

Industries and Commerce Department

Sub : New Industrial Policy 2004 and Package of Incentives for development of Industries in J&K.

Ref : Cabinet Decision No. 19/1 Dated 23-01-2004.

Government Order No. 21-Ind. of 2004

Dated : 27-01-2004

1. Sanction is hereby accorded to the new Industrial Policy 2004 as per annexure appended in this order.
2. All Industrial units to be established after 31-01-2004 shall be entitled to the incentives provided at Annexure II to the Industrial Policy, 2004. All existing units shall be entitled to the incentives specifically provided in Annexure-II to the Industrial Policy 2004 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. Maximum employment of local people shall be a precondition with all new approvals of industrial projects. For special skills not available in the state, such requirements shall be assessed by the I&C Department both for existing and new industrial units. In cooperation with Technical Education Department, necessary skill upgradation training shall be provided to local youth.
5. 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.
6. All instructions/orders and procedures issued by the Industries and Commerce Department from time to time for implementation of earlier Package of Incentive sanctioned vide Government Order No. 10-Ind. of 1995 dated 19-01-95 and Government Order No. 202-Ind. of 1998 dated 27-05-1998 shall continue to apply mutatis mutandis in respect of the new package of incentives. Where such instructions/order are inconsistent with any provision of the new Industrial Policy 2004 and package of incentives, further modifications to the existing instructions, orders and procedures shall be notified.
7. The negative lists referred to in the package of incentives shall be notified by the Government separately.

By order of the Government of Jammu & Kashmir.

Sd/-

(A. Sahasranaman)

Principal Secretary to Government
Industries & Commerce Department

No. Ind/DIC/160/2002

Dated : 27-01-2004

1.0 Introduction

- 1.1 Despite attractive fiscal incentive under the State's Industrial Policy (1998-2003), the rate of growth of industrial sector could not be accelerated primarily on account of the disturbed conditions in the State. Competition from cheaper imported products, coming into the country as a result of the policy of globalization and economic liberalization pursued by the Government of India, has also forced many local SSI units to down their shutters. With the problem of unemployment, particularly of the educated, being high, the Industrial Policy 2004 has been evolved keeping in view the experience gained in the last five years and some new positive elements that have entered the scene.

Duration

- 1.2 Industrial Policy 2004 will remain in operation from 1st February, 2004 until 31-03-2015.

2.0 Advantage J&K

Some specific advantages enjoyed by the State are :

- 2.1 Introductions of incentives for industries based on the package for the North-Eastern State in Jammu & Kashmir by the Government of India has created a new window of opportunity. This package of incentives is attached at Annexure - I**.-

3.0 Objectives

The primary objectives of the Industrial Policy 2004 are :

- i) To achieve sustainable industrial development in all regions for increasing the rate of growth, value of output, employment, income and overall economic development of the State;
- ii) To strive towards balanced economic and social development in all regions of the State by promoting industrialization particularly of the industrially backwards areas;
- iii) To encourage and sustain the cottage and tiny industrial sector which, with law investment, is able to provide employment to a large number of people in the state.
- iv) To create a supportive environment with transparency and easy access in information, technology and financial resources.
- v) To revive potentially viable sick industrial units so as to put to optimum use the capital and other resources already employed in such enterprises.
- vi) To promote the growth of thrust and export-oriented industries and encourage high-tech and knowledgeable based industries including information technology.
- vii) To take necessary steps in the field of Human Resources Development to make available skilled / technical manpower as per the needs of industry.

4.0 Approach and Strategy

- 4.1 The strategy for achieving the objectives, and the main elements, of the Industrial Policy 2004 are:
- i) Providing improved infrastructure and support services, with emphasis on regular and uninterrupted power supply.

- iii) Single window clearance system for power, pollution control, land allotment and registration of industrial unit.
- iv) Closer interaction with financial Institution and commercial banks, to ensure regular and adequate flow of finances to the industrial sector.
- v) Rehabilitation of potentially viable sick industrial units.
- vi) Improving competitiveness of existing industrial units by facilitating modernisation aimed at enhancing productivity, energy efficiency and better environment management.
- vii) Enabling manufacturers of quality consistent products to augment their sales within and outside the state by brand promotion.
- viii) Reorienting Industries and Commerce Department.
- ix) Export promotional measures to augment export of products of the state outside the country.
- x) Permanent Grievance Redressal System to remove bottlenecks in import and export of products to and fro the state.
- xi) Environment protection, to conform to state, national and global regulations.
- xii) Entrepreneurship development in the state, to provide opportunities to educated unemployed.
- xiii) Encouraging Research & Development.
- xiv) Focusing on thrust areas with natural advantages in the state and facilitating large investments in prestigious projects.

4.2 **Improved infrastructure and support services:**

The government will strive to improve general infrastructure of the state. In respect of infrastructure for industries, the policy emphasises the following :

- i) Development of modern industrial areas and estates, growth centres, Integrated Infrastructure Development Centres (IID) etc. will be done in a time bound manner. These focal points of industry will meet all the basic requirements of a competitive industrial environment. An action plan with specific implementation model and time frame will be adopted.
- ii) Operational management of the major industrial estates will be rationalised, involving local industrialists through a suitable local self managed model both for development works and management of the estates including regulation of power and water supply.
- iii) The State Government will encourage private sector participation in infrastructure development and such private sector participation will be treated as an industry for the purpose of availing incentives. The Government will also facilitate acquisition of land for such private sector initiatives.
- iv) Efforts will be made to ensure that the power supply within industrial areas, estates, IIDCs, etc. is regular, reliable and of good quality.
- v) Private sector investment in generation and distribution of regular power supply in industrial areas, estates, IIDCs etc. will be actively encouraged. The government will provide necessary support for such ventures on a case-to-case basis to assure their sustainability.
- vi) Micro-hydel projects are already open for private sector investment. A separate policy on the subject has been announced and implemented by the Power Development Department

4.3 **Incentives for Industries**

Incentives for industries provided by the Government of India are presented at Annexure I. A revised package of incentives, offered by the state government, is at Annexure-II. Industries availing the incentives must always strive to plough back resources to constantly upgrade products and productivity, design and quality, so that after the incentives cease, they are able to survive on their own competitiveness.

4.4 **Single Window Clearance System**

With the objective of facilitating a new entrepreneur in getting necessary clearances within a short time, a Single Window Clearance System, for registration of the Industrial Unit, allotment of land, clearance of pollution control Board for commencing construction and certificate of power availability, at the State and District levels, has been set up. A separate notification in this regard will be issued.

4.5 **Institutional/Commercial Bank funding**

Industrial Policy 2004 recognizes that Financial Institutions/Commercial Banks have to play an important role in the industrial development of the State. An environment has to be created to arrest the present trend of flight of capital from the State. The procedures presently followed have not withstood the test of time. There have been glaring instance of delay and under-financing of projects resulting in cost and time over run. It will also be necessary to strengthen the state owned Financial Institutions. Moving in this direction, the government will adopt the following course of action :

- i) The present arrangement of credit flow monitoring through State Level Banker's Committee (SLBC) and State Level Inter Institutional Committee (SLIIC) forums will be actively utilized.
- ii) State owned development financial institutions shall be reoriented to facilitate availing of refinance facilities from national level institutions optimally; and, encouraged to raise finance from the market.
- iii) Divisional and district level co-ordination committees will be constituted to monitor expeditious settlement of the loan cases within prescribed time limit.

4.6 **Rehabilitation of Sick Units**

An enormous amount of capital is locked in sick/closed industrial units in the form of infrastructure and investment. Though industrial sickness is a wide spread phenomenon, its impact is comparatively high in J&K. The initiative for rehabilitation of sick units should primarily come from the concerned industrial unit, financial institutions and the commercial banks, the government playing a catalytic and supportive role. Government Order No. 47-Ind of 1999 dated 10-02-1999, currently in vogue, will continue. Besides, the Government will separately announce an debt relief package too. These sick industrial units shall have the option of taking advantage of either of the two packages.

Industrial units operating in the State must realise that with globalisation and economic liberalization, the inflow of cheaper and better quality products into the country and eventually into the state cannot be halted. In order, therefore, to encourage such industrial units as are desirous of modernizing themselves with a view to increase productivity, energy efficiency and environment protection, the capital investment subsidy of the state will be extended to them all over the state. The procedure for availing this incentive has been separately prescribed.

4.8. **Brand Promotion**

With increasing competition in the market, manufacturers of quality consistent consumer products can sustain themselves only if they adopt an intelligent marketing strategy and build a brand of their own. In order to encourage efforts of such manufacturers who are desirous of developing and propagating their own brands within and outside the state, the government will extend assistance to them. Details are provided in the package of incentives of the state government.

4.9 **Re-Orientation of Industries & Commerce Department**

In the liberalized economy, it is imperative that the capacity of Industries & Commerce Department and related PSUs is strengthened to meet the challenges of the new era. In the area of information technology, the process of computerisation will be accelerated at the cutting edge level. Accordingly, the computerisation of Directorate of I&C will be further expedited with a view to not only provide all relevant policy and information on the web site but also data relating to status of applications for registration, incentives etc. An investor and industry friendly atmosphere will be created.

4.10 **Export Promotion**

Exports have come to be regarded as an engine of economic growth. However, the share of J&K in the overall exports of the country is very low, limited mostly to handicrafts and dry fruits processed by the SSI sector. The State has a vast potential for exports, both in traditional and non-traditional items. With a view to promote exports of the State, two Special Economic Zones (SEZs), one each in Jammu & Kashmir, Province, are under finalisation. An Inland Container Depot is ready at Bari Brahamana which will cater to the needs of the exporters. Various projects under the Assistance to States for Developing Export Infrastructure (ASIDE) Scheme of Government of India, Ministry of Commerce are under implementation in the state to strengthen export infrastructure. Air cargo complexes in Srinagar and Jammu will also be taken up in the near future.

4.11 **Permanent Grievance Redressal System**

In the past, despite provisions in the Industrial policy, there have been many instances of consignments of raw materials, capital goods, fuels, etc. being detained in the entry point of the state, often resulting in delays and payment of fines and penalties. With a view to ensure that the industrial policy is honoured in letter and spirit, an order will be issued by the Finance

tained at the entry point for more than 24 hours. In the event of any doubt, a notice will be issued by the concerned authority to the firm outlining the objections but the consignment will be instantly released. A Permanent Grievance Redressal Committee, consisting of Director Industries and Commerce, Commissioner Sales Tax and Commissioner Excise, to be set up by the Finance Department, shall meet once every fortnight to consider all such notices and pass orders which shall be final and binding on all concerned. In emergent situations, such meetings could be called at shorter notice too. This procedure is expected to check alleged arbitrary actions at the entry point of the State.

4.12 **Environment Protection**

Pollution Control and environment protection will be accorded high priority. The Pollution Control Board shall give necessary clearances to new units to start construction only after satisfying itself that the required pollution control measures have been included in the project by the promoter. The State Government will assist setting up of Common Effluent Treatment Plants and providing sites of solid waste disposal etc. availing of the existing schemes of the Government of India as well as the States own resources. Procedures for environment clearances will be streamlined to achieve speedy disposal. Environment friendly projects will be accorded greater priority. Incentive for procurement of pollution control devices has been provided in the state government's package.

4.13 **Entrepreneurship Development**

Lack of entrepreneurial skills of the local youth has been identified as an impediment for sustained industrial growth, **J&K Entrepreneurship Development Institute (J&KEDI)**, a society registered under the J&K Societies Registration Act, has recently been activated to provide entrepreneurship training to youth of the state. Universities will be encouraged to include comprehensive entrepreneurial education in the course curriculum both at the undergraduate and postgraduate levels in the state. The state will encourage setting up of training institutions in the private sector, in the areas of Information Technology, Biotechnology and Communication. Educational and research institutions of international standards related to business/industry shall be provided land in industrial parks/growth centres at a concessional rate of 50%.

4.14 **Thrust Areas and Prestigious Projects**

The following industries will be the Thrust Areas of the government:

1. Electronics (integrated circuits and micro assemblies)/computer hardware and software.
2. Food processing including agro-based industries (excluding conventional grinding/extraction units)
3. Floriculture
4. Handicrafts.
5. Leather processing and leather goods.
6. Sports goods, articles and equipments for general physical exercise.
7. Forest based industry.

