

## Industries - UNION TERRITORY OF CHANDIGARH

The Industries Department, under the overall supervision of Home Secretary, looks after the all-round industrial and commercial development of the Union Territory; it provides direct assistance, regulation and coordination of industry-promoting activities. The Directorate of Industries is the main agency operating under this department but there are also several specialised agencies.

Several laws govern the functioning of this department. They include: the Industrial Development (Regulation) Act, 1956 [For small scale industries registration, the department follows the instructions of the Union Development Commissioner, Small Scale Industries], Electrical Wires, Cables, Appliances and Accessories (Quality Control) Order, 1993, The Cement (Quality Control) Order, 1995, and the Oils and Greases (Processing, Supply and Distribution Regulation) Order, 1987.

There are about 2950 Small Scale and 15 Large and Medium Scale Units in existence in Chandigarh as on date. Growth of industry for the last few years has been limited in Chandigarh as it is not an industry led city because of the limited space envisaged for industrial development at the time of original planning of the city. However, still keeping in view the fact that industry would provide crucial resource base in the city, a limited area of about 1450 acres was planned for development as industrial area mainly for the development of small scale and pollution free industries.

Out of a total of about 2950 small scale industries in Chandigarh about 40% are ancillary units producing components for the major tractor industry around Chandigarh. Light engineering industry is heavily represented, other industrial units produce mainly industrial fasteners, electrical / electronic items, machine tools, pharmaceuticals, plastic goods, sanitary fittings, steel / wooden furniture and food products etc. A number of items manufactured here are finding ready markets abroad. The total estimated annual output of industries is to be tune of Rs. 650.00 crore.

Land availability for industries being a constraint, there is hardly any scope for further expansion of industry, apart from the existing Industrial Area Phase-I and Phase-II.

The Chandigarh Administration is focusing on promotion of Information Technology (IT) industry which requires lesser space and is also non polluting. Accordingly, high speed data communication facilities for software development and its export has been arranged by providing a NODE at Punjab Engineering College (PEC), Chandigarh through the Software Technology Parks of India - STPI - (an autonomous Society under the Deptt. of Electronics, Govt. of India) which has set up an earth station at Mohali for the proposed Software Technology Park / Complex being set up by the Punjab Govt. About 10000 sq.ft. of space has been earmarked in the PEC campus for being rented out to the desirous entrepreneurs at fixed rates.

Under the Prime Minister's Rojgar Yojana, the Department is recommending cases, after these are approved by the Task Force Committee, to the various nationalised Banks. The beneficiaries are granted loan amounting to Rs. 2.00 lacs for industry and Rs. 1.00 lac for service and business ventures. 15% subsidy is paid, subject to a maximum of Rs. 7,500/-.

An Industrial Advisory Committee under the Chairpersonship of Adviser to the Administrator has been set up by the Chandigarh Administration to solve the major problems of the industry.



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## Industry & Energy Sector

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### Industry

Punjab is primarily an agrarian state, the future lies in the development of industry by harnessing the synergies in agriculture and industry through the development of agro based industry by further strengthening base of manufacturing industries. Keeping this in view, the State Govt. has already notified new industrial policy from 1st April, 2003.

This new policy, therefore, has to address itself to the two basic issues, i.e. to promote investment and development in the growth areas of agro based and knowledge based industries, and to rejuvenate and strengthen existing industries, particularly the small and medium enterprises. This policy has also facilitated the private sector participation in industrial parks, multiplexes and tourism projects.

#### Large and Medium Scale Units

During 2003-04 a number of 551 large and medium units were working in the state with a fixed investment of Rs.21089 crores, employing 2.33 lakh persons with a production value of Rs. 31972 crores. This number increased to 562(P) with a fixed investment of Rs. 21508(P) crores, providing employment to 2.37(P) lakh persons with the production value of Rs. 32610(P) crores during 2004-05. It is expected that the number of these units will increase to 580(P) in 2005-06 with a fixed investment of Rs. 22197(P) crores, generating employment for 2.45 (P) lakh persons with the production value of Rs. 33655(P) crores.

#### Small Scale Units

Small Scale units are the backbone of the industrial structure in the state. These units are manufacturing a variety of goods ranging from tiny needles to sophisticated electronic goods. During the year 2003-04 there were 2.03 lakh working units with a fixed investment of Rs.4816 crores generating employment to 9.30 lakh persons with the production value of Rs.24984 crores. For the year 2004-05 these units increased to 2.04(P) lakh with a fixed investment of Rs.4835 (P) crores and providing employment to 9.34(P) lakh persons with the turnover of Rs.25095 (P) crores. It is expected that number will increase to 2.05(P) lakh units with a fixed investment of Rs.4855 (P) crores providing employment to 9.38(P) lakh persons with the production value of Rs. 25200(P) crores during the year 2005-06.

#### The Punjab State Agro Industries Corporation

The Punjab State Agro-Industries Corporation (PAIC) is a nodal agency for

projects based on agriculture and allied activities with an investment of Rs. 13.87 crores providing employment to 150 persons up to Sept., 2005. Two more new projects are likely to be set up in the State by the assistance of the corporation with a cost of Rs.34.75 crores providing employment to 175 persons during the remaining period of the year 2005-06.

