism Hotels, resorts, spa, entertainment/amusement parks and ropeways	-	55101	
16	Industrial gases (based on atmospheric fraction)			
17	Handicrafts			
18	Non-timber forest product based industries			

Annexure -III

NEGATIVE LIST FOR UTTRANCHAL & HIMACHAL PRADESH

Sl.No	Activity	Excise classification	Sub-class under NIC Classification 1998
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1	Tobacco and tobacco products including cigarettes and pan masala	24.01 to 24.04 & 21.06	1600
2	Thermal Power Plant(coal/oil based)		40102/40103
3	Coal washeries/dry coal processing		
4	Inorganic Chemicals excluding medicinal grade oxygen (2804.11), medicinal grade hydrogen peroxide (2847.11), compressed air (2851.30)	Chapter 28	
5	Organic chemicals excluding Provitamins/vitamins, Hormones (29.36), Glycosides (29.39), sugars* (29.40)	Chapter 29	24117
6	Tanning and dyeing extracts, tanins and their derivatives, dyes, colours, paints and varnishes; putty, fillers and other mastics; inks	Chapter 32	24113/24114
7	Marble and mineral substances not classified elsewhere	25.04 25.05	14106/14107
8	Flour mills/rice mill	11.01	15311
9	Foundries using coal		
10	Minerals fuels, mineral oils and products of their distillation; Bituminous substances : mineral waxes	Chapter 27	
11	Synthetic rubber products	40.02	24131
12	Cement clinkers and asbestos, raw including fibre.	2502.10 2503.00	
13	Explosive (including industrial explosives, detonators & fuses, fireworks, matches, propellant powders etc.)	36.01 to 36.06	24292
14	Mineral or chemical fertilisers	31.02 to 31.05	2412
15	Insecticides, fungicides, herbicides & pesticides (basic manufacture and formulation)	3808.10	24211/24219
16	Fibre glass & articles thereof	70.14	26102
17	Manufacture of pulp - wood pulp, mechanical or chemical (including dissolving pulp)	47.01	21011

18	Branded aerated water/soft drinks (non-fruit based)	2201.20 2202.20	15541/15542
19	Paper Writing or printing paper, etc. Paper or paperboard, etc. Maplitho paper, etc. Newsprint, in rolls or sheets Craft paper, etc. Sanitary towels, etc. Cigarette paper Grease-proof paper Toilet or facial tissue, etc. Paper & paper board, laminated internally with bitumen, tar or asphalt Carbon or similar copying paper Products consisting of sheets of paper or paperboard, impregnated, coated or covered with plastics, etc. Paper and paperboard, coated impregnated or covered with wax, etc.	4801 4802.10 4802.20 4802.30 4801.00 4804.10 4818.10 48.13 4806.10 4803 4807.10 4809.10 4811.20 4811.40	21011 to 21019
20	Plastics and articles thereof	39.09 to 39.15	

*Serial No.5; Reproduction by synthesis not allowed as also downstream industries for sugar

Annexure – IV

Ministry of Environment & Forests

(Department of Environment, Forests & Wildlife)

New Delhi, the 1st February, 1989

NOTIFICATION

Notification under 3(2)(v) of Environment (Protection) Act, 1986, and Rule 5(3)(d) of Environment (Protection) Rules, 1986, restricting location of industries, mining operations and other development activities in the Doon Valley in Uttar Pradesh.

S.O. 102(E) – Whereas notification under sub-rule (3) of rule 5 of the Environment (protection) Rules, 1986, inviting objections, against the imposition of restriction on location of industries, mining operations and developmental activities in the Doon Valley, in Uttar Pradesh was published vide No. S.O 923(E) dated the 6th October, 1988;

And whereas all objections received have been duly considered by the Central Government:

Now, therefore, in exercise of the powers conferred by clause (d) of sub-rule (3) of Rule (5) of the said rules, the Central Government hereby imposes restrictions on the following activities in the Doon Valley, bounded on the North by Mussoorie ridge, in the North-East by Lesser Himalayan ranges, on the South-West by Shivalik ranges, river Ganga in the South-East and river Yamuna in the North -West, except those activities which are permitted by the Central Government after examining the environmental impacts;

(i) Location/siting of industrial units- It has to be as per [guideline given in the annexure](#) or guidelines as may be issued from time to time by the Ministry of Environment & Forests, Government of India.