9. Pharmaceuticals including bulk drugs.
10. Silk reeling, weaving, processing printing and made-ups, Yarn and yarn spun from silk waste.
11. Cutting and polishing of stones, gems and jewellery.
12. Precision engineering.
13. Wool processing, Spinning, weaving and finishing, woven fabrics of wool.
14. Woven fabrics of cotton.
15. Industries related to the promotion of tourism e.g., units manufacturing camp equipments, fibre boats etc. souvenirs for tourists.
16. Knowledge industry, including information technology, bio-technology etc.
17. Auto ancillaries.
18. Exploration of minerals.
19. Green houses (only Ladakh)

The government may add new industrial activities to the thrust areas from time to time. The industrial projects in these areas will be accorded priority in the matter of allotment of land, sanction of power and other clearances as also in the matter of grant of incentives.

With regard to prestigious projects, with investment above Rs.25 crores, the government may consider special package of incentives, to be documented in the form of a MOU, on a case to case basis, on merits. Notification of a prestigious project shall be made by State Level Committee - I for granting Capital Investment Subsidy.

4.15 **Research & Development**

Encouraging Research & Development (R&D) in important economic sectors and transferring the results of these to the industrial sector are the needs of the hour. This is particularly necessary in agriculture, forest mining and mineral sectors, medicinal and herbal plants which provide a substantial base for value addition. Design cum Resource centres shall be set for supporting Handicrafts/Handloom sector. Central government assistance for such purposes shall be fully availed. National level organisations of excellence shall be pursued to provide support for these programmes.

5.0. **Implementation**

Effective and efficient implementation of the policy must be ensured. In order to achieve this and also to provide for a regular interaction between the government at the highest level and the industry at large, the government will set up an Advisory Committee for Industries with the Hon'ble Chief Minister as the Chairman. Besides the Hon'ble Deputy Chief Minister in charge of Industries and Commerce and Hon'ble Minister of State for Industries and Commerce, this committee will consist of all Principal Secretaries in charge of economic departments such as agriculture, consumer affairs, environment, forests, finance, information technology, planning and power development. Representatives of Chambers of Commerce of Industry and Federations of Industries of Jammu and Kashmir Divisions and also senior officials of the Ministry of Commerce and Industry, Government of India, will be invited to join this committee. Principal Secretary I&C will act as the Member Secretary of the Committee.

discussion on major issues agitating the industry and arriving at prompt decisions, a dire necessity in these days of high level of competition among the states of promoting industrialisation.

6. **Conclusion**

It is earnestly hoped that the Industrial Policy 2004 will receive the support of the existing industry of the state as well as potential entrepreneurs. It is also expected that this will be able to attract entrepreneurs from other parts of the country and also from other countries. The government will endeavour to implement the policy in right earnest and do all it can to make the atmosphere for investment in the industrial sector of the state inviting and invigorating.

1.0 Definitions.

Under this package unless the context otherwise requires:

- i) **“Capital Investment”** shall mean and include investment on land/premium on leased land, cost of all civil engineering works including buildings and sheds, cost of plant and machinery, cost of installation of plant and machinery, control panels, quality control equipment, cost of consultancy during the execution of project and cost of technical know-how.
- ii) **“Effective steps”** means one or more of the following steps: -
 - a) that 10% or more of the capital issued for the industrial unit has been paid up.
 - b) that any part of the factory building required for manufacturing activity has been constructed.
 - c) that a firm order has been placed for any plant and machinery required for the industrial unit.
- iii) **“Existing unit”** means an industrial unit, which had gone into trial/commercial production prior to 01-02-2004.
- iv) **“Fixed capital investment”** means investment in land, building, plant and machinery.
- v) **“Government”** means Government of Jammu & Kashmir.
- vi) **“Industrial Backward Blocks”** means the blocks with boundaries to be notified by the State Government.
- vii) **“New industrial unit”** means an industrial unit which has started/gone into trial/commercial production after 31-01-2004 and is formally registered.
- viii) **“Prestigious unit”** means an unit having capital investment of Rs.25 Crores or above and declared as Prestigious unit by the State Level Committee - I constituted for sanctioning Capital Investment Subsidy.
- ix) **“Substantial Expansion”** means an existing unit which increases its installed capacity, with prior approval of competent authority, in terms of the relevant Government of India notification.

2.0 Eligibility

- i) All existing and new industrial units unless otherwise explicitly provided in this package and subject to fulfillment of such requirements as may be specified by the Government from time to time shall be eligible for the incentives.
- ii) Provided that wherever an identical scheme of Government of India exists, the unit would draw the incentives from Government of India scheme first, if eligible. The balance amount of the incentives, if any, under the State Government scheme would be sanctioned if otherwise eligible under the state scheme.
- iii) The incentives under this policy are provided under the discretionary powers of the State Government. The State Government may decide to amend, alter, delete or revise any or all of the incentives notified under this policy and no claim on account of such a decision will be entertained.
- iv) The Industrial Policy shall cover all the new industrial units that may be established in the State. In respect of units where the promoter may have taken effective steps for implementation of the project as on 01-02-2004 and as such may claim to avail incentives under the old

option to do so. However, such option shall have to be explicitly communicated to the Director, I&C within 3 months of announcement of this policy. This option shall, however, be not applicable to tax related incentives, for which the new policy will apply.

3.0 For achieving the objectives of the industrial policy, the State Government extends the following incentives:-

3.1 Land Allotment

The government shall allot land on long lease of 90 years in the industrial estates and developed areas on first come first serve basis. In case of large area requirements, land may be acquired in specific locations selected by the entrepreneur, and allotted on lease.

- a) The allotment of land/industrial plots/sheds and flats shall be on lease basis for a period of 90 years.
- b) The rent charged for the period of lease shall be invested in maintenance of facilities in the industrial estate. In case of lands outside the industrial estates, where no maintenance is required to be done by any Government Agency, only a nominal lease rent shall be chargeable if the entire expenditure on the cost of land and its development has been incurred by the promoter.
- c) Premium rates shall be notified by the Government from time to time and shall not change after the land has been allotted to the promoter and a lease deed signed by him after paying the amount of premium. The current rates of premium are as follows:

	Class/Area	A-Class	B-Class	C-Class
1.	For land/plot not exceeding four kanals.	60,000/-	45,000/-	30,000/-
2.	For land/plot not exceeding eight kanals.	90,000/-	67,500/-	45,000/-
3.	For land/plot not exceeding twenty kanals	1,20,000/-	90,000/-	60,000/-
4.	For land / plot exceeding twenty kanals	Cost of Acquisition plus Cost of Development plus 10% Surcharge		

For this purpose the industrial estates/growth centres/export promotion parks etc. have been classified as follows :

A CLASS

Bari Brahmana, Kartholi, Gangyal, Birpur, Digiana, Zainakote, Barzulla, and Baghe-Ali-Mardhan Khan.

Rangreth, Khunmoh, Zakura and Kathua.

C CLASS

All other Estates which are not included in A&B class above.

- d) Land allotment on lease shall be transferable subject to some stipulations and also subject to the condition that the transferee shall not use the land for any purpose other than setting up or running another industrial unit in the area with due statutory clearances.

3.2 Capital Investment Subsidy (CIS) and Financial Support on Investment:

1. Government of India has announced a new scheme of capital investment subsidy for the State of Jammu & Kashmir. The existing Capital Investment Subsidy (CIS) of the State government shall stand replaced by the Government of India scheme for CIS.
2. In the **Industrially Backward Blocks**, which will be notified separately, the existing state government scheme would continue. However, in such Blocks the industrial units will first draw CIS of the Government of India scheme, if applicable. Balance amount, if any, as per State Government scheme would be sanctioned by the competent authority, if otherwise eligible under the state scheme.
3. In such locations (which do not fall within backward blocks) where the CIS scheme of GOI does not apply, the State Government will extend the benefits as per the norms of Central Scheme.
4. **The CIS applicable to the notified backward blocks of the State is as follows :**
 - a) CIS shall be available if the item of manufacture does not figure on the negative list.
 - b) CIS shall be available to the new SSI, Medium and Large units, @ 30% of the capital investment subject to upper limit of Rs.30 lakhs.
 - c) In case of prestigious unit, the upper limit of CIS shall be Rs. 60 lakhs.
 - d) In case of the thrust areas, the upper limit of the CIS shall be Rs.45 lakhs and Rs. 75 lakhs in case the unit also falls in the prestigious category.
5. In areas where CIS under the central scheme is available the Government does not want to place the thrust area units, prestigious units and prestigious units in thrust areas in a disadvantageous position. In such areas if the eligible amount of CIS under the central scheme exceeds Rs.30 lakhs for an industrial unit, which is maximum limit under that scheme, the State Government shall provide the amount exceeding Rs.30 lakhs subject to a ceiling of Rs.15 lakhs, Rs.30 lakhs and Rs.45 lakhs, in case of thrust area units, prestigious units and prestigious units in thrust areas, respectively.
6. In the entire state, **75% subsidy** shall be allowed on cost of construction of a captive tubewell or building a captive water lifting plant incurred by a prestigious unit in any of the thrust areas. The maximum amount of subsidy shall be Rs.22.50 lakhs. This shall be in addition to the financial limits for CIS prescribed above.

3.3 Modernisation of Existing Units

With a view to encourage modernisation of existing small scale industrial units, to enable it to achieve higher productivity, energy efficiency and better environment protection, and thus

state government will be applicable to such units all over the state subject to a limit of Rs.30 lakhs. Units availing incentives under the definition of 'substantial expansion' shall not be entitled to this. Application for modernisation must be submitted to the Director, Industries and Commerce, in the prescribed form, obtainable from his office and only after the scheme is approved by a committee consisting of Principal Secretary (Finance), Principal Secretary (Planning) and Principal Secretary (Industries and Commerce), the applicant shall commence work thereon. Approval and disbursement of the incentives will be done on the same pattern as the CIS of the state government.

3.4 **Brand Promotion**

In order to help such manufacturers of consumer products who are in a highly competitive market, the government will provide assistance to them in promoting brands within and outside the state. The assistance will be in the shape of subsidy at the rate of 50% of expenses incurred in the first year subject to a limit of Rs.20 Lakhs, 30% of expenses incurred in the second year, subject to a limit of Rs. 15lakhs and 10% of expenses incurred in the third year subject to a limit of Rs.10 lakhs. Application in prescribed form obtainable from the office of the Director Industries and Commerce must be submitted prior to undertaking the activity. Such applications shall be scrutinised by a committee consisting of the Principal Secretary (Finance), Principal Secretary (Planning) and Principal Secretary (Industries and Commerce), and only after the scheme is approved, the applicant may begin its implementation, if the incentive is to be availed. A system of monitoring shall be instituted and if the applicant deviates from the approved scheme, without prior approval, the incentive will be denied to him and the moneys already paid to him may be recalled at the discretion of the approving authority.

3.5 **Pre-Investment Studies/Feasibility Reports**

- a) Project profiles shall be prepared by the Directorate of I&C, SIDCO and SICOP and made available off the shelf to the promoters at a nominal price.
- b) The promoters may get a project feasibility report prepared from J&K, ITCO, SIDCO, SISI or any other agency as may be approved by the Director, I&C from time to time. 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 lakhs. The promoter may get a report prepared also from any other specialist agency/reputed consultants with prior approval of Director, I&C.

3.6 **Power Tariff/DG sets**

Power tariff for the industrial sector is subsidised. The Power Development Department shall revise and announce the tariff from time to time. Keeping in view the policy of the government to encourage the development of industry in the State and till such time as assured power supply is made available to industrial units 100% subsidy shall be allowed on new DG sets from 10KW to 1000 KW capacity purchased from reputed/standard companies subject to the maximum limit of Rs. 25 Lakhs. The subsidy shall be available to the unit after it has

- a) The amount of subsidy on purchase of DG set shall be paid 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.
- b) 50% of the amount of subsidy on DG set shall be paid on verification of installation and the remaining 50% shall be paid after expiry of one year of installation.
- c) The DG set shall not be shifted from the State for a period of ten years counted from the date of installation or to any other unit except with the approval of the Director I&C. If the unit makes any such request to shift the DG set to outside the State, the same shall be considered only in case the unit deposits the entire amount of the subsidy availed of together with interest thereon at the prevailing rate of interest on term loans.
- d) 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.
- e) Government shall allow setting up of Captive Power Generating units and also mini/micro power generating unit anywhere in the state, subject to obtaining usual clearances required including from the State Pollution Control Board. There shall be no electricity duty/state excise on generation of electrical energy through such Power Generating Stations for a period of 25 years. The station may be set up by an individual promoter or a group of promoters and the energy thus generated may be shared by them or sold to other consumer(s). In case the energy thus generated is given to the State Government at the point of production, the promoter shall be eligible to draw an equivalent amount of energy for his own bona fide industrial purpose, from the PDD anywhere else in the State. If his requirement is less than what is generated by him, the excess power can be sold to the state as per the policy of Power Development Department.