### **The Punjab Information & Communication Technology Corporation**

The Punjab Information & Communication Technology Corporation Ltd. (Punjab Info-Tech), a State Govt. under taking working as nodal agency engaged in the promotion of information technology, information technology enabled services (ITES), electronics and communication industry in the state of Punjab. The Corporation has implemented four projects during the year 2004-05 involving the cost of Rs. 493.99 crores providing employment to 2296 persons. The Corporation is likely to implement ten projects during 2005-2006 with an investment of approximately Rs.894.50 crores which would provide employment to 9905 persons. Up to September, 2005, the Corporation has implemented two projects costing Rs.3.00 crores providing employment to 1550 persons.

### **Punjab State Industrial Development Corporation**

The Punjab State Industrial Development Corporation (PSIDC) plays an important role for the promotion of large and medium scale industries. One project of fresh frozen meat which was partially commissioned during the year 2004-05 has started commercial production during the year 2005-06 with a total investment of Rs. 25.00 crores providing employment to 100 persons by the corporation. One more project of fresh frozen meat is likely to be set up during the year 2005-06 with an investment of Rs. 27.00 crores which would provide employment to 100 persons.

The state government with the help of Govt. of India is also setting up an Export Promotion Industrial Park at Dhandari Kalan in district Ludhiana having a cumulative expenditure of Rs. 1620.54 lakhs up to 31.10,2005 against a Central assistance of Rs. 1030.00 lakhs.

### **The Punjab Small Industries and Export Corporation**

The Punjab Small Industries & Export Corporation (PSIEC) has so far developed 38 Industrial Focal Points where in 10777 plots have been developed of various sizes out of which 9101 plots have been allotted up to 31.3.05. The development work of Amritsar Phase-III is in progress. Apart from this under industrial housing scheme, a total number of 2842 residential plots of various sizes have been developed out of which 1987 plots have been allotted up to 31.3.05 at existing focal points namely Bathinda, Naya Nangal, S.A.S. Nagar, Amritsar new, Growth Centre Pathankot, Goindwal, Jalandhar Extn., Patiala, Ludhiana Phase-V, Ludhiana Phase- VIII, Chanalon etc.

Exports from the state were to the tune of Rs. 10729.00 crores in 2004-05 as against Rs.8933.00 crores in 2003-04 showing significant increase of 20.11 percent over the previous year. It is anticipated that exports from the state will be more than Rs.14000.00 crores during the year 2005-06.

## **Industrial Finance**

The Punjab Financial Corporation (PFC) provides medium and long term loans to the entrepreneurs for assisting small, medium and large scale units for the creation of the fixed assets. For this purpose during the year 2004-05 an amount of Rs.0.26 crores was disbursed. The target for sanctioning and disbursing amount of Rs.60.00 crores and Rs.40.00 crores respectively for the year 2005-06 has been fixed by the corporation.

## **Industrial Production**

The production items such as baby food, sugar, vanaspati ghee, coffee, cattle feed, milk all kinds, rice bran oil, Indian made foreign liquor, ginned and pressed kapas, urea ` N´ content, cycle/ rickshaw tyres, auto parts and footballs showed an increase in 2003-04 over the previous year. However, production items viz.milk powder all kinds, mustard oil, woolen hosiery, acid oil, ammonium chloride,rims,handles, bars and rolls, polyester yarn, paper all kind and oil cakes recorded a fall during 2003-04 over the previous year.

## **General Index of Industrial Production**

The General Index of Industrial Production (IIP) for registered working factories for the year 2003-04(base 1993-94) has been prepared for the State. The general index of Industrial Production has recorded a marginal increase of 0.90(P) percent over the previous year.

## **Energy**

Energy known as power is one of the prime movers of a economy. Adequate and reliable availability of power is indispensable for sustained growth of the economy. Renewable and non-renewable sources of energy are the two constituents of energy. Renewable sources of energy include hydro-power, fuel wood, bio-gas, solar, wind, geo-thermal and tidal power. Non-renewable sources of energy include coal, oil and gas. As there are no coal mines or oil wells, geo-thermal and tidal power available in the Punjab, the state is dependent mainly on thermal, hydel and solar power.

Energy in the form of electricity is crucial input in the process of economic development. The performance of all important sectors in the economy ranging from agriculture to commerce and industry depends on the availability, cost and quality of power. The demand for electricity is increasing day by day. To meet this demand, the optimum utilization of the power generated, substantial reduction of transmission and distribution losses, maximizing generation from the existing capacity is utmost necessary. The main source of power in the State all along has been hydro electric power and thermal power. Three perennial rivers flow through the State and these along with falls on the canals are being exploited to generate

out w.e.f. 24.7.02. For thermal power, coal has to be transported from distant places. . The scope for solar energy is very wide in the State. Bio-gas can meet the requirements of rural people to a limited extent. So there is a need to develop new plants like nuclear power plant and strengthening of solar power system to generate energy.

## **Electricity**

### **Installed Plant Capacity**

The installed plant capacity for electric power generation in the State is 4450 MW, in 2005-06.

### **Plant Load Factor**

Thermal power plants are expected to generate a plant load factor of 74.69 percent during 2005-06 as against 77.45 percent during 2004-05.