(ii) Mining- Approval of the Union Ministry of Environment & Forests must be obtained before starting any mining activity.

(iii) Tourism- It should be as per Tourism Development Plan (TDP), to be prepared by the State Department of Tourism and duly approved by the Union Ministry of Environment & Forests.

(iv) Grazing- As per the plan to be prepared by the State Government and duly approved by the Union Ministry of Environment & Forests.

(v) Land Use – As per Master Plan of development and Land Use Plan of the entire area, to be prepared by the State Government and approved by the Union Ministry of Environment & Forests.

(No.J-20012/38/86-IA)

sd/-

(K.P. GEETHAKRISHAN)

Secretary

ANNEXURE

Guidelines for permitting/restricting industrial unit, in the Doon Valley area

Industries will be classified under Green, Orange and Red Categories, as shown below for purposes of permitting/restricting such industrial units in the Doon Valley from the environmental and ecological considerations:

CATEGORY GREEN

A. LIST OF INDUSTRIES IN APPROVED INDUSTRIAL AREAS WHICH MAY BE DIRECTLY CONSIDERED FOR ISSUE OF NO OBJECTION CERTIFICATE WITHOUT REFERRING TO (MINISTRY OF ENVIRONMENT & FORESTS) (IN CASE OF DOUBTS REFERENCE WILL BE MADE TO MINISTRY OF ENVIRONMENTS & FORESTS).

1. All such non-obnoxious and non-hazardous industries employing upto 100 persons. The obnoxious and hazardous industries are those using inflammable, explosive, corrosive or toxic substances.

1. All such industries which do not discharge industrial effluents of a polluting nature and which do not undertake any of the following processes:

Electroplating

Galvanizing

Bleaching

Degreasing

Phosphating

Dyeing

Pickling, tanning

Polishing

Cooking of fibres and Digesting

Desizing of Fabric

Unhairing, Soaking, delimiting and bating of hides

Washing of fabric

Trimming, Pulling, juicing and blanching of fruits and vegetables

Washing of equipment and regular floor washing using of considerable cooling water

Separated milk, buttermilk and whey

Stopping and processing of grain

Distillation of alcohol, stillage and evaporation

Slaughtering of animals, rendering of bones, washing of meat

Juicing of sugar cane, extraction of sugar Filtration, centrifugation, distillation

Pulping and fermenting of coffee beans

Processing of fish

Filter back wash in D.M. Plants exceeding 20 K.l/Per day capacity

Pulp making, pulp processing and paper making

Cocking of coal washing of blast furnaces flue gases

Stripping of oxides

Washing of used sand by hydraulic discharge;

Washing of latex etc.

Solvent extraction

2. All such industries which do not use fuel in their manufacturing process or in any subsidiary process and which do not emit fugitive emissions of a diffused nature.

Industries not satisfying any one of the three criteria are recommended to be referred to Ministry of Environment & Forests.

The following industries appear to fall in non-hazardous, non-obnoxious and non-polluting category, subject to fulfillment of above three conditions:-

1. Atta-chakkies
2. Rice Mullors
3. Iceboxes
4. Dal mills
5. Groundnut decortinating (dry)
6. Chilling
7. Tailoring and garment making
8. Apparel making
9. Cotton and woollen Hosiery
10. Hand loom weaving
11. Shoe lace manufacturing
12. Gold and silver thread and sari work