3.7 Price /Purchase Preference

- i) Upto 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.

Explanation:

A local SSI units will be entitled to upto 15% price preference vis-a-vis lowest tendered rates by an out side unit, which means that if the rates quoted by a local SSI unit is within the difference of 15% between the rates as quoted by local units and lowest outside tender, the orders shall be placed with local unit. In other words a unit holder shall be entitled to payment as per his quoted rate provided the same is within the maximum limit of 15% of the lowest quoted rate by an outside unit holder.

- ii) The price preference shall not cover items purchased by the public sector undertakings and boards who may use such goods as raw material, consumables, or packaging materials, which are, in turn meant to be sold on commercial basis either to the government departments or to the private consumers or to the private consumers or in the open market. The Government to the local SSI unit departments/public sector under takings Board etc. shall give pref-

- equivalent quality and if it has enough registered capacity.
- iii) Nothing contained in a proceeding para shall, mean to restrain the government from purchasing or allowing any of its departments/boards corporations to purchase any consumption commercial goods from another manufacturing organizations of the Government such as JKI, JKML, SIDCO, Agro Industries Corporation, J&K Handloom Development Corporation, KVIB etc. whether without or after inviting tenders.
 - iv) In all other cases, where the price preference applies, the following procedure shall be followed, in suppression of any other government departmental instructions, if issued to the contrary, to encourage the sustainability and growth of SSIs in the State :-
 - a) Every purchase committee of the Government departments shall include a member from the Directorate of the I&C, not below the rank of a General Manager. Any Committee constituted without any such representative of DIC shall be void ab initio.
 - b) If the goods offered by a registered SSI unit carry quality mark for example of BIS, FPO etc. or if the goods otherwise are of standard quality, duly verified and certified by the user department, and if the rate quoted by the SSI unit is within 15% of the lowest rate quoted by any other tender not being another local registered SSI unit, then the Purchase Committee shall decide to place order on such local registered SSI units without further negotiating the price. If the local SSI unit has the requisite registered capacity to meet the tendered requirement.
 - c) If the rate quoted by the local registered SSI unit(s) is not within 15% of the Committee may negotiated rate with the local registered unit (s) and place orders on such negotiated rate.
 - d) No tender from a local registered SSI unit shall be rejected in contravention of the aforementioned instruction. In case the purchase committee faces any difficulty in carrying out these instructions, in will refer the matter to the I&C Department in the secretariat and the decision of the Department in the matter shall be final and binding on the purchase committee/ the department.
 - e) If a local registered SSI unit is on rate contract with the DGS&D, DG QA, NSIC etc. for a particular item needed by a Government department, it may purchase the item from such SSI unit without inviting tenders.
 - f) It would be lawful for any local registered SSI unit to quote through SICOP or to seek supply order through SICOP or to request/authorize SICOP to represent its case before the purchasing department. In all cases, SICOP shall be treated at par with the SSI unit or units whose case it may be representing for all matters connected with the finalization of the contract, delivery of supplies and the price preference.
 - g) No purchasing department shall force or cause any local registered SSI unit to get more quality tests conducted at its own cost if such limit is registered with the BIS, DG S&D, DG QA etc. for ISI/ISO 9000/FPO mark.
 - h) No purchasing department shall tender for purchase of any item with branded/patented name of any manufacturer or supplier if such items of acceptable specifications are available from the local industry.
 - i) If the department supplies raw material to a local registered SSI unit, directly or through

structural steel, crate wire etc. the conversion rate may be worked out by the concerned administrative department (such as PWD) and a rate contract sanctioned.

- j) For any item where the market price for the goods manufactured by mills are controlled by statutory orders, which are not applicable to the SSI units, the price preference may be negotiated on the basis of such statutory rates.

3.8 Earnest Money Security Deposit

- a) SSI unit shall be required to pay only 50% of the amount of earnest money prescribed by the tendering authority or Rs.5000 whichever is lower.
- b) Tender documents shall also be supplied to the SSI units @ 50% of the price of the documents or Rs.100 whichever be lower.
- c) SICOP shall be treated at par with the SSI units for the purpose of the aforementioned provisions.

3.9 Stamp Duty

Mortgage deeds in favour of the financing institutions required to be signed by the promoter, shall be exempted from payment of stamp duty. The state government has already enabled equitable mortgage in the state.

3.10 Exemption of Court Fee

Exemption from court fee for registration of documents relating to lease of land will be granted to registered industrial units.

3.11 Toll Taxes

- i) There will be **no additional toll tax** on the raw materials, fuel and consumables, procured from outside the state by the existing or new SSI units till 31-01-2015 except for items brought on the negative list from time to time.
- ii) There will be no additional toll tax on finished goods manufactured by the existing or new SSI, Medium and Large units and sent outside the state upto 31-03-2015 except for items brought on the negative list from time to time.
- iii) There will be no additional toll tax on the Raw materials, fuels, consumables brought from the existing new medium and large units upto 31-03-2015 except in case of items brought on the Negative list from time to time.
- iv) There will be no additional toll tax on components, machinery, plant and other equipments procured from outside the state for building the factory, for a period of five years from the date of registration of the unit in SSI, Medium or large sector.
- v) There will be no additional toll tax on 100% export oriented units on the goods exported under proper export documents from the state to any foreign country.
- vi) There will be no additional toll tax on empty containers brought into the state which are used for stuffing products of industry for export out of the state.

3.12 General Sales Tax

The State Government is proposing to implement Value Added Tax (VAT). The existing GST

upto 31-3-2015, whichever is earlier, except for items brought on the negative list from time to time. However, GST exemption on the raw material procured locally will be available only to the Small Scale Industrial Units.

3.13 **Central Sales Tax**

The existing and new SSI, Medium & Large industrial units shall be exempt from charging and payment of CST on sale of their finished goods outside the state upto 31-3-2015 except for the items on the negative list.

3.14 **Special Provision for Prestigious Units**

Prestigious units shall avail of full exemption from payment of GST (Till VAT is implemented)/ CST and additional toll tax untill 31-3-2015 or until such amount of exemption reaches the levels of 150% of capital investment in the project whichever occurs earlier. It may be clarified that negative lists issued for various tax related incentives for medium and large industries shall also be applicable *mutatis mutandis* to prestigious units.

3.15 **Interest Subsidy**

- i) The Government of India has announced a new scheme for Interest subsidy in the state of Jammu & Kashmir. The existing incentive of Interest subsidy of the State Government will be replaced by the Government of India scheme, except for existing and any other new units which are not otherwise eligible for claim or interest subsidy under the Government of India scheme.
- ii) 3% subsidy shall be payable on the working capital facilities available from the commercial banks to all existing units for the remaining period of their eligibility, subject to the conditions prescribed, under the Government Order No. 202-Ind of 1998 dated 27-5-1998.
- iii) This incentive will be extended to any new unit not covered by the Central Government Package by the state Government, on the same terms as contained in the Central Package.
- iv) No interest subsidy shall be available on penal interest or on default payments.

3.16 **Testing Equipment**

100% Capital subsidy shall be provided by the Government on installation of Testing Equipment, subject to a maximum amount of Rs.25 Lakhs and also restricted to 25% of the total capital investment if the cost of testing equipment exceed 25% of the total investment provided that the same is installed with in 31-3-2015.

- ii) The incentive shall be disbursed only after the unit availing this incentive obtains a national/ international quality mark.
- iii) To the extent incentive for such equipment is availed under the CIS scheme of Government of India, deductions will be made from the amount due under the state scheme.

3.17 **Air Freight Subsidy**

Air Freight subsidy shall be available on finished goods and raw materials for any destination
(a) 50% subject to a maximum of Rs.5 Lakhs per year per unit.

30% subsidy shall be extended for purchase of pollution control equipment subject to ceiling of Rs.20.00 lac per unit and this will be in addition to the entitlement of CIS under G.O.I scheme if it exceeds Rs.30.00 lacs limit of CIS notified by G.O.I. If subsidy on such equipment is availed under CIS notification of GOI, to that extent, the amount shall be reduced out of the entitlement under the state scheme.

3.19 Interest Subsidy for Technocrats

5% interest subsidy on term loan shall be available for Engineering Graduate/MBA's/post-graduates on term loan availed from financing institutions.

3.20 Research & Development (R&D)

- i) 50% subsidy shall be available on expenditure incurred on R&D through any reputed organisation, in the public or private sector, duly approved by the government, for any project undertaken on sponsorship of any existing or new unit subject to a maximum of Rs.5 Lakhs for each such project duly approved by the Government.
- ii) 25% subsidy shall be available on R&D expenditure of any unit on non-recurring items of expenditure subject to prior approval by the Government upto a maximum limit of Rs. 5 Lakhs.

3.21 Human Resource Development

- i) 50% of the cost of training shall be borne by the Government subject to Rs. 5000 per trainee and subject to Rs. 1 lakh per annum for any unit for a period of five years. In case of women trainees the corresponding figures shall be 75%, Rs.7,500 and Rs.1.50 lakhs respectively.
- ii) For programmes of skill development leading to employment of trainees, 50% of the cost of training shall be borne by the Government on approved programmes subject to maximum of Rs. 5 lakhs per unit. In case of women trainees, the corresponding figures would be 75% and 7.5 lakhs.

3.22. Transport Subsidy :

This is a Government of India scheme and shall continue as such.

a) Toll Tax exemption notification issued by Finance Department, Government of Jammu & Kashmir.

**Government of Jammu and Kashmir
Civil Sectt. Finance Department**

NOTIFICATION

Jammu, the 31st January, 2004.

SRO 22 :- In exercise of the powers conferred by Section 5 of the Jammu & Kashmir Levy of Tolls Act, Samvat 1995 and in supersession of all previous notifications issued on the subject, the Government hereby direct that till 31st of March, 2015 :-

- i) there shall be no Additional Toll chargeable on the raw materials, and consumables procured from outside the State by the existing or new local Small, Medium and Large Scale Industrial units (including prestigious units) registered with the Directorate of Industries and Commerce, Directorate of Handicrafts/Handlooms or State Industrial Development Corporation except on items falling in the list forming Annexure 'A' to this Notification:
- ii) there shall be no additional toll chargeable on finished goods manufactured by the existing or new local, Small, Medium and Large Scale Industrial Units (including prestigious units) and sent outside the State, except in case of items falling in the list forming Annexure 'B' to this notification;
- iii) there shall be no additional toll on components, plant and machinery, building material and other equipments procured from outside the State for construction of factory for a period of five years from the date of registration of the unit in Small, Medium or Large Scale sector (including prestigious units); and
- iv) there shall be no Additional toll chargeable on goods manufactured and exported by 100% export oriented units under proper export documents from the State to any destination outside the frontiers of the country.
- v) there shall be no additional Toll chargeable on empty containers brought into the state which are used for stuffing of industrial products for export out of the State;

Provided that the exemption so granted shall be available on import of clinker, for a period of two years only from the date of issue of this notification, by which time the existing units consuming this material shall establish the infrastructure for manufacture of clinker;

Provided further that no new unit desirous of importing clinker for crushing and production of cement shall be allowed this exemption;

Provided also that the provisions of this notification shall apply mutatis mutandis to the import of raw material through SICOP for servicing the requirement of the units as are other-

This notification shall come into force w.e.f. 1st of February, 2004.

By order of the Government of Jammu & Kashmir.

Sd/-

(Vijay Bakaya)

Financial Commissioner,

Finance Depart-

ment.

No:ET-ST/163/98-II

Dated : 31-01-2004

Copy to the :

1. Principal Secretary to Government Industries & Commerce Department, J&K, Jammu.
2. Principal Secretary to Government General Administration Department, J&K, Jammu.
3. Commissioner Secretary to Government Law Department (w.5.s.c.)
4. Commissioner Sales Tax, Government of J&K, Jammu.
5. Excise Commissioner, Government of J&K, Jammu.
6. Director, Industries and Commerce, Government of J&K, Jammu.
7. Dy. Excise Commissioner, Executive, Jammu/Srinagar.
8. Dy. Commissioner, Toll Post Lakhanpur/ Dy. Sales Tax Commissioner (Adm) Kashmir/Jammu.
9. ETO, Toll Post Lower Munda/Railway Station.
10. President Chamber of Commerce and Industries Kashmir/Jammu.
11. President, Federation Chamber of Industries Srinagar.
12. Bari Brahmana Industries Association, Jammu.
13. Small Scale Industries Association, Digiana, Jammu.
14. Small Scale Industries Association, Gangyal, Jammu.

Sd/-

Special Secretary to Government,
Finance Department.