### **Electrical Energy Availability**

During 2005-06 the generation of electricity from hydro and steam /thermal plants has been targeted at 9324 million KWH and 13870 million KWH respectively. By including the anticipated purchase of 10293 million KWH from other power plants, the total energy availability in the State is estimated to be 33487 million KWH during 2005-06(P) as compared to 32197 million KWH during 2004-05(A)

Hydel power development constitutes a major thrust area in the energy development programme. In this sector, micro hydel power development is not only economical but also the most environment friendly renewable energy Programme. State is taking advantage of the available mini falls on the canals to tap this source to good effect. During 2005-06, the target for generation of 10 million KWH of electricity from micro hydel power has been fixed.

### **Energy Sales and Revenue Realised per Unit**

66.29 percent of the total energy sold was consumed by the industry and agriculture sectors during 2004-05; where as about 65.57 percent of the total energy sold is expected to be consumed by the Industry and agriculture sectors during 2005-06. While comparing the cost of generation of electricity per unit with the average revenue per unit, it is evident that the Punjab State Electricity Board is facing per unit losses as per given in the table:

Year	Average revenue per unit (Rs.)	Average cost per unit (Rs.)
1991-92	0.60	0.88

1997-98	1.48	1.96
1998-99	1.57	2.07
1999-2000	1.62	2.36
2000-01	2.07	2.93
2001-02	2.16	3.26
2002-03	2.36	3.16
2003-04	2.62	2.96
2004-05(A)	2.49	3.37
2005-06(P)	2.59	3.37

The average revenue per unit in Punjab was Rs. 2.49 during 2004-05 which is likely to be increased to Rs. 2.59 during 2005-06. The average revenue per unit for domestic was Rs 2.56, for industrial was Rs.3.48, for public lighting was Rs 4.18, whereas it was Rs 4.20 for commercial consumption during 2004-05 and it is estimated to be Rs 2.80 for domestic, Rs.3.80 for industrial, Rs. 4.17 for public lighting and Rs 4.59 for commercial consumption during 2005-06(P)

### **Tubewells Energized**

High yielding varieties of seeds and use of chemical fertilizers have placed a great demand for irrigation facilities. The increasing demand is being met by energising more tubewells/pumping sets. As many as 31212 tubewells were energised during 2004-05(P) thus bringing the progressive total of energised tubewells to 912889 in the state.

### **Transmission and Distribution Losses**

Transmission and distribution is an another area where special focus is needed. As per estimates of financial resources of Punjab State Electricity Board, transmission and distribution losses (Technical & Non Technical) were 25.35 percent during 2003-04, 24.27 percent during 2004-05 and are estimated to be 24.00 percent during 2005-06. There is a scope to curb these losses in the state. The energy saved from such losses will increase its availability.

### **Consumption of Petroleum Products**

The consumption of petrol in 2004-05 (p) was 433069 MTs which was 3.48 percent lesser than that of 2003-04. The consumption of high speed diesel in 2004-05 was 2286343 MTs which was 7.99 percent more than that of 2003-04. The consumption of kerosene oil decreased in 2004-05 by 4.85 percent as compared to previous year. The number of LPG connections as on 31<sup>st</sup> March has increased from 33.27 lakh in 2003-04 to 36.94 lakh in 2004-05 reflecting an increase of 11.03 percent.

### **Bio-gas Plants**

Bio-gas plants not only provide energy in a clean and non polluted form in rural

Energy Development Agency has installed 1000 Bio gas plants.

**Solar Thermal System:**

Solar Energy Programme is aimed at supplementing thermal energy requirements by harnessing solar energy at different temperature by directly converting it into heat energy. 80 Solar cookers, 310 domestic home light system (one fan and one light), 250 solar street lights were installed by Punjab Energy Development Agency during 2003-04

The correctness of the content on this website is the responsibility of the respective departments/ organizations of Government of Punjab.

# HARYANA MSME Policies / Facilities



**MICRO, SMALL & MEDIUM ENTERPRISES  
DEVELOPMENT INSTITUTE, KARNAL**

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## SERVICES RENDERED BY MSME DI

### Technical Consultancy Services :

- » To provide model project profiles, feasibility reports, technical bulletins, information on technology etc. Though the stress is on items reserved for MSMEs, but of late project profile for High Tech. items & new items which have potential for growth & development are given priority.
- » To prepare specialized and tailor made project reports on request to meet requirement of any particular entrepreneur/enterprise keeping in view his qualifications, interest and financial position. The fee is charged as per rules.
- » To provide technical advice on proper selection of machinery & equipment, processes and techniques of manufacture, appropriate raw material etc.
- » To scrutinise & appraise projects from techno-economic viability angles. Also recommendations for working capital requirement are made based on the proposals referred to by the banks/financial institutions. The consultancy fee is charged as per rules.

### Economic Information Services :

- » Assistance to entrepreneurs to select suitable products having potential/scope in the area.
- » Information regarding various incentives and facilities available to the entrepreneurs in the State of Haryana under different govt. schemes.
- » Guidance to the entrepreneurs about registration procedures and other policy matters.
- » Identify thrust areas district wise after exploring the availability of various inputs and infrastructure facilities in the area.
- » Distt. industrial potential surveys are undertaken to highlight the industrial potentialities in various districts.
- » Market surveys are conducted to measure the demand & supply gap of various products. Such surveys are also conducted at the requests of entrepreneurs on nominal charges.
- » For ascertaining the existing status of any particular industry in the State of Haryana, special status surveys are also conducted.
- » Study the economic viability of any industrial project as and when received from the bank/financial institution.