13. Gold and silver smithy
14. Leather foot wear and leather products excluding tanning & hide processing.
15. Manufacture of mirror from sheet glass and photo-frame
16. Musical instruments manufacturing
17. Sports goods
18. Bamboo and cane products (only dry operations)
19. Card Board and paper products (Paper & pulp manufacture excluding)
20. Insulation and other coated papers (Paper & pulp manufacture excluded)
21. Scientific and Mathematical instruments
22. Furniture (Wooden and Steel)
23. Assembly of Domestic electrical appliances
24. Radio assembling
25. Fountain pens
26. Polythene, plastic and P.V.C goods through extrusion /moulding
27. Surgical gauges and bandages.
28. Railway sleepers (only concrete)
29. Cotton spinning and weaving
30. Rope (cotton and plastic)
31. Carpet weaving
32. Assembly of Air coolers
33. Wires, pipes-extruded shapes from metals
34. Automobile servicing & repair stations.
35. Assembly of Bicycles, baby carriages and other small non- motorized vehicles.
36. Electronics equipments (assembly)
37. Toys
38. Candles

39. Carpentry-excluding saw mill
40. Cold storages (small scale)
41. Restaurants
42. Oil-ginning/expelling (non –hydrogenation and no refining)
43. Ice cream
44. Mineralized water
45. Jobbing & Machining
46. Manufacture of Steel trunks & suit cases.
47. Paper pins & U-clips
48. Block making for printing
49. Optical frames

CATEGORY ORANGE

LIST OF INDUSTRIES THAT CAN BE PERMITTED IN THE DOON VALLEY WITH PROPER ENVIRONMENTAL CONTROL ARRANGEMENT.

1. All such industries which discharge some liquid effluents (below 500 k l/day) that can be controlled with suitable proven technology.
2. All such industries in which the daily consumption of coal/fuel is less than 24mt/day and the particular emissions from which can be controlled with suitable proven technology.
3. All such industries employing not more than 500 persons.

The following industries with adoption of proven pollution control technology subject to fulfilling the above three conditions fall under

this category:

1. Lime manufacturing – pending decision on proven pollution control device and Supreme Court's decision on quarrying.
2. Ceramics
3. Sanitaryware.
4. Tyres and tubes.
5. Refuse incineration (controlled)

6. Flour mills,
7. Vegetable oils including solvent extracted oils.
8. Soap without steam boiling process and synthetic detergents formulation.
9. Steam generating plants.
10. Manufacture of office and house hold equipment and appliances involving use of fossil fuel combustion.
11. Manufacture of machineries and machine tools and equipment.
12. Industrial gases (only Nitrogen, Oxygen and CO₂).
13. Miscellaneous glassware without involving use of fossil-fuel combustion.
14. Optical glass.
15. Laboratory ware.
16. Petroleum storage & transfer facilities.
17. Surgical and medical products including & prophylactics and latex products.
18. Footwear (Rubber)
19. Bakery products, Biscuits & Confectioners.
20. Instant tea/coffee, coffee processing.
21. Malted food.
22. Manufacture of power driven pumps, compressors refrigeration units, fire fighting equipment etc.
23. Wire drawing (cold process) & bailing straps.
24. Steel furniture, fasteners etc.
25. Plastic processed goods.
26. Medical & Surgical instruments.
27. Acetylene (synthetic).
28. Glue & gelatine.
29. Potassium permanganate.
30. Metallic sodium.

31. Photographic films, papers & photographic chemicals.

32. Surface coating industries.

33. Fragrances, fragours & food additives.

34. Plant nutrients (only manure).

35. Aerated water/soft drink.

NOTE :-

(a) Industries falling within the above identified list shall be assessed by the state pollution control Board, and referred to the Union Department of Environment for consideration, before according No Objection Certificate.

(b) The total number of fuel burning industries that shall be permitted in the Valley will be limited by & tones per day or Sulphur Dioxide from all sources. (This corresponds to 400 Tones per day Coal with 1% sulphur).

(c) Siting of Industries areas should be based on sound criteria.