Incoming Raw Material

1. Spices.
2. Salt (except non-iodized salt imported as raw material by salt-processing units manufacturing iodized salt).
3. Scrap sheets and circles of Copper for mechanized utensil making units.
4. Raw material including maida, sugar, vanaspati required for bakery and confectionery items manufactured by non-mechanised units.
5. Packing materials.
6. Empty bottles (except empty beer bottles).
7. Crown corks.
8. Marble in any form like slabs, powder, chips, crazy tiles excluding Marble Blocks weighing 1.5 tons and above per piece.
9. Cement of all types and brands.
10. Stones excluding quartz, magnesite, Ore Chromite, dolomite and Limestone and blocks of kota stone weighing 1 qtl. and above per piece.
11. MS Tor, MS rounds and MS Tor of modified make.
12. Plywood, Sunmica sheets.
13. All kinds of pulses, nuts including grams.
14. G.P. Sheets, G.C. Sheets.
15. Glazed Crockery and tiles.
16. Dry milk Powder.
17. CKD for bicycles and Tricycles.
18. Molasses.
19. Oil cakes, Wheat, Maize and Rice bran except when imported for manufacture of Poultry feed by the units.
20. All kinds of oils (edible and non-edible) excluding oil seeds.
21. LPG.
22. MS Sheets.
23. B.P. Sheets, CR/HR coils and sheets.
24. Untwisted ribbed bars for manufacture of twisted ribbed bars.
25. Coal (Steam and slack)

Annexure 'B' of Notification SRO 22 Dated 31-01-2004

1. Arms, their accessories and ammunition.
2. Rectified Spirit and methylated spirit.
3. Oleo-resin.
4. Twisted ribbed bars manufactured out of untwisted ribbed bars.

Sd/-

Special Secretary to Government,
Finance Department

CIVIL SECTT; FINANCE DEPARTMENT

**NOTIFICATION
JAMMU, the 31st January 2004.**

SRO 23. -In exercise of the powers conferred by sub-section (l) of section 4 of the Jammu and Kashmir, General Sales Tax Act, 1962 (XX of 1962) the Government hereby direct that in **Schedule "E" to Notification SRO 137 dated 28-04-2002**, after entry **No.46** the following shall be added as **entry No.47**, namely: -

"Television, Washing Machines, Refrigerators and Air Conditioners assembled and manufactured by the Industrial Units located in the State and sold under the brand name (s) of other producers."

This notification shall come into force w. e. f. 1st of February 2004

By order of the Government of Jammu and Kashmir.

Sd/-
Vijay Bakaya
Financial Commissioner,
Finance Department.

No.ET-ST/163/98-II
Dated 31-01-2004

**Government of Jammu & Kashmir
Civil Sectt; Finance Department**

**NOTIFICATION
Jammu, the 31st January, 2004**

SRO 24 :- In exercise of the powers conferred by sub-section (5) of Section 8 of the Central Sales Tax Act, 1956 (74 of 1956) and in supersession of all previous notifications issued on the subject the Government hereby direct that no tax under the said Act shall be payable till 31st of March 2015, on the sale of goods in the course of inter state trade and commerce made by a manufacturer operating a Small, Medium and Large scale unit (including prestigious) in the State of Jammu & Kashmir registered with Directorate of Industries and Commerce, Directorate of Handloom/Handicrafts;

Provided that the selling dealer furnishes quarterly and annual returns for each accounting year as specified under the said Act;

Provided further that no exemption shall be available in respect of the goods specified in the annexure to this notification.

This notification shall come into force with effect from 1st of February, 2004.

By order of the Government of Jammu and Kashmir.

Sd/-

(VIJAY BAKAYA)

Financial Commissioner
Finance Department.

No.: ET-ST/163/98-II

Dated : 31-01-2004

Copy to the :

1. Principal Secretary to Government Industries & Commerce Department, J&K, Jammu.
2. Principal Secretary to Government, General Administration Department, J&K, Jammu.
3. Commissioner Secretary to Government Law Department, (w.5.s.c.)
4. Commissioner Sales Tax, Government of J&K, Jammu.
5. Excise Commissioner, Government of J&K, Jammu.
6. Director, Industries and Commerce, Government of J&K, Jammu.
7. Dy. Excise Commissioner, Executive, Jammu/Srinagar.
8. Dy. Commissioner, Toll Post Lakhanpur/ Dy. Sales Tax Commissioner (Adm) Kashmir/Jammu.

10. President Chamber of Commerce and Industries Kashmir/Jammu.
11. President, Federation Chamber of Industries Srinagar.
12. Bari Brahmana Industries Association, Jammu.
13. Small Scale Industries Association, Digiana, Jammu.
14. Small Scale Industries Association, Gangyal, Jammu.

Sd/-
Special Secretary to Government,
Finance Department,

Annexure to Notification SRO 24 dated 31-01-2004

1. Rosin, Turpentine oil and their derivatives.
2. Arms, their accessories and ammunition.
3. Indian Made Foreign Liquor. (Excluding Beer).

Sd/-
Special Secretary to Government,
Finance Department.

**Government of Jammu & Kashmir
Civil Sectt; Finance Department**

NOTIFICATION

Jammu, the 31st January, 2004

SRO 25 :- In exercise of the powers conferred by Section 5 of the Jammu and Kashmir General Sales Tax Act, 1962 (XX of 1962) and in supersession of all previous notification issued on the subject, the Government hereby direct that the goods manufactured by the existing or new Small, Medium and Large (including Prestigious) scale industrial units registered with the Department of Industries and Commerce, Directorate of Handicrafts/Handloom shall be exempted from payment of General Sales Tax on the sale of finished goods till VAT (Value Added Tax) is introduced in the State or 31-03-2015, whichever is earlier, subject to the following conditions :-

1. That the unit holder shall obtain provisional registration from the Assessing Authority having jurisdiction within three months from the date he obtains such registration from the Directorate of Industries and Commerce or from the Directorate of Handicrafts/Handlooms, after payment of prescribed fee under rules.
2. That the unit holder shall obtain formal registration from the Assessing Authority having jurisdiction within a period of three months from the date the formal registration is granted by the Directorate of Industries and Commerce or the Directorate of Handicrafts/Handlooms, as the case may be, after payment of prescribed fee and fulfillment of formalities requisite therefor.
3. That the unit holder shall obtain an exemption licence in the prescribed form from the Assessing Authority having jurisdiction within three months of the issue of formal registration by the competent registering authority viz. the Directorate of Industries and Commerce or Directorate of Handicrafts/Handlooms, as the case may be, on payment of prescribed fee and fulfillment of requisite formalities. The exemption licence so issued for the manufactured goods excluding those as figure in the Annexure to this notification, shall take effect from the date of production certified by the competent registering authority.
4. That the exemption licence shall be renewed for subsequent financial year on payment of prescribed renewal fee within a period of three months of the commencement of such financial year. In case the dealer satisfies the Assessing Authority that he was prevented by sufficient cause from making application for renewal in time, the Assessing Authority with the prior approval of the concerned Dy. Sales Tax Commissioner (Adm) shall entertain the application within a further period of three months.
5. That the dealer shall maintain correct and regular accounts of purchases of goods including machinery, plants and equipment, raw material etc. and the sale of goods duly supported by invoices, cash/credit memos and sale vouchers/bills.
6. That the dealer shall file quarterly returns and the annual return as required under section 7

statement showing the particulars, nature and value of goods purchases and sold for each quarter and manufacturing Account, Trading Account, Profit and Loss Account for the year.

7. That the dealer shall not be entitled to exemption from tax for the accounting year during which he is found to be guilty of commission of an offence specified under Section 15(5), 15-A and clauses (f), (g), (h), (k) and (l) of Section 17(l) the said Act.
8. That the provisions of this notification shall apply mutatis mutandis to the goods manufactured by the unit holder and sold in the state through the tie up or the marketing cover organized through or by J&K SICOP, SIDCO, HDC or any other such agency duly authorized by the Government to undertake such activity;

Provided that no exemption shall be available in respect of the goods specified in the Annexure to this notification.

This notification shall come into force w.e.f. 1st of February, 2004.

By order of the Government of Jammu & Kashmir.

Sd/-

(Vijay Bakaya)

Financial Commissioner
Finance Department.

Dated : 31-01-2004

No: ET-ST/163/98-II

Copy to the :

1. Principal Secretary to Government Industries & Commerce Department, J&K, Jammu.
2. Principal Secretary to Government General Administration Department, J&K, Jammu.
3. Commissioner Secretary to Government, Lady Department (w.5.s.c.)
4. Commissioner Sales Tax, Government of J&K, Jammu.
5. Excise Commissioner, Government of J&K, Jammu.
6. Director Industries & Commerce, Government of J&K, Jammu.
7. Dy. Excise Commissioner, Executive, Jammu/Kashmir.
8. Dy. Commissioner Toll Post Lakhanpur/ Dy. Sales Tax Commissioner (Adm) Kashmir/Jammu.
9. ETO, Toll Post Lower Munda/Railway Station.
10. President Chamber of Commerce and Industries Kashmir/Jammu.
11. President, Federation Chamber of Industries Srinagar.
12. Bari Brahmana Industries Association, Jammu.
13. Small Scale Industries Association, Digiana, Jammu.

Sd/-

Special Secretary to Government (Finance Department)

Annexure to notification SRO 25 dated 31-01-2004

1. Repacked goods.
2. Spices in all forms.
3. Indian made Foreign Liquor, Beer, Rectified Spirit, Methylated Spirit.

5. Bricks and Tiles.
6. Arms and their accessories and ammunition.
7. Copper utensils manufactured by mechanized units.
8. Soft drinks.
9. Tea (processed/unprocessed)
10. Edible oil.
11. Screen-printing of glazed tiles.
12. Roof trusses.
13. Door mat, Decor and wall to wall carpets.
14. Cutting of marble/granite.
15. Repair and servicing of Automobiles.
16. Sweetmeats (excluding toffees, candy etc.)
17. Corrugation of galvanized sheets.
18. Cycles/Tricycles/Fans/Coolers.
19. Cured skins.
20. Roasted peanuts.
21. Sheet metal items including trunks, suti cases, paties, buckets, cans, bukharies, dustbins, hamams, steel tankers, shovels, karaies and drums.
22. Televisions, Air conditioners, Refrigerators and Washing Machines, when assembled and manufactured by the industrial units located in the State and sold under the brand name(s) of other producers.

Sd/-
Special Secretary to Government,
Finance Department.

CIVIL SECRETARIAT FINANCE DEPARTMENT

d) Amendment in Annexure to Notification SRO 25)

NOTIFICATION Srinagar, the 22nd July, 2004

SRO 243 – In exercise of the powers conferred by Section 5 of the Jammu and Kashmir General Sales Tax Act, 1962 (XX of 1962), the Government hereby direct that in Annexure to notification SRO 25 dated 31.1.2004 the following amendments shall and shall always be deemed to have been made, namely:

(I) for the entry appearing against serial No.13, the following shall be substituted:-

“Cutting and Stitching of Door Mat out of coir, jute and Decor (Wall to Wall)”.

(II) In the entry appearing against serial No.18 the words “Fan/Coolers” shall be omitted.

Provided that tax if any collected by the unit holder on the transactions made till the issue of this notification shall be deposited in the Government treasury and that the tax if any deposited shall not be refunded.

By order of the Government of Jammu and Kashmir.

Sd/-

Financial Commissioner,
Finance Department,
Dated:-22.7.2004.

NO:ET-ST/163/98-II

Copy to the:-

1. Principal Secretary to Govt. Industries and Commerce Department, J&K, Jammu.
2. Principal Secretary to Govt. General Administration Department, J&K, Jammu.
3. Commissioner Secretary to Govt. Law Department (w.5.s.c.).
4. Commissioner Sales Tax, Govt. of J&K, Jammu.
5. Excise Commissioner, Govt. of J&K, Jammu.
6. Director Industries & Commerce, Govt. of J&K, Jammu.
7. Dy. Excise Commissioner, Executive, Jammu/Srinagar.
8. Dy. Commissioner Toll Post Lakhapur / Dy. Sales Tax Commissioner (Admn.) Kashmir/Jammu.
9. ETO, Toll Post Lower Munda /Railway Station.
10. President Chamber of Commerce and Industries, Kashmir/Jammu.
11. President, Federation Chamber of Industries, Srinagar.