### Industrial Management and Training services :

- » Medium and short term industrial management training courses on various functions of management like marketing, finance, export marketing, production & quality systems for

MSMEs or their employees.

- » Entrepreneurship development programmes for educated unemployed persons imparting them training on aspects of setting up of new industry/micro enterprise.
- » Management consultancy to MSMEs.

#### **Marketing Assistance to MSMEs**

- » To guide and assist in marketing of their products nationally & internationally.
- » To help the units to register with National Small Industries Corporation (NSIC) for participation in the government stores purchase program (GSPP).
- » To recommend issue of competency certificate to Micro, Small & Medium Enterprises for participating in GSPP.

#### **Technology Upgradation & Modernisation Programme**

- » Undertake cluster studies, In-plant studies with respect to industries for modernization, improvement in the productivity, technology, testing, quality control, management etc.
- » Conduct seminars/workshops/clinics to focus on the up-gradation of technology in the MSMEs as a result of above studies and otherwise.

#### **Quality Upgradation Programme**

- » MSME-DI, Karnal renders consultancy/support services to interested units in obtaining BIS/ISO certification.
- » Conducts awareness programmes on quality, technology, systems upgradation and its benefits.

#### **Vendor Development Programme :**

- » To identify individual items in consultation with the large scale establishments for the purpose of development of vendors.
- » To liaison with the PSUs for development of vendors.

#### **Sub-Contract Exchange :**

- » To provide consultancy/support services to NGOs/Industry Associations engaged in running Sub-Contract Exchange
- » Organise buyer-sellers meets/vendor development programmes for large scale units/PSUs & govt. deptt./agencies.

#### **Other Activities :**

- » Conduct intensive entrepreneurial motivational campaigns in collaboration with other industrial development agencies, motivate people for self employment.
- » Conduct seminars and workshops in collaboration with industry associations, chambers & other developmental/promotional institutions & NGOs.
- » In MSME-DI, Karnal officers of following trades are available to guide the new/prospective entrepreneurs on techno-managerial parameters of viable projects. Existing entrepreneurs are also guided on technology upgradation, new developments etc. Z
- » Mechanical related industries

- » Chemical & plastics related industries
- » Food items related industries
- » Metallurgical items related industries
- » Electrical/Electronics related industries
- » Economic Investigations
- » Glass and Ceramic related industries
- » Industrial management & Training

#### **Common Facility Workshop at Bhiwani**

- » Provides common workshop facilities to micro, small & medium enterprises. The workshop is equipped with Grinding Machine, Tool & Cutter Grinder, Milling Machine, Lathe Machine etc.
- » Skill development training to sponsored workers of micro, small & medium enterprises & to individual (Educated & Qualified Personnel) candidates in the workshop. The workshop is providing job work services to the Micro, Small and Medium Enterprises.

# HIMACHAL SMALL & MEDIUM INDUSTRIES

The small scale sector has emerged as a dynamic and vibrant sector of the Indian economy. It has contributed significantly to the realisation of the socio-economic objectives of growth in employment and exports, fostering entrepreneurship and ensuring industrial dispersal. During 1999-2000, the production from SSIs was estimated at Rs. 5,78,470 crores and provided employment to more than 177 lakh persons in the 32 lakh SSI units spread throughout the country.

Exports from SSIs have been estimated at Rs. 48,979 crores in 1998-99. The Small Scale Sector has been contributing about 40% of industrial production and 35% of total direct exports. This sector has been maintaining, by and large, a higher growth than the industrial sector as a whole. The share of this sector in employment generation is next only to agriculture.

The ongoing process of liberalisation warrants due attention to be given to the medium and long term interests of the small scale sector. This sector, nurtured hitherto in a protective framework, needs to be enabled to take on the challenges posed to it by the process of liberalisation and globalisation.

The Government is conscious of the role and importance of Small Scale Industries in strengthening our economic performance and is therefore committed to putting in place a policy framework that would address the problems of this sector and help it become internationally competitive.

**In recognition of the importance of the SSI sector and to give focused attention Government has created a separate Ministry for Small Scale Industries and Agro & Rural Industries in October 1999.**

## **Credit Linked Capital Subsidy Scheme**

### **1. Purpose**

The scheme will provide 12 percent back ended Capital Subsidy on projects of technology upgradation by SSI units in the specified products/sub-sectors.

### **2. Scope of the Scheme**

- (i) To begin with, the Scheme would cover the following products/sub-sectors in the SSI:
- 1 Leather and Leather Products including Footwear and Garments.
  - 2 Food Processing
  - 3 Information Technology (Hardware)
  - 4 Drugs and Pharmaceuticals;
  - 5 Auto parts and Components;
  - 6 Electronic Industry particularly relating to Design and Measuring.
  - 7 Glass and Ceramic items including Tiles.
  - 8 Dyes and Intermediates.
  - 9 Toys
  - 10 Tyres
  - 11 Hand Tools

- 12 Bicycle Parts and
- 13 Foundries-Ferrous and Cast iron.

The above list of products/sub-sectors would be expanded as the Scheme progresses with the approval of the Technical Advisory Committee constituted under this Scheme.