CATEGORY RED

C. LIST OF INDUSTRIES THAT CANNOT BE PERMITTED IN THE DOON VALLEY

1. All those industries which discharge effluents of a polluting nature at the rate of more than 500 kl/day and for which the natural course for sufficient dilution is not available, and effluents from which cannot be controlled with suitable technology.

2. All such industries employing more than 500 persons/day.

3. All such industries in which the daily consumption of coal/fuel is more than 24 mt/day.

The following industries appear to fall under this category covered by all the points as above:

1. Ferrous and non ferrous metal extraction, refining, casting, forging, alloy making processing etc.
2. Dry Coal Processing/Mineral processing industries like Ore sintering beneficiation, pelletization etc.
3. Phosphate rock processing plants.
4. Cement plants with horizontal rotary kilns.
5. Glass and glass products involving use of coal.
6. Petroleum refinery.
7. Petro - chemical Industries.
8. Manufacture of lubricating oils and greases.
9. Synthetic rubber manufacture.
10. Coal, Oil, wood or nuclear based thermal power plants.
11. Vanaspati, hydrogenated vegetable oils for industrial purposes.
12. Sugar mills (white and Khandasari).

13. Craft paper mills
14. Coke oven by products and coaltar distillation products
15. Alkalies
16. Caustic soda
17. Potash
18. Electro-thermal products (artificial abrasives, calcium carbide etc).
19. Phosphorous and its compounds
20. Acids and their salts (organic & inorganic).
21. Nitrogen compounds (cyanides, cyanamides and other nitrogen compounds)
22. Explosive (including industrial explosives, detonators & fuses).
23. Phthalic anhydride
24. Processes involving chlorinated hydrocarbon
25. Chlorine, fluorine, bromine, iodine & their compounds.
26. Fertilizer industry
27. Paper board and straw board
28. Synthetic fibres
29. Insecticides, fungicides, herbicides & pesticides (basic manufacture & formulation)
30. Basic drugs
31. Alcohol (industrial or potable)
32. Leather industry including tanning and processing
33. Coke making coal liquification and fuel gas making industries.
34. Fibre glass production and processing.
35. Manufacture of pulp-wood pulp, mechanical or chemical (including dissolving pulp)
36. Pigment dyes and their intermediates.
37. Industrial carbons (including graphite electrodes, anodes, midget electrodes, graphite block, graphite crucibles, gas carbons, activated carbon, synthetic diamonds, carbon black, channel black, lamp black etc.)
38. Electro-chemicals (other than these covered under Alkali group)
39. Paints, enamels & varnishes
40. Polypropylene.
41. Polyvinyl chloride.
42. Cement with vertical shaft kiln technology pending certification of proven technology on pollution control.
43. Chlorates, perchlorates & peroxides
44. Polishes
45. Synthetic resin & plastic products.

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Industrial Policy 2003 :

The aim of the policy is to provide a comprehensive framework to enable a facilitating, investor friendly environment for ensuring rapid and sustainable industrial development in Uttarakhand and, through this, generate additional employment opportunities and to

bring about a significant increase in the State Domestic Product and eventual widening of the resource base of the State. The policy shall remain in force for a period of 5 years.

IT policy :

- Encourage the use of IT in the Government not only as a tool for management and decision support systems but also re-engineer the processes of the government to provide a more efficient, transparent, accountable and responsive government to its citizens.
- Upgrade the quality of life of citizens of the state by facilitating easy access to consumer applications of IT.
- Encourage private sector initiatives for the development of world class IT infrastructure adequate for the needs of the citizens, the industry and the government.
- Upgrade and develop manpower skills required for the IT industry and to accelerate the use of IT in schools, colleges and other educational institution with a view to providing skills and knowledge to the youth so as to render them fit for employment in this industry.
- Use IT as GDP driver by promoting IT industry in the State, developing the State as an attractive IT destination with a view to generate employment for youth in this sector thereby raising their earning capacity and simultaneously realizing the export as well as domestic revenue potential in this sector.