13. President Small Scale Industries Digiana, Jammu.
14. President Small Scale Industries Association, Gangyal, Jammu.

Sd/-
Under Secretary to Government
Finance Department

**Government of Jammu & Kashmir
Civil Sectt; Finance Department**

**NOTIFICATION
Jammu, the 31st January, 2004**

SRO 26 :- In exercise of the powers conferred by Section 5 of the Jammu and Kashmir General Sales Tax Act, 1962 (XX of 1962), the Government hereby direct that entry No : 77 to Schedule G of Notification SRO 137 dated 28th April, 2000 shall be recast as under :-
"Raw material excluding items listed below sold to SSI units subject to the production of declaration as may be prescribed by the Commissioner Sales Tax in this behalf."

- i) Plywood, laminated sheets and other synthetic sheets.
- ii) GC/GP/Iron sheets.
- iii) CR/HR coils/ BR sheets.
- iv) Tea.
- v) Varnish and paints.
- vi) Cushions mattresses pillows, seat covers and other articles made out of foam.
- vii) Glass sheets.
- viii) Cement.
- ix) Copper circles.
- x) Oleo resin.
- xi) Timber
- xii) Tin
- xiii) Marble
- xiv) Milk Powder
- xv) Edible Oil;

Provided that if any of the above referred goods is manufactured as finished goods within the State of Jammu and Kashmir by an Industrial unit covered by any other notification, the same shall continue to be governed for purpose of exemption from payment of sales tax on finished goods under such notification."

This notification shall come into force w.e.f. 1st of February, 2004.

By order of the Government of Jammu & Kashmir.

Sd/-

(Vijay Bakaya)

Financial Commissioner,
Finance Department,

Dated :- 31-01-2004

NO:- ET-ST/163/98-II

Copy to the :-

1. Principal Secretary to Government Industries and Commerce Department, J&K, Jammu.

3. Commissioner Secretary to Government Law Department (w.5.s.c.)
4. Commissioner Sales Tax, Government of J&K, Jammu.
5. Excise Commissioner, Government of J&K, Jammu.
6. Director, Industries & Commerce, Government of J&K, Jammu.
7. Dy. Excise Commissioner, Executive, Jammu/Srinagar.
8. Dy. Commissioner, Toll Post Lakhanpur/Dy. Sales Tax Commissioner (Adm) Kashmir / Jammu.
9. ETO, Toll Post Lower Munda/ Railway Station.
10. President, Chamber of Commerce and Industries, Kashmir/Jammu.
11. President, Federation Chamber of Industries, Srinagar.
12. Bari Brahmana Industries Association, Jammu.
13. Small Scale Industries Association, Digiana, Jammu.
14. Small Scale Industries Association, Gangyal, Jammu.

Sd/-
Special Secretary to Government,
Finance Department.

Industries & Commerce Department

Subject : Detailed Procedure for Single Window Clearance System for establishment of industrial units in Jammu & Kashmir.

Ref. : Government Orders No. 21-Ind. of 2004, 29-Ind. Of 2004 Dated 10-2-2004 and 53-Ind. of 2004 dated : 09-03-2004.

Government Order No. : 94-Ind of 2004 Dated : 31 - 03-2004

Whereas for facilitating a new entrepreneur in getting specific necessary clearances within a specified time, a Single Window Clearance System was announced vide Government Order No. 21 – Ind of 2004 dated 27-1-2004 (Industrial Policy, 2004);

Whereas Government Orders No : 29-Ind of 2004 Dated : 10-2-2004 and 53-Ind of 2004 Dated 09-03-2004 were issued for notifying certain guidelines/outlining the procedure to be followed in respect of Single Window Clearance System;

Whereas, based on the feed back received from the various implementing agencies including, J&K State Pollution Control Board, Power Development Department and General Managers of the District Industries Centres (DICs), the Government considers it necessary to issue detailed guidelines in this regard;

Now therefore in pursuance of the para 4.4 of the Annexure to the Government Order No. 21-Ind of 2004 Dated : 27-1-2004 and in partial modification of the Government Orders No. 202-Ind of 1997 dated 1-5-1997 and 29-Ind of 2004 dated 10-2-2004, the detailed guidelines for implementation of the Single Window Clearance System shall henceforth be as per the enclosure annexed with this Government Order. Also. In partial modification of Government Order No. 367-Ind of 1998 Dated 14-10-1998, land allotment shall hence forth be done as per the procedure laid down in this order.

These guidelines shall come into force from 1st April, 2004.

By Order of the Government of Jammu & Kashmir.

Sd/-

(A.Sahasranaman)

Principal Secretary to the Government
Industries & Commerce Department
Dated : 31-03-2004

No: Ind/DIC (NI)/139/86

Copy forwarded to:

1. All Financial Commissioners

3. All Commissioner/Secretaries to Government
4. Divisional Commissioner, Jammu/Kashmir
5. Resident Commissioner, J&K Govt. 5 – Prithivi Raj Road, New Delhi
6. Chairman, J&K State Pollution Control Board
7. Development Commissioner, Power
8. Director, Industries and Commerce Department, J&K Jammu.
9. Chief Engineer, M&RE Jammu/Srinagar
10. Managing Director, SIDCO/SICOP/HDC/JKML/JKI/JK Cements/Handicrafts (S&E)
11. All Deputy Commissioners
12. All Private Secretaries to Hon'ble Ministers/Ministers of State
13. Private Secretary to H.C.M
14. Private Secretary to Hon'ble Deputy Chief Minister.
15. Private Secretary to Hon'ble Minister of State for Industries & Commerce
16. Private Secretary to Chief Secretary
17. All General Managers of the DIC
18. President, Chamber of Industry and Commerce, Jammu/Srinagar
19. President, Federation of Industry, Jammu/Srinagar and other Associations.
20. General Manager, Govt. Press Jammu for publication.
21. Pvt. Secy. To Principal Secretary, I&C.

Sd/-

(Dr. R.S. Sharma)

Under Secretary to the Government)
Industries & Commerce Department

SINGLE WINDOW CLEARANCE SYSTEM (SWCS)

1. Objective

- 1.1 The state government has announced in the Industrial Policy, 2004, a single window clearance system with the express objective of specific service in a time bound manner to new investors falling in the small, medium or large-scale category of industries.
- 1.2 To begin with, the single window clearance will be limited to the following four services:
 - i. Registration of the industrial unit with Directorate of Industries and Commerce.
 - ii. Allotment of land in industrial areas/estates managed by the Directorate of I&C, J&K SIDCO and J&K SICOP.
 - iii. Consent to establish from the J&K State Pollution Control Board.
 - iv. Certificate regarding power availability from the Power Development Department.
- 1.3 In due course, depending on the functioning of the SWCS, more services such as registration with Sales Tax Department, provision of other procedural support required of Directorate of I&C or any other agency of the state government, etc. may be included in the SWCS.

2. Scope of Single Window Clearance System

- 2.1 Small Scale Service (Industry Related) Business Enterprises (SSSBEs) shall not be covered under the Single Window Clearance System.
- 2.2 Industrial units which are exempt from seeking consent of the J&K State Pollution Control Board and do not require land in industrial areas/estates of SIDCO/SICOP/DIC, may seek registration/power connection through the present procedure (other than SWCS), in vogue. These applicants may fill in the applications for registration currently in vogue, in the concerned DIC. No application fee shall be charged from such applicants. A list of industries exempted from seeking consent of J&K SPCB is attached as Enclosure I.
- 2.3 The existing system of registration of industrial units shall continue to operate in the Districts of Leh and Kargil. Extension of SWCS to these districts shall be notified in due course separately.

3. Single Composite Application Form (SCAF)

- 3.1 A Single Composite Application Form (SCAF) has been devised in due consultation with the concerned departments. The application form provides all necessary details required by the concerned departments/agencies to take their own decision. The applicant will submit seven copies of the application form along with project report/project profile, to enable the con-

out delay. The Government Order G.O. No. 29- Ind of 2004-dated 10-2-2004 had been issued based on the concurrence of all concerned departments /agencies to conform to the time schedule indicated.

- 3.2 SCAF is available with DICs, SICOP, SIDCO and Directorate of I&C. An application fee of Rs. 250 from SSIs and Rs. 500 from Medium and Large Units will be charged. This fee is charged to meet the expenditure for processing applications.

The items of expenditure debitable to processing fee are:

- Courier Charges
- Travel of official to concerned department with application form or for providing clarification if any.
- Escort service provided
- Printing of application form

- 3.3 All fees collected by GMs of DICs, Directorate of I&C and MD SICOP for sale of applications for SSI s will be deposited in the treasury against proper account head. Director will allocate additional amounts under appropriate budget head to respective GM for meeting expenditure relating to processing of applications. A monthly statement of expenditure incurred by GM DIC towards processing of applications will be sent to Director I&C for information.

- 3.4 As printing of application form in bulk will be more advantageous, this could be done by Director I&C/MD SIDCO as and when necessary.

- 3.5 MD SIDCO shall maintain similar record of expenditure incurred for processing of applications for medium and large scale units against fees to be received by him.

4. **Procedure for Processing Application Forms**

- 4.1 The procedure for processing applications for SSIs/Medium and Large scale units will be separate as detailed hereunder.

Small Scale Units

- 4.2 As already notified the Nodal Officer for SWCS for Small Scale Industrial units will be the General Manager of the District Industries Centre concerned.

- 4.3 SCAF will be available with the Nodal Officer. An investor can obtain a copy of SCAF from the concerned GM on payment of prescribed fee.

- 4.4 It will be responsibility of the Nodal Officer to guide the applicants properly of the industrial policy, procedure and the various facilities offered by the state and central governments.

- 4.5 Filling the SCAF properly is an important step. In this regard the Nodal Officer shall guide the applicant properly. With regard to land required for the unit, the applicant may visit the indus-

the applicant about the availability position of land in different industrial estates/areas. For this purpose the GM should obtain and keep with him relevant data. Specifically with regard to the part concerning the Pollution Control Board, should the need arise, the Nodal Officer may seek the help of the concerned District Officer of the J&K PCB. A completed application form may be accepted after it is seen and cleared by the District of J&K PCB. In this regard, the applicant should not have to go to the PCB office. It will be the responsibility of Nodal Officer to ensure that the application form is taken to PCB and their prior clearance obtained.

4.6 The SCAF along with the Project Report/Project Profile must be obtained in 7 copies by GM DIC. From the date of accepting the SCAF with the project report, it shall be the responsibility of the Nodal Officer to ensure that the applicant gets response for the specified services in 21 days ordinarily, in any case not later than 35 days.

4.7 The PDD and J&K PCB require the provisional registration number and details of land allotted/ earmarked for the unit before giving their consent. Accordingly the following time schedule shall be observed by the Nodal Officer/other concerned department in processing the application form.

S.No.	Activity	Agency	Time Schedule
1	Provisional registration	GM DIC	1 day
2	Land allotment/earmarking	MD SIDCO/ MD SICOP/ Director I&C	3 days
3	Power Availability Certificate	CE M & RE	10 days
4	Consent to Establish	J&K PCB	10 days
5	Clearance by DLC	DLC/GM DIC	7 days
6	Clearance by APCC	APCC/MD SIDCO	7 days
	Total		21 days

4.8 The procedure to be followed will be as follows:

- * As soon as the completed application form is received by GM DIC, its provisional registration will be done by the DIC the same day. And the SCAF along with the project report sent to MD SIDCO/MD SICOP/Director I&C as the case may be for allotment of land.
- * MD SIDCO/MD SICOP/Director I&C as the case may be will examine the requirement of the applicant and convey to the GM DIC about the availability of land required in the preferred location. MD SIDCO/SICOP/DIC shall indicate the plot number and a sketch of the industrial estate/area specifying the location of the land proposed for allotment. This will be done in 3 days.
- * On receipt of this information, GM DIC shall forward the SCAF and project profile with these two vital pieces of information – viz, registration number and proposed

District Officer of the J&K PCB. One copy of the SCAF shall also be sent to the Executive Engineer of the Concerned Division of PDD. In case of Jammu and Srinagar districts, the SCAF along with the project report/profile will be sent to the Regional Director concerned of J&K PCB. The response of PDD/J&K PCB shall be conveyed to the GM concerned within 10 days.