### **3 Type of Unit to be covered under the Scheme**

- (i) Existing SSI units registered with the State Directorate of Industries which upgrade with the state-of-the-Art Technology with or without expansion.
- (ii) New SSI units which are registered with the State Directorate of Industries and which set up their facilities only with the appropriate eligible and proven technology duly approved by the Technical Advisory Committee.

### **4 Definition of Technology Upgradation**

Technology upgradation would ordinarily mean induction of state-of-the-art or near state-of-the-art technology. In the varying mosaic of technology obtaining in more than 7500 products being produced in the Indian small scale sector, technology upgradation would mean a significant step up from the present

- (i) technology level to a substantially higher one involving improved productivity, or/and improvement in the quality of products or/and improved environmental conditions including work environment for the unit. It would also include installation of improved packaging techniques as well as anti-pollution measuring and energy conservation machinery.
- (ii) Replacement of existing equipment/technology with the same equipment/technology will not qualify for this Scheme, nor would the Scheme be applicable to units upgrading with second hand machinery.

### **5 Duration of the Scheme**

The Scheme will be in operation for a period of five years from 1.10.2000 to 30.9.2005, or till the time sanctions of capital subsidy by the Nodal Agency reaches Rs. 600 crores, whichever is earlier.

### **6 Nodal Agency**

Small Industries Development Bank of India (SIDBI) will act as the Nodal Agency.

### **7 Cap on Amount of Subsidy**

- (i) The financial assistance by the Banks/SIDBI for technology upgradation will be need based. However, the subsidy support would be limited to the loan amount indicated below:

S.No.	Existing Investment Limit	Maximum Ceiling of Loan eligible for Support
1	Tiny units with investment in plant & machinery less than Rs. 10 lakhs	Rs. 8 lakhs
2	Tiny units with investment in plant & machinery between Rs.10 lakhs to Rs. 25 lakhs	Rs. 20 lakhs
3	SSI units with investments in plant & machinery above Rs. 25 lakhs	Rs. 40 lakhs

- (ii) Value of Plant & Machinery being acquired under the Scheme will be determined by its purchase price.
- (iii) Capital Subsidy under this Scheme will not be admissible for loan amount exceeding the limits indicated above.

### **8 Conditions for Loans**

- (i) Promoters' contribution, security, debt-equity ratio, up-front fee, etc. will be determined by the lending agency as per its existing norms.
- (ii) Entrepreneurs availing Credit Linked Capital Subsidy for technology

upgradation shall not avail any other benefit including Interest Subsidy, under any other Scheme of the Central Government.

One of the main requirements for sanction of assistance under the Technology Upgradation Scheme will be availability of competent management to the unit

- (iii) concerned to carry out the upgradation programme and to manage the operation of the unit efficiently. Towards this end, the lending agencies may stipulate conditions as may be considered necessary.

#### **9 Procedure for Sanctions and Disbursements of Loans**

The SSI unit will have to apply for financial assistance in the prescribed form to any scheduled Commercial Bank or SIDBI or one of the declared eligible State Financial Corporations (SFCs). The list of eligible SFCs would be finalised in consultation with the Banking Division, Ministry of Finance. The bank/SFC after appraisal would refer the cases to the SIDBI, which would convey clearance for capital subsidy. The lending institutions would be required to lodge claims of capital subsidy from SIDBI on a quarterly basis. SIDBI will settle the claim expeditiously.

#### **10 Preferential Sanction/Disbursement for the Tiny Sector**

SIDBI/all Scheduled Commercial Banks/eligible State Financial Corporations would ensure preference to the tiny sector for loans for technology upgradation.

#### **11 Monitoring of the Scheme - Constitution of a Governing Board**

The Scheme will be monitored by a Governing Board. The Secretary (SSI & ARI) will be the Chairperson of the Board and the Development Commissioner (SSI) will be its Member Secretary. The Governing Board shall consist of representatives of Banking Division (Ministry of Finance), Planning Commission, Department of Science and Technology, Council of Scientific & Industrial Research, Indian Council for Agriculture Research, SIDBI, some selected public sector banks and some selected small scale industries Associations as members. The Governing Board will lay down the policy guidelines and give necessary directions for smooth functioning of the Scheme. SIDBI will operate the Scheme according to the guidelines laid down and directions given. The Governing Board will monitor and review the functioning of the Scheme and will meet at least twice a year.

#### **12 Review of approved technologies-Constitution of a Technical Advisory Committee**

- (i) Identification of technology is a continuous process. moreover, new technologies may also come during the operation of the Scheme. A Technical Advisory Committee would be set up under the Chairmanship of Secretary (SSI & ARI) to identify the state-of-the-art technology and benchmark existing and new technologies which will be eligible for support under the Scheme. It will consist of representatives of concerned Ministries including Planning Commission, Technical Research Institutes/Organisations
- (ii) such as Council of Scientific & Industrial Research, Department of Science and Technology, National Research Development Corporation, Indian Council for Agricultural Research and Industry Associations. The Development Commissioner (Small Scale Industries) will be the Member-Secretary of the Technical Advisory Committee. The Committee would periodically meet and identify the new technologies for approval under this Scheme.

#### **13 Estimated Requirement of Funds**

As credit linked capital subsidy is to be provided for loans of Rs. 5000 crores

- (i) during the five years of its operation, total liability of Government would be Rs. 600 crores (12% of Rs. 5000 crores) under this Scheme.
- (ii) For the purpose of estimating the yearly financial requirements it has been

assumed that in a year about 15,000 units would be assisted under the Scheme.