Investment Incentives :

- 100% Central Excise exemption for 10 years on items other than those mentioned in the negative list in the concessional industrial package announced by the central government.
- 100% income tax exemption for first 5 years and 30% for next 5 years for the Companies and 25% for others
- CST @1% for 5 years
- Capital investment subsidy @15% with maximum of Rs. 30 Lakhs (Rs. 3 million).
- Central transport subsidy extended till 2007.
- Exemption from entry tax on Plant & Machinery for setting up Industry or undertaking substantial expansion and modernization
- Land use conversion and development charges and regime will be rationalized
- Stamp duty concession will be provided in respect of land in specialized commodity parks, including I.T. parks

- Interest incentive @ 3% with a maximum of Rs. 2 Lakhs per annum per unit shall be provided to New Small Scale Industries (SSIs) and existing SSIs for modernization and substantial expansion, provided they have available loan from State level Financial Institutions or Banks operating in Uttarakhand 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 incentives shall be admissible to the unit only if it remains in operation for last installment, failing which the Government will have the right to recover the amount of incentive availed.
- For the purpose of Interest Incentive, substantial expansion shall mean additional investment of not less than 25% of the underpreciated book value of plant and machinery of an industrial unit
- For the purpose of the Interest incentive, modernization of new existing Industrial units means additional investment to the extent of 25% of the underpreciated book value of plant and machinery, made in acquisition of plant and machinery and technical know-how for such modernization
- For revival/rehabilitation of sick SSI units, interest incentive @ 3% with a maximum of Rs. 2 Lakhs per annum shall be provided on the loan taken under fully tied up revival and rehabilitation package from financial institutions, banks etc. For entrepreneurs in remote areas the interest incentive will be granted @ 5% with a maximum of Rs. 3 Lakhs per annum. The interest incentive shall be admissible to the units only if it remains in operation for minimum of 3 years from the date of date of disbursement of last installment, failing which Government will have the right to recover the entire amount of incentive availed
- In the case of sick non-SSI units, Government will sympathetically consider measures required under revival/rehabilitation package drawn by Operating Agency/Financial Institutions/Banks
- 100% exemption on Entertainment tax will be allowed for Multiplex project in the State for period of three years, and for all new amusement parks and ropeways for five years.
- 75% of the Total Expenditure subject to a maximum of Rs. 2 Lakhs incurred in obtaining national/internationally approved quality marks such as ISO series certificate etc., shall be reimbursed to the entrepreneurs provided that the

reimbursement/grant availed for this from all sources should not exceed the total expenditure on this head

- 50% of the expenses subject to a maximum of Rs. 1 Lakhs incurred in installing pollution control equipments shall be reimbursed to the entrepreneurs, provided that the total reimbursement/grant availed for this from all sources should not exceed the total expenditure on this head.
- 75% of the cost subject to a maximum of Rs. 2 Lakhs shall be made available to the entrepreneurs in the shape of assistance for registering their patents, provided that the total reimbursement/grant availed for this from all sources should not exceed the total expenditure on this head.
- For educated unemployed youth, financial loan assistance for project upto Rs. 2 Lakhs in case of Manufacturing/Services Industry and project upto Rs. 1 Lakhs in business sector shall be available under the "PRIME MINISTER ROZGAR YOJNA" with subsidy of 15% of the project cost subject to a maximum of Rs. 15,000. Age limit has also been relaxed under this scheme from 35 years to 40 years
- Industries generating employment opportunities shall be encouraged
- Purchase preference and price preference will be given to State SSIs in State purchases
- Purchase preference shall be accorded to Non-SSI units within the State vis-à-vis units outside the State
- Matching State subsidy on approved projects of National Horticulture Board (NHB), Agriculture & Processed Food Products Export Development Authority (APEDA), National Medicinal Plants Board (NMPB) subject to a maximum of Rs. 20 Lakhs and subject to a total subsidy not exceeding over 50% of the project cost.

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