- * GM DIC will thereafter prepare the completed cases for consideration of the DLC; Ordinarily it should not take more than 7 days after receipt of all information to get the clearance of DLC.
- 4.9 In case an applicant wants to establish an industrial unit in his own land or in leased private land, it has to be ensured by GM DIC that such land does not violate any master plan or regulation of local authority. Clearance of TAC/NAC may be obtained as the case may be if required. GM DIC shall make enquiries in this regard and obtain necessary clearance, if required before bringing the case to the DLC.
- 4.10 Applications shall be sent by GM DIC to various agencies either by hand or by courier. Proper acknowledgment with date must be maintained by the GM DIC.
- 4.11 **Applicant should not have to go to any agency after the completed application form is given to GM DIC. Thereafter it will be the responsibility of the GM DIC to interact with the concerned agencies and obtain their response within the time limit prescribed. Any inordinate delay on the part of any department shall be immediately brought to the notice of Director I&C/Principal Secretary I&C.**
- 4.12 In order to ensure that the various responsibilities entrusted to the GM DIC are discharged efficiently, it will be necessary for the GM DIC to create a Single Window Cell in each DIC. This Cell should have a team of dedicated officers who will discharge their responsibilities with a mission spirit.

Medium and Large scale units

- 4.12 As already notified, the Managing Director, J&K State Industrial Development Corporation (J&K SIDCO) will be the Nodal Officer for medium and large scale industrial units. All applications for medium and large scale industrial units will be submitted to the MD, J&K SIDCO, at his office in Jammu or Srinagar in the same manner as for small units.
- 4.13 The procedure notified above for the small scale units shall apply to the medium and large scale units. The SCAF and the Project report/project profile shall be forwarded to the Chief Engineer M & RE of the concerned division and to the Member Secretary Pollution Control Board only after provisional registration is got done and land allotment/earmarking is completed as per time schedule indicated in 4.7. However where the industrial unit is proposed to be established in own or leased private land, the application form could be forwarded to the PDD and PCB with such details. MD SIDCO

poration as the case may be.

- 4.14 MD SIDCO shall call the meetings of the APCC as frequently as required, keeping in view the time limit prescribed for responding to applicants.

5. Project Clearance

- 5.1 After GM DIC or MD SIDCO obtains necessary inputs from all concerned departments, cases will be prepared for consideration of the DLC or APCC. Whereas all applications for SSIs shall be considered and disposed of by the DLCs those for medium and large scale industries will be considered and disposed of by the APCC.

- 5.2 The composition of the DLC, as already established under Government order No. 53-Ind of 2004 dated 9 March 2004, is as follows :

i)	District Development Commissioner	Chairman
ii)	Superintendent Engineer/Executive Engineer, PDD	Member
iii)	Representative of State Pollution Control Board	Member
iv)	Concerned Estate Manager of SIDCO/SICOP	Member
v)	General Manager, District Industries Centre.	Convenor/Nodal Officer

- 5.3 The composition of the Apex Project Clearance Committee shall be as follows;

i)	Chief Secretary	Chairman
ii)	Principal Secretary to Government, Power development Department	Member
iii)	Principal Secretary to Government, Industries and Commerce Department	Member
iv)	Commissioner/Secretary Public Works Department	Member
v)	Commissioner/Secretary, Housing & Urban development Department	Member
vi)	Chairman, State Pollution Control Board	Member
vii)	Director, Industries & Commerce	Member
viii)	Managing Director, State Financial Corporation	Member
ix)	Managing Director, SIDCO	Convenor/Nodal Officer

- 5.4 The DLC shall meet at least once a fortnight. The APCC shall meet at least once a month, more frequently depending on the number of cases.

6. Post Clearance Procedures

- 6.1 After DLC or APCC clears a proposal, land allotment, power availability and consent to establish by PCB shall be deemed to have given. However, it will be necessary for the applicant to complete necessary legal formalities and agreements with the concerned department.
- 6.2 For this purpose, as soon DLC/APCC approves a project, GM DIC or MD SIDCO shall issue a communication to the applicant clearly specifying the following:
- Provisional Registration Number
 - Detail of Land allotted
 - Power Availability – quantum
 - Consent to establish of J&K PCB
- 6.3 The applicant may, with this communication, approach the concerned agency – SIDCO/ SICOP/DIC for land, concerned official of the PDD and Member Secretary J&K PCB – and complete all legal formalities including payment of required fees. Such procedure shall not take more than one week. In case of medium and large-scale units, J&K SIDCO shall provide escort service for completion of these formalities.
- 6.4 If an applicant were to face any difficulty or delay after clearance by the DLC or APCC in fulfillment of legal formalities with concerned departments, such delay shall be forthwith brought to the notice of the Principal Secretary I&C who will intervene to sort out issues if any.

7. Monitoring

The Director I&C shall monitor the situation in case of SSI units once a month with all GMs and submit a report to the Principal Secretary. Likewise, Principal Secretary I&C shall monitor the situation in case of medium and large-scale units once a month and bring difficulties, if any, to the notice of Chief Secretary/HDCM.

8. Modifications

Depending on the operation of the system, the Government, in due consultation with all concerned, may modify/change the procedure, as and when found necessary.

9. General

The Single window clearance system is an attempt to provide some basic services required by the industry in a time bound manner. It is known that the new investors have to approach many departments for obtaining registration/clearances. Also, existing and new industries have to approach Directorate of I&C and other departments/agencies for various purposes such as getting their capacity certified, certification of their raw material required, certifica-

examining all these requirements and will soon introduce measures to enhance speed and reduce interface between the industrialists and the department/s to the maximum extent feasible. Time bound responses will be given.

Sd/-
(Dr. R.S. Sharma)
Under Secretary to the Government
Industries & Commerce Department

Enclosure-I to procedure for Single Window Clearance System

Non-polluting industrial activities (exemption from consent of J&K State Pollution Control Board).

1. Tailoring/garment making.
2. Handloom weaving.
3. Furniture (wooden & steel)
4. Assembly of domestic electrical and electronic appliances/equipment.
5. Candles.
6. Carpentry (excluding saw mills)
7. Manufacture of steel trunks and suitcases.

	Srinagar (May-Oct)	Jammu : (Nov-Apr)
Secretary to Government Industries & Commerce Department, J&K State.	0194-2452265 0194-2452512	0191-2544050 0191-2547883 0191-2547133
Directorate of Industries & Commerce J&K Government, Jammu/Srinagar	0194-2479546 0194-2472935	0191-2544471
Managing Director J&K State Industrial Dev. Corpn. Ltd. Drabu House, Rambagh, Srinagar.	0194-2430036 (Tele-Fax) 0194-2434402	0191-2576488 (Tele-Fax) 0191-2549794

THROUGHOUT THE YEAR:

General Manager, (JAMMU). J&K State Industrial Dev. Corpn. Ltd. Sher-I-Kashmir Bhawan, Vir Marg, Jammu-180001.	0191-2575363 (Tele-Fax) 0191-2549794
General Manager, (KASHMIR). J&K State Industrial Dev. Corpn. Ltd. Drabu House, Rambagh, Srinagar	0194-2430039 (Tele-Fax) 0194-2434402
Resident Officer J&K State Ind. Dev. Corpn. Ltd. 1112, Chiranjiv Tower, 43, Nehru Place, New Delhi - 110009	011-26441123 011-26482708 (Tele-Fax)

**NEW INDUSTRIAL POLICY AND OTHER CONCESSIONS FOR THE
STATE OF JAMMU & KASHMIR***

**No.1(13)/2000-NER
Government of India
Ministry of Commerce & Industry
(Department of Industrial Policy & Promotion)
New Delhi, dated 14th June, 2002**

OFFICE MEMORANDUM

Subject.: **New Industrial Policy and other concessions for the state of Jammu & Kashmir.**

The Government of Jammu & Kashmir has requested for a special package for development of industries in the state on the lines for the North East Industrial policy notified by the Central Government vide Ministry of Industry's OM No.EA/1/2/96-IPD dated 24th December 1997. Discussions on Strategy and Action Plan for Development of Industries and generation of employment in the State of Jammu & Kashmir were held with the various related Ministries on the issues inter-alia: infrastructure development, financial concessions and easy market access.

2. Keeping in view the fact that the state of Jammu & Kashmir lags behind in industrial development, a need has been felt for structured interventionist strategies to accelerate industrial development of the state and boost investor confidence. 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. The matter has been carefully considered by the Government and it has been decided to provide the following package of incentives for the state of Jammu & Kashmir: -
 - 3.1 **Fiscal incentives to new industrial units and substantial expansion of existing units:**
 - i) New Industrial units and existing industrial units on their substantial expansion as defined, set up in growth centre, industrial infrastructure development centres (IIDCs) and other location like industrial estates, parks, export processing zones, commercial estates, etc. as notified by the Central Government are entitled to 100% (hundred percent) excise duty exemption for a period of 10 years from the date of commencement commercial production.
 - ii) All new industries in the notified location would be eligible for capital investment subsidy @ 15% of their investment in plant and machinery, subject to a ceiling of Rs. 30 lakhs. The existing units will be entitled to this subsidy on substantial expansion, as defined.
 - iii) An interest subsidy of 3% on the working capital loan would be provided to all new industrial units in notified locations for a period of 10 years after commencement of commercial production. This benefit would also be extended to existing units in notified locations on expansion, as defined, as well as to Annexure-II Thrust Industries.

of 10 years would be extended by the Central Government to all new units and to existing units on substantial expansion, as defined.

- v) The present income tax exemption would continue as per the existing dispensation applicable to Jammu & Kashmir. The State Government may consider extending Sales Tax exemption to the units which avail of concessions under this policy.

3.1 **Development of Industrial Infrastructure:**

The financing pattern of integrated infrastructure Development (IID) centres will change from 2:3 between Government of India and SIDBI 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) **Design-cum-Resource Centre for Footwear & Leather Industry:** Leather goods and shoes as well as items of fur are being manufactured in the Small Scale Industry/Tiny sector traditionally in Srinagar and Jammu. The Central Government would make an initial contribution of Rs. 1.00 crore as grant for setting up a Design/Resource Centre and National Leather Development Programme (NLDP) would provide assistance for machinery, training and salaries of professionals. Under the National Leather Development Programme, exclusive assistance would be provided to market finished leather products of the artisans of the State in the form of buyers-seller meets and exhibitions.
- ii) Ministry of Textiles will extend their package of assistance as applicable to the North Eastern Region to the State of Jammu & Kashmir on same terms and conditions.

3.4 **Setting up of Jammu & Kashmir Development Finance Corporation**

- i) Jammu & Kashmir Development Finance Corporation (JKDFC) shall be set up by the Central Government with a one time provision of Rs. 50 crore on the lines of North East Development Financial Corporation. This Corporation shall provide term loan, working capital and other infrastructural support in the State of Jammu & Kashmir in the lines of NEDFI in the North East.
- ii) JKDFC would be designated as the Nodal Agency for routing the subsidies/incentives under various schemes notified under this policy.

- 3.5 The above concessions/subsidies shall be available to all new units/existing industrial units on their substantial expansion, in the notified industrial areas by the Central Government (Annexure I) and thrust industries (Annexure II) irrespective of location.

Explanation:

- i) The eligible areas for above concessions and thrust industries are as identified in Annexure - I & II respectively.
- ii) The notification regarding definition of substantial expansion of the existing units shall be issued separately.

3.6 **Ineligible industries under the policy:**

Cigarettes/cigars of tobacco, manufactured tobacco and substitutes, distillation/brewing of

for the purpose of concessions under this policy.

1. Government reserves the right to modify any part of the policy in public interest.
2. The Ministry of Finance, Department of Revenue are requested to amend Act/rules/notifications, etc., and issued necessary instructions for giving effect to these decisions.

Sd/-

(S. Jagadeesan)

Joint Secretary to the Govt of India

Annexure-I

Identified locations for Notification under the New Industrial Policy for the state of Jammu & Kashmir

A. New Locations:

i) District Srinagar:

Village Khanmoh (Zabarwan Hills surrounding), Khrew

ii) District Pulwama:

Lassipora, Nowpora Bala, Acchan, Tantraypora, Punjran

iii) Industrial Area/ Industrial Model Town/ Industrial Cities to be set up by the J&K Government.

iv) District Kathua:

Logat, Sehr, Uttri, Barwal, Cek Ramchand, Logat Morh, Sooni, Ghagwal, Chenkatrian, Pyal, Katal Brahmana, Chedwal, Urnanan

v) District Srinagar:

Village Mujgund (area earmarked as industrial zone under the approved town plan of district Srinagar)

Existing Locations

B. Existing Industrial Estates run by Directorate of Industries (DIC), Small Scale Industries Corporation (SICOP), State Industrial Development Corporation, (SIDCO) as per Enclosures I to III.

C. Commercial Estates established on private land throughout the state as under:

1) Jammu District:

Topsherkhani, Barnai (Muthi), Kartholi, Village Dilli, Narwal, Ramgarh, Kangrial, Muralian/ Prithvipur*, erstwhile mill area of R. S. Pura.