Year	Loan Amount to be covered for subsidy (Rs. in Crores)	Credit Linked Capital subsidy (Rs. in crores)
2000-2001	500	60
2001-2002	1000	120
2002-2003	1000	120
2003-2004	1000	120
2004-2005	1000	120
2005-2006	500	60
<b>Total</b>	<b>5000</b>	<b>600</b>

## REIMBURSEMENT SCHEME FOR ACQUIRING ISO 9000 CERTIFICATION

### ISO-9000 REIMBURSEMENT SCHEME:

This scheme was introduced in March ,1994 and upto March 2000 , Over 1800 SSI/ancillary units have been benefited.

It envisages reimbursement charges of acquiring ISO-9000 (or its equivalent ) certification to the extent of 75 % of the cost subject to a maximum of Rs 75000/-in each case .

The ISO-9000 reimbursement scheme is only applicable only to those registered SSI/ancillary units who have already acquired ISO-9000 (or its equivalent) certification .The scheme is being operated in the entire country by Office of the The Development Commissioner (Small Scale Industries ) , Ministry of SSI , Government of India , Delhi . As the scheme provides for **only one -time reimbursement** , the amount of subsidy/financial institution , is adjusted against the entitlement of reimbursement .

In view of the overwhelming response , the Govt. of India has recently extended the scheme upto the end of the Ninth Five Year Plan i.e. 31st March , 2007

For more details /application form and submission of application form please go the url:  
or contact at following address:

**The Development Commissioner,  
Small Scale Industries,  
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## **PRIME MINISTER'S ROJGAR YOJANA(PMRY)**

The Scheme launched on 2<sup>nd</sup> October, 1993 is designed to create and provide sustainable self-employment opportunities to one million educated unemployed youth in the country during the 8<sup>th</sup> Plan Period. The Scheme is continuing.

### **Salient Features**

<b>A. ELIGIBILITY</b>	<b>Any unemployed educated person fulfilling following conditions.</b>
(i) Age	1. Between 18 to 35 years for all educated unemployed in the country ,except North Eastern Region 2. Between 18 to 40 years for educated unemployed youth in the North-Eastern States. 3. 18-45 years for SC/ST, Ex.Servicemen, Physically Handicapped and Women.
(ii) Qualification	VIII Passed. Preference will be given to those who have been trained from any trade in Govt.recognized/approved Institution for duration of at least six months.
(iii) Residency	Permanent resident of the area for at least 3 years.
(iv) Family Income	i)Neither the income of the beneficiary along with the spouse nor the income of parents of the beneficiaries shall exceed Rs 24000/-p.a ii)The limit is Rs. 40000/- for North East states
(v) Defaulter	Should not be a defaulter to any nationalized bank/financial institution.
<b>B. ACTIVITIES</b>	All economically viable activities including agriculture allied activities but excluding direct agricultural operations like raising crops, purchase of manure etc.
<b>C. PROJECT COST COVERED</b>	Rs. 1.00 lakh for business sector. Rs. 2.00 lakhs for other activities. Loan to be composite nature. If two or more eligible persons join together in a partnership, Projects up to Rs. 10 lakhs are covered. Assistance shall be limited to individual admissibility.
<b>D. MARGIN MONEY SUBSIDY.</b>	I.Subsidy will be limited to 15% of the project cost subject to ceiling of Rs. 7500/- per entrepreneur. Bank will be allowed to take margin money from the entrepreneur varying from 5% to 16.5% of the project cost so as to make the total of subsidy and the margin money equal to 20% of the project cost. II.Subsidy @ 15% the project cost subject to a ceiling of Rs. 15000/- for North Eastern States margin money contribution from the entrepreneur may vary from 5% to 12.5% of the project cost so as to make the total of the subsidy and margin money equal to 20% of the project cost.
<b>E. COLLATERAL SECURITY</b>	No collateral for project upto Rs. 1.00 lakh. Exemption from collateral in case of partnership project will also be limited to an amount of Rs. 1.00 Lakh person participating in the project
<b>F. REPAYMENT SCHEDULE</b>	7 years after an initial moratorium of 6 to 18 months.
<b>G. IMPLEMENTING AGENCY</b>	State Government through Distt. Industries Centres

### **Benefits to SC / ST / OBCs As per Government. Policy**

- |   |                               |
|---|-------------------------------|
| <b>A. RESERVATION</b>                                     | 22.5% FOR SC/ST, 27% FOR OBCs |
| <b>B. Preference for weaker Sections including women.</b> |                               |

## **Present Industrial Scenario in Himachal Pradesh**

The small scale sector has emerged as a dynamic and vibrant sector of the Indian Economy .It has contributed significantly to the realisation of the socio-economic objectives of growth in employment and exports ,fostering entrepreneurship and ensuring industrial dispersal .

During 1999-2000 ,the production fromSSIs was estimated at Rs 5,78,470 crores and provided employment to more than 177 lakh persons in 32 lakh SSI units spread throughout the country .Exports from SSIs have been estimated at Rs48,979 crores in 1998-99 .The small scale sector has been contributing about 40 % of Industrial Production and 35 % of toral direct exports .This sector has been maintaining ,by and large , a higher growth than the industrial sector as a whole .The share of this sector in employment generation is next only to agriculture .