2) Kathua District:

Hathlimorh, Chek Raju, Chek Ramsingh (units of Chenab Textile Mills)

3) Udhampur District:

Panthal, Reasi

4) Srinagar District

Baghi Ali Mardan Khan, Ganderbal, Parimpora, Khanmoh (outside Industrial area)

5) Pulwama District:

Pampore, Khrew (lime stone area), Ladoo of District Pulwama

6) Kupwara District:

Batergam, Drugmulla, Ober

1. **District Jammu:**
Village Birpur, Smailpur, Majalta, Kartholi, Minsarkar, Yakmorh/Raiyamorh* , Parmandal/Kalu Chak/Rakh Rajpura* , Patlimorh, Sarore, Tarore, Kanthpur, Diana
2. **District Kathua:**
Hathlimorh, Gobindsar, Chak Khuni, Chak Sarkar, Chak Partap Singh, Maroli, Mahtab Pur, Dharote, Lakhanpur, Chak Kota, Jagatpur.

Enclosure-I

Identified Industrial Locations

Sl.No.	Name of District	Name of Industrial Estate/ Location
A. Kashmir Division		
1.	Srinagar	B.A.M.K. Ganderbal Duderhma
2.	Budgam	Barzulla
3.	Anantnag	Anantnag Kulgam Achidora Bijbehara
4.	Pulwama	Pulwama Shopian Chathpora
5.	Baramulla	Baramulla Sopore Sumbal Bandipora
6.	Kupwara	Kupwara (Branwari) Chotipora (Handwara)
7.	Leh	Leh
8.	Kargil	Chencik
B. Jammu Division		
1.	Jammu	Digiana Jammu Cantt Akhnoor Samba
2.	Udhampur	Udhampur Reasi
3.	Kathua	Kathua I Hiranagar

- | | |
|------------|-----------------|
| 4. Doda | Sangrambata |
| 5. Rajouri | Kheora |
| 6. Poonch | Poonch |
| | Ext.Area Poonch |

Enclosure-II

Identified Industrial Locations

Sl.No.	Name of District	Name of Industrial Estate/ Location under SICOP
A. Kashmir Division		
1.	Srinagar	Zakura Zainakote
2.	Anantnag	Sports Goods Complex Bijbehara
B. Jammu Division		
1.	Jammu	Gangyal Birpur
2.	Udhampur	Battal Ballian
3.	Kathua	Kathua II

Enclosure-III

Identified Industrial Locations

Sl.No.	Name of District	Name of Industrial Estate/ Location under SIDCO
A. Kashmir Division		
1.	Srinagar	Khunmoh Shalteng
2.	Budgam	Rangreth EPIP Ompora
3.	Pulwama	Lathpora Lassipora Doabgah
B. Jammu Division		
1.	Jammu	Bari Brahmana IGC Samba Phase-I EPIP Kartholi
2.	Kathua	Kathua

Thrust Industries

Sl.No	Activity
1	Food Processing & Agro based industries (excluding conventional grinding/extraction units) such as a) Sauces, Ketchup, etc. b) Fruit Juices & fruit pulp c) Jams, Jellies, vegetable juices, puree, pickles etc. d) Fruit Waxing, packaging, grading
2	Leather Processing & Leather goods
3	Tissue culture
4	Silk Reeling Yarn and Yarn spun from silk waste Woven fabrics of silk or silk waste
5	Wool & woven fabrics of wool
6	Woven fabrics of cotton
7	Floriculture
8	Medicinal herbs- processing
9	Green houses only Ladakh
10	Computer hardware / Electronics (integrated circuits & micro assemblies)
11	Sports goods and articles and equipment for general physical exercise
12	Auto Ancillaries
13	Eco-tourism Hotels, Houseboats, Resorts, adventure & leisure sports, amusement parks, cable car. Guest houses only Ladakh
14	Handicrafts
15	Precision engineering
16	Exploration of minerals

**ANNOUNCED VIDE NOTIFICATION DATED 14TH JUNE, 2002 OF
MINISTRY OF COMMERCE & INDUSTRIES**

**I) Central Capital Investment Subsidy Scheme Notification issued by
Government of India.**

**Government of India
Ministry of Commerce & Industry
(Department of Industrial Policy & Promotion)**

**NOTIFICATION
New Delhi, the 22nd October, 2002.**

F.No.1(11)2002-NER. The Government of India is pleased to make the following scheme of Central Grant or Subsidy for Industrial units in the Jammu & Kashmir with a view to accelerating the industrial development in the State.

1. **Short Title** :- This scheme may be called the Central Capital Investment Subsidy Scheme, 2002.
2. **Commencement and duration of the Scheme** :- It will come into effect from the 14th June, 2002 and remain in force upto and inclusive of 14.06.2012.
3. **Applicability of the Scheme** :- The scheme is applicable to all industrial units in the Growth Centres approved for the Jammu & Kashmir and also to the new industrial units or existing units on * their substantial expansion in Growth Centres or IIDC or industrial estates/parks/ export promotion zones and commercial estates set up by the Jammu & Kashmir State and new industrial units or existing units on * their substantial expansion in the specified industries (as at Annexure) located outside these growth centres and other identified locations.
4. **Eligibility period** :- The subsidy will be available during the duration of the scheme to an eligible industrial unit for a period of ten years from date of commencement of commercial production.
5. **Definitions** :-
 - a) **'Industrial Unit'** means any industrial undertaking, suitable servicing unit as defined in M/o SSI letter No. 2(3)/91-SSI.Bd dated 30.9.1991 other than that run Departmentally by Government.
 - b) **'New Industrial Unit'** means an industrial unit for the setting up of which effective steps were not taken prior to 14th June, 2002.
 - c) **'Existing Industrial Unit'** means an industrial unit existing as on 14th June, 2002.
 - d) **'Substantial Expansion'** means increase by not less than 25% in the value of fixed capital investment in plant and machinery of an industrial unit for the purpose of expansion of capacity/ modernization and diversification.
 - e) **'Effective steps'** means one or more of the following steps:-

- ii) that any part of the factory building required for manufacturing activity has been constructed.
- iii) that a firm order has been placed for any plant and machinery required for the industrial unit.
- f) **'Fixed Capital Investment'** means investment in plant and machinery for the purpose of this scheme.

6. **Extent of admissible subsidy**

All eligible industrial units located in the Growth Centres or IIDC or industrial estates/parks/export promotion zones and commercial estates set up in Jammu Kashmir shall be given capital investment subsidy at the rate of 15% of their investment in respect of new units or additional investment in respect of substantial expansion in the plant and machinery subject to a maximum ceiling of Rs.30 lakh.

- 6.1 Similar benefits would also be extended to the new industrial units or their substantial expansion in other Growth Centres or IIDC or industrial estates/parks/export promotion zones and commercial estates set up by the Government of the Jammu & Kashmir, new industrial unit or their substantial expansion in the specified industries (as at Annexure) located outside these growth centres and other identified locations would also be eligible for similar fiscal incentives.

7. **Plant & Machinery**

In calculating the value of plant and machinery, the cost of industrial plant and machinery as erected at site will be taken into account which will include the cost of productive equipment, such as tools, jigs, dies and moulds, insurance premium and their transportation cost.

- 7(a) The amount invested in goods carriers to the extent they are actually utilised for transport of raw material and marketing of the finished products, will be taken into account.
- 7(b) Working capital including raw materials and other consumables stores, will be excluded for computing the value of plant & and machinery.

8. **Designated agency for disbursement of subsidy**

Jammu & Kashmir Financial Development Corporation (JKDFC) shall be the designated agency for disbursement of Capital Investment Subsidy on the basis of the recommendation of the State Government.

9. **Procedure for claiming Capital Investment Subsidy**

Industrial units eligible for subsidy under the scheme will get themselves registered with the State Industrial Department prior to taking effective steps for setting up the new units or undertaking substantial expansion of the existing units and indicate their assessment of the total additional fixed capital likely to be invested by them in the plant and machinery of their unit. Such of the units as had taken effective steps prior to the date of announcement of this scheme but after issue of J&K Notification dt. 14.6.2002 will get themselves registered by 30.6.2003.

The State Government will set up a Committee consisting of a representative each of the State Finance Department and State Directorate of Industries and if the industrial unit is to be assisted by a financial institution, the financial institution concerned, would go into each case to decide whether it should qualify for the grant of subsidy and also about the quantum of subsidy.

10.1 In respect of a new industrial unit set up without assistance from the financial institutions or the State Government, the subsidy will be disbursed to the unit by JKDFC on the recommendation of the state Government at the time the unit goes into production. Similarly, in respect of substantial expansion by an existing industrial unit without assistance from the financial institutions of the State Government, the subsidy will be disbursed to the unit by JKDFC on the recommendation of the State Government after substantial expansion has been effected and the unit has gone into production. However, in such cases, where the State Government is satisfied about the safety of the public funds, not more than half of the amount of the estimated subsidy may be released prior to the unit going into production on the entrepreneur's furnishing a proof of having taken effective steps to the satisfaction of State Director of Industries and the remaining amount be released only after the unit goes into production.

10.2 **In respect of an industrial unit to be assisted by the state Government, the subsidy will be disbursed to the unit by JKDFC on the recommendation of the State Government.** In such cases, the contract/agreement to be drawn up between the state Government and the unit concerned, may cover mortgage, pledge, hypothecation of the assets upto the amount of the subsidy. In respect of new industrial unit or in respect of substantial expansion of an existing industrial unit to be assisted by a financial institution, the subsidy will be disbursed to the unit by the financial institution in as many installments as the loan is disbursed by the financial institution and simultaneously claimed by the financial Institution from JKDFC. In such cases, the contract/agreement to be drawn up between the financial institution and the unit concerned may cover mortgage/pledge/hypothecation of the assets of the unit upto the amount of the loan to be advanced by the financial institution concerned and the subsidy.

11. **Rights of the Centre/State Government/Financial Institutions**

If the Central Government/State Government/financial Institutions concerned is satisfied that the subsidy or grant to an industrial unit has been obtained by misrepresentation as to an essential fact, furnishing of false information or if the unit goes out of production within 5 years after commencement, the Central Government/State Government/Financial Institution concerned may ask the unit to refund the grant or subsidy after giving opportunity to the unit concerned of being heard.

12. Without taking prior approval of the Ministry of Commerce & Industry, Department of In-

of an industrial unit after receiving a part or the whole of the grant or subsidy will be allowed to change the location of the whole or any part of industrial unit or effect any substantial contraction or disposal of a substantial part of its total fixed capital investment within a period of 5 years after its going into production.

13. In respect of all units to whom the grant or subsidy is disbursed by the financial institution/ State Government, certificate of utilization of the grant or subsidy for the purpose for which it was given, shall be furnished to the Central Ministry of Commerce & Industry, Department of Industrial Policy and Promotion by the financial Institution/state Government within a period of one year from the date of receipt of the last installment/full amount.
14. After receiving the grant or subsidy, each industrial unit shall submit annual Progress report to the Ministry of Commerce & Industry, Department of Industrial Policy and Promotion/state Government (as may be designated) about its working for a period of 5 years after going into production.

(S.Jagadeesan)
Joint Secretary

ANNEXURE

Thrust Industries included in Annexure II of Notification No. 1(13)/2000-NER dated 14.06.2002 of J&K Industrial Policy

Sl. No	Activity
1	Food Processing & Agro based industries (excluding conventional grinding/extraction units) such as <ol style="list-style-type: none">a) Sauces, Ketchup, etc.b) Fruit Juices & fruit pulpc) Jams, Jellies, vegetable juices, puree, pickles etc.d) Fruit Waxing, packaging, grading
2	Leather Processing & Leather goods
3	Tissue culture
4	Silk Reeling Yarn and Yarn spun from silk waste Woven fabrics of silk or silk waste
5	Wool & woven fabrics of wool
6	Woven fabrics of cotton
7	Floriculture
8	Medicinal herbs- processing
9	Green houses only Ladakh

- 11 Sports goods and articles and equipment for general physical exercise
- 12 Auto Ancillaries
- 13 Eco-tourism
Hotels, Houseboats, Resorts, adventure & leisure sports, amusement parks, cable car. Guest houses only Ladakh
- 14 Handicrafts
- 15 Precision engineering
- 16 Exploration of minerals

Government of India
Ministry of Commerce & Industry
(Department of Industrial Policy and Promotion)

NOTIFICATION

New Delhi, 22nd October, 2002.

F.No.1(11)2002-NER. The Government of India is pleased to make the following scheme of Interest Subsidy on Working Capital Loans for Industrial units in the state of Jammu & Kashmir with a view to accelerating the industrial development in the state.