The ongoing process of liberlisation warrants due attention to be given to the medium and long term interests of the small scale sector . This sector ,nurtured hitherto in a protective framework , needs to be enabled to take on the challenges posed to it by the process of liberalisation and glogalisation .The government of conscios of the role and importance of small scale industries in strengthening our economic performance and is therefore committed to putting in place a policy framework that would address the problems of this sector and help it become internationally competitive .**In recognition of the importance of the SSI sector and to give focused attention Government has created a separate Ministry for small scale industries and agro rural industries in October 1999 which has subsequently been further converted into a separate Ministry of Small Scale Industries.**

Industrialisation is a sine-qua-non of economic progress.Industrialisation in Himachal Pradesh is a comparatively recent phenomenon. From relatively backward and predominantly agriculture state at the time of attaining statehood in1971, it has steadily progressed while establishing more than 182 medium and large scale units covering a wide spectrum of industries and about 28500 small scale industrial units involving a total investment of Rs. 2750 crores and providing direct employment to 1.50 lakh persons. The industrialisation in the state has now achieved the take off stage with well diversified base of industries ranging from traditional handicrafts and handlooms in cottage, tiny and small scale sector to high-tech textile units. Computer Hardware & Software, telecommunication equipment, sophisticated electronics gadgets, cement, paper, basic chemicals, drugs & pharmaceuticals, food processing, engineering and high quality precision tools, besides breweries, distilleries and mineral water units.

The State has in recent years emerged as one of the favourite destination for investors. A large number of projects have been set up by reputed industrial houses/groups such as ACC, Ranbaxy, HFCL, Vardhman group, Gujrat Ambuja, Gabriel, Purolator, Eicher , DCM, Birls, Malwa Cotton, Morepen, Dabur, Unichem Goenterman etc.

Today the industrial sector is contributing nearly 10 percent to the state domestic product (SDP). The annual turnover of the industrial sector is approximately Rs. 4000 crore. The per capita industrial investment of Himachal Pradesh is one of the highest in the country. This sector is consuming about 60% of the total consumption of electricity in the form of taxes & levies and more than 500 crore towards central excise. The total export from the state has stedily grown and now amount to over Rs. 300 crores.

### **Why Himachal Is One Of The Best Place for Industrial Investment**

Well developed industrial infrastructure

Abundant and quality power at cheaper rates

Educated and trained man power

Peaceful industrial climate

Adequate Local Raw Material for certain types of food processing industries & turpentine based industries

Clean environment and Salubrious climate

Concessional finance, with excellent banking system

Time bound clearances and escort services at all stages

Attractive package of incentives and income tax exemptions

Vibrant economy with an ideal investment climate

Efficient Administration

International class tourist destination

## **INCENTIVES & CONCESSIONS to the Industrial Units in Himachal Pradesh**

The Incentives & Concessions to the industrial units subject to their eligibility are as under :-

### **1.1 Sales Tax Concessions**

#### **1.1.1 Village Industries/Tiny units**

New village industries with fixed capital investment upto Rs. 10 lakhs and financed wholly by HPKVIB/KVIC shall be exempted from payment of sales tax for a period of 8 years in industrially backward areas and in priority sector, and for a period of 5 years for units in industrially developing areas. In respect of other new village industries and tiny units, sales tax shall be leviable at a concessional rate of 25% of the applicable rate on the sale of products upto Rs. 60 lacs per annum for a period of 8 years in industrially backward areas and in priority sector; and upto sales turnover of Rs. 45 lacs per annum for a period of five years in industrially developing areas. This concession will not be admissible to the produce of breweries / distilleries, non fruit / vegetable based wineries and bottling plants (both for Country Liquor and Indian Made Foreign Liquor).

#### **1.1.2 Units in SSI/Medium and Large Sector**

In case of units in SSI/medium and large sectors, deferment of General Sales Tax for a period of 8 years on the goods other than produce of breweries, distilleries, non-fruit/vegetable based wineries and bottling plants (both for Country Liquor and Indian Made Foreign Liquor) manufactured by the new industrial units set up in the industrially backward areas and in priority sector; and for a period of 5 years for units in industrially developing areas subject to furnishing of security/bank guarantee to the satisfaction of the Excise & Taxation Department of Government of Himachal Pradesh. The tax deferment during Ist 8 years or 5 years as the case may be shall become due for payment after a period of 5 years from its collection. This means that the tax collected in the Ist year shall be payable in the 6th year, second year in the 7th year and so on.

**1.1.3** The eligible existing units shall have an option either to opt for the General Sales Tax Concessions as provided in paras 7.1.1 and 7.1.2 above for the unexpired period and subject to their continuing eligibility under the previously applicable rules or to continue to avail these concessions as per those rules. Such an option shall have to be exercised by the 31st July, 1999 failing which they shall be covered by the previously applicable rules.

**1.1.4** The GST on the raw material, processing and packaging material except timber, shale and limestone used by the existing and new industrial unit(s) for captive manufacturing within the State shall be leviable at a concessional rate of 1% upto 31-03-2009.

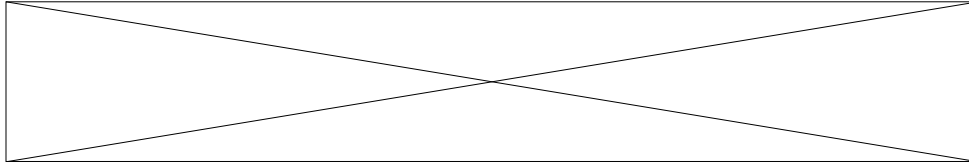
**1.1.5** Central Sales tax at a concessional rate of 1% shall be leviable on the goods manufactured by new and existing industrial units except produce of breweries, distilleries, non fruit/vegetable wineries and bottling plant (both for Country Liquor and Indian Made Foreign Liquor) upto 31-03-2009.

**1.1.6** Period of these concessions in case of new industrial unit(s) shall commence from the date of commencement of commercial production or from the date of notification issued by the Department of Excise & Taxation in this regard, whichever is later. In case of existing unit(s), these concessions would be available from the appointed day or the date of notification, whichever is later.

### **1.2 Power concessions**

**1.2.1** New industrial unit(s) in priority sector shall be exempted from payment of electricity duty for a period of 8 years in the industrially backward areas and for 5 years in industrially developing areas. Period of this concession will commence from the date of commencement of commercial production or from the date of notification of Department of MPP and Power, whichever is later. The existing unit(s) availing this incentive shall continue to avail the same under the previous rules for the unexpired





## **State Capital Investment Subsidy**

In order to encourage setting up of industrial units in their States, State Governments provide State Capital Investment Subsidy to Priority Sector industries. The facilities are available in Uttar Pradesh, Jammu & Kashmir, Andaman & Nicobar Islands., Sikkim, Karnataka, Meghalaya, Himachal Pradesh, Gujarat, Punjab, Andhra Pradesh, Kerala, Maharashtra, Tripura and Manipur.

## **SalesTax concessions**

State Governments give concessions in sales tax to new units/sick units on the sale of their finished products at the first point of sale for a period of three to fifteen years. The facilities are available in Uttar Pradesh, Jammu & Kashmir, Sikkim, Daman & Diu, Karnataka, Meghalaya, Himachal Pradesh, Gujarat, Nagaland, Punjab, Rajasthan, Andhra Pradesh, Kerala, Haryana and Tripura.

## **Exemption from stamp duty and local taxes**

State Governments exempt stamp duty in respect of land allotted by the Government to the new industrial units. Machinery, equipments, raw materials and packing materials of new units are exempted from payment of octroi duty and other local taxes. The facilities are available in Jammu & Kashmir, Sikkim, Daman, Karnataka, Meghalaya, Gujarat, Nagaland, Rajasthan, Haryana, Maharashtra and Manipur.

## **Rebate in electricity charges and water charges**

State Governments provide rebate in electricity charges and water charges to the new and existing units in their respective States. The facilities are available in Sikkim, Daman, Karnataka, Himachal Pradesh, Gujarat, Nagaland, Rajasthan, Andhra Pradesh, Kerala and Maharashtra.

## **Interest Subsidy**

State Governments provide interest subsidy to entrepreneurs on term loans which they get from State Financial Institutions/Scheduled Banks. The facilities are available in Jammu & Kashmir, Andaman & Nicobar Islands, Sikkim, Meghalaya, Himachal Pradesh, Punjab, Rajasthan, Andhra Pradesh and Manipur.

## **State Transport Subsidy**

Some State Governments provide State transport subsidy at notified rates from time to time to industrial units on transportation of raw materials and finished products. The facilities are available in Jammu & Kashmir, Andaman & Nicobar Islands, Nagaland and Manipur.

## **Subsidy for technical know-how**

State Governments provide subsidy on the cost of technical know-how obtained by small scale industries from reputed and well established research and development organisations. For obtaining such technical know-how, prior permission from State Governments has to be obtained. The facilities are available in Jammu & Kashmir, Sikkim, Delhi, Kerala and Manipur.

## **Marketing Support**

The State Government Departments, Semi-Government Organisations, Autonomous Government Organisations, Grant-in-Aid Institutions, Departmental Undertakings, etc. while making purchases of their requirements of store items, give preference to the products manufactured by the local SSI units. The facilities are available in Jammu & Kashmir, Sikkim, Nagaland, Delhi, Kerala, Manipur and Tripura.

## **Special facilities for export oriented units**

State Governments provide special package of incentives and better infrastructural facilities for export oriented units. State Governments reimburse costs incurred by SSI units for shipment of export samples from the nearest port/container depot to the port of destination. The facilities are available in Uttar Pradesh, Karnataka, Himachal Pradesh, Punjab, Rajasthan and Tripura.

## **Air Freight Subsidy**

State Governments provide Air Freight Subsidy to SSI units on their finished goods for any destination. The facilities are available in Uttar Pradesh.

## **Incentives to Non-Resident Indians (NRIs)**

State Governments provide special incentives for setting up new industries by NRIs in their respective States. The facilities are available in Uttar Pradesh, Himachal Pradesh, Purjab and Rajasthan.

## Special incentives for Women

SSI units owned and managed by women entrepreneurs having more than 80% women labourers are provided special incentives like 50% subsidy for building and machinery, rent subsidy, managerial grant, stipendary training, etc. The facilities are available in Tripura and Kerala.

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