1. **Short Title :-** This scheme may be called the **Central Interest Subsidy Scheme, 2002**.
2. **Commencement and duration of the Scheme :-** It will come into effect from the 14th June, 2002 and remain in force upto and inclusive of 14.06.2012.
3. **Applicability of the Scheme :-** The scheme is applicable to new industrial units or existing units on * their substantial expansion in the Growth Centres or IIDC or industrial estates/ parks/export promotion zones and commercial estates set up by the state in Jammu & Kashmir and new industrial units or existing units on * their substantial expansion in the specified industries (as at Annexure) located outside these growth centres and other identified locations.
4. **Eligibility period :** The subsidy will be available during the duration of the scheme to an eligible industrial unit for a period of ten years from date of commencement of commercial production.
5. **Definitions :-**
 - (a) **'Industrial Unit'** means an industrial undertaking, suitably servicing unit as defined in Ministry Small Scale Letter No. 2(3)/91-SSIBd. Dated 30.9.1991 other than that run Departmentally by Government of India/State Government.
 - (b) **'New Industrial Unit'** means an industrial unit for the setting up of which effective steps were not taken prior to 14th June, 2002.
 - (c) **'Existing Industrial Unit'** means an industrial unit existing as on 14th June, 2002.
 - (d) **'Substantial Expansion'** means increase by not less than 25% of installed capacity of an industrial unit for the purpose of expansion of capacity/ modernization and diversification.
 - (e) **'Effective steps'** means one or more of the following steps:-
 - (i) that 10% or more of the capital issued for the industrial unit has been paid up.
 - (ii) that any part of the factory building required for manufacturing activity has been constructed.
 - (iii) that a firm order has been placed for any plant and machinery required for the industrial unit.
 - (f) **'Fixed Capital Investment'** means investment in land, building, plant and machinery for the purpose of this scheme.

Total fixed capital investment will be assessed as follows:

 - I) Land: The actual price paid for the land to the extent needed for the purposes of the plant.

- II) Building : Same as in the case of land. Rent of a hired building will not be taken into account.
- III) Plant and machinery:
 - (i) In calculating the value of plant and machinery, the cost of plant and machinery as erected at site will be taken into account which will include the cost of productive equipment such as tools, jigs, dies and moulds. Their transport charges and insurance premium, etc. will also be taken into account.
 - (ii) The amount invested on goods carriers to the extent they are actually utilised for transport of raw materials and marketing of the finished products, will be taken into account.
 - (iii) **Working capital** including raw materials and other consumable stores will be excluded for computing the value of plant and machinery.
 - (g) **Fixed Capital** represents the depreciated value of fixed assets owned by the factory as on the closing day of the accounting year. Fixed assets are those which have a normal productive life of more than one year. Fixed capital covers all types of assets, new or used or own constructed, deployed for production, transportation, living or recreational facilities, hospitals, schools etc. for factory personnel. It includes the fixed assets of the head office allocable to the factory and also the full value of assets taken on hire-purchase basis (whether fully paid or not) excluding interest element. It excludes intangible assets and assets solely used for post manufacturing activities such as sale, storage, distribution etc.
 - (h) **Physical Working Capital** is defined to include all physical inventories owned, held or controlled by the factory as on the closing day of the accounting year such as the materials, fuels and lubricants, stores etc., that enter into products manufactured by the factory itself or supplied by the factory to other for processing Physical working capital also includes the stock of materials, fuels and stores etc. purchased expressly for re-sale, semi-finished, goods and work in progress on account of others and goods made by the factory which are ready for sale at the end of the accounting year. However, it does not include the stock of the materials, fuels, stores etc. supplied by others to the factory for processing. Finished goods processed by others from raw materials supplied by the factory and held by them are included and finished goods processed by the factory from raw materials supplied by others are excluded.
 - (i) **Working Capital** is the sum total of the physical working capital as already defined above and the cash deposits in hand and at bank and the net balance of amounts receivable over amounts payable at the end of the accounting year. Working capital, however, excludes unused overdraft facility, fixed deposits irrespective of duration, advances for acquisition of fixed assets, loans and advances by proprietors and partners irrespective of their purpose and duration, long-term loans including interest thereon and investments.

6. **Extent of Admissible Subsidy: -**

All eligible industrial units in the state of Jammu & Kashmir shall be given an interest subsidy to the extent of 3% on the Working Capital advanced to them by the Scheduled Banks or Central/State financial institutions for a maximum period of 10(ten) years from the date of

7. **Norms for Working capital calculation: -**

For the purpose of this scheme, the minimum working capital requirement of a unit shall be worked out @ 25% of their annual turnover. Inventory norms may be applied, if necessary, after providing for aforesaid minimum level. In respect of such units for which norms have not been laid down/are not applicable (due to the units coming below the cut off point of Rs.10 lakhs of working capital), the request of working capital should be considered favourably so long as the working capital is not very much above such minimum level. Special norms can also be evolved for inventory and receivables. Working capital below the minimum level may be justified under special circumstances in which the requirement is demonstrably lower, as in the case of ancillary units in the small scale sector with assured supply of inputs and off-take of output.

8. **Designated Agency for disbursement of Subsidy: -**

Jammu Kashmir Development Finance Corporation (JKDFC) shall be the designated agency for disbursement of interest subsidy on the basis of the recommendation of the state Government.

9. **Procedure for claiming Interest Subsidy :-**

Industrial units eligible for subsidy under the scheme will get themselves registered with the state department prior to taking effective steps for setting up the new units or undertaking substantial expansion of the existing units and indicate their assessment of the total working capital likely to be required for a unit. Such of the units as had taken effective steps on or after 14.6.2002 i.e. the date of announcement of the scheme will get themselves registered by 30.6.2003.

10. **Procedure for disbursement of Interest Subsidy :-**

State Government will set up State Level Committee consisting of a representative of the state Department, the State Finance Department, State Directorate of Industries, JKDFC or its designated agency and the financial institution concerned, to go into each case to decide whether it qualifies for the grant of subsidy and also about the quantum of subsidy.

11. The subsidy will be disbursed to the unit by JKDFC on the recommendation of the State Level Committee/Government of Jammu & Kashmir.

12. **Rights of the Center/State Government/Financial Institutions :-**

If the Central Government/State Government/Financial Institution concerned is satisfied that the subsidy or grant to an industrial unit has been obtained by misrepresentation of the essential facts, furnishing of false information or if the unit goes out of production within 5 years after having availed the subsidy under the scheme, the Central Government/State Government/Financial Institution concerned may ask the unit to refund the grant or subsidy after giving opportunity to the concerned to be heard.

13. Without taking prior approval of the Ministry of Industry, Department of Industrial Policy &

will be allowed to change the location of the whole or any part of the industrial unit or effect any substantial contraction or disposal of a substantial part of its total fixed capital investment within a period of 5 years of receiving a part or the whole of the grant or subsidy under the scheme.

14. After receiving the grant or subsidy, each industrial unit shall submit annual progress report to the Ministry of Industry, Department of Industrial Policy and Promotion/State Government about its working for a period of 5 years after going into production.

(S.Jagadeesan)
Joint Secretary

ANNEXURE

Thrust Industries included in Annexure II of Notification No.1(13)/2000-NER
Dated 14-6-2002 of J&K Industrial Policy

Sl.No	Activity
1	Food Processing & Agro based industries (excluding conventional grinding/extraction units) such as
	a) Sauces, Ketchup, etc.
	b) Fruit Juices & fruit pulp
	c) Jams, Jellies, vegetable juices, puree, pickles etc.
	d) Fruit Waxing, packaging, grading
2	Leather Processing & Leather goods
3	Tissue culture
4	Silk Reeling Yarn and Yarn spun from silk waste Woven fabrics of silk or silk waste
5	Wool & woven fabrics of wool
6	Woven fabrics of cotton
7	Floriculture
8	Medicinal herbs- processing
9	Green Houses only Ladakh
10	Computer hardware/Electronics (integrated circuits & micro assemblies)
11	Sports goods and articles and equipment for general physical exercise
12	Auto Ancillaries
13	Eco-tourism Hotels, Houseboats, Resorts, adventure & leisure sports, amusement parks, cable car, Guest Houses only Ladakh
14	Handicrafts
15	Precision engineering
16	Exploration of minerals

Government of India
Ministry of Commerce & Industry
(Department of Industrial Policy and Promotion)

NOTIFICATION

New Delhi, the 22nd October, 2002

F.No.1(11)/2002-NER. In pursuance of Ministry of Commerce and Industry, Department of Industrial Policy & Promotion O.M. No.1(13)/2000-NER dated 14th June, 2002, the Government of India is pleased to make the following **Scheme of Comprehensive Insurance for Industrial Units** for the state of Jammu & Kashmir with a view to accelerating industrial development in the state.

1. **Short Title** :- This scheme may be called Central Comprehensive Insurance Scheme, 2002.
2. **Commencement and Duration** :- It will be effective from the day of its publication and remain in force upto and inclusive of 14.06.2012.
3. (i) **Applicability**:- The Scheme is applicable to new Industrial Units and existing* units on their substantial expansion on or after 14th June, 2002.
(ii) **Eligibility** :- The subsidy will be available during the duration of the scheme to an eligible industrial unit for a period of ten years from date of commencement of commercial production.
4. **Definition of Industrial Unit**:- Any industry which is included in Fire Policy 'C' as per All India Fire Tariffs.
5. **Fixation of Sum Insured** :- The Policy shall be issued on market valuation by the Insurance Company.
6. **'Substantial Expansion'** means increase by not less than 25% in the value of fixed capital investment in plant and machinery of an industrial unit for the purpose of expansion of capacity/ modernization and diversification.
7. **Mode of Operation** :- The insured party shall pay the initial premium which shall be reimbursed by the nodal insurance company out of the revolving fund maintained by that company. Funds for this revolving fund shall be contributed by Ministry of Commerce and Industry, Department of Industrial Policy & Promotion. The Insurance policy envisaged under the Scheme will be as indicated in Annexure-A.

(S.Jagadeesan)
Joint Secretary

Comprehensive Insurance Policy for Industrial unit in Jammu & Kashmir

"IN CONSIDERATION OF the Insured named in the schedule hereto having paid to the _____ Insurance Company Limited (hereinafter called the company) the premium mentioned in the said schedule, THE COMPANY AGREES, (subject to the conditions and exclusions contained herein or endorsed or otherwise expressed hereon) that if after payment of the premium the property insured described in the said schedule or any part of such property be destroyed or damaged by the following:-

- i. Fire
- ii. Lightning
- iii. Explosion/Implosion but excluding loss of or damage
 - a) to boilers (other than domestic boilers), economisers or other vessels, machinery or apparatus in which steam is generated or their contents resulting from their own explosion/implosion,
 - b) caused by centrifugal force.
- iv. Riot, Strike, Malicious, and terrorist Damage as per riot Strike, Malicious and terrorist Damage clause printed hereon.
- v. Impact by any Rail/Road vehicle or animal.
- vi. Aircraft and other aerial and/or space devices and/or articles dropped there-from, excluding destruction or damage occasioned by pressure waves caused by such devices,
- vii. Storm, Cyclone, Typhoon, Tempest, Hurricane, Tornado, Flood and Inundation.
- viii. Subsidence and Landslide (including Rockslide) resulting in collapse of the entire building or part of,
- ix. Earthquake Fire and Shock

During the period of insurance named in the said schedule or of any subsequent period in respect of which the insured shall have paid and the Company shall have accepted the premium required for the renewal of the policy, the Company will pay to the Insured the value of the Property at the time of the happening of its destruction or the amount of such damage or at its option reinstate or replace such Property or any part thereof.

PROVIDED that the liability of the Company shall in no case exceed in respect of each item the sums expressed in the said Schedule to be insured thereon or in the whole the total sum insured thereby or such other sum or sums as may be substituted thereof by memorandum thereon or attached hereto signed by or on behalf of the company."

RIOT, STRIKE, MALICIOUS AND TERRORIST DAMAGE CLAUSE

This Policy covers Riot, Strike, Malicious and Terrorist Damage as under:-

- I. Loss of or visible physical damage by external violent means to the property insured directly caused by:
 - 1) The act of any person taking part together with others in any disturbance of the public peace (whether in connection with a strike or lock-out or not) not being an occurrence mentioned in exclusion 7(a),(b).
 - 2) The action of any lawfully constituted authority in suppressing or attempting to suppress any such disturbance or in minimizing the consequence of any such disturbance.

- tance to a lock out resulting in visible physical damage by external violent means.
- 4) The action of any lawfully constituted authority in preventing or attempting to prevent any such act or in minimizing the consequences of any such act.
 - 5) Any malicious act but excluding any omission of any kind of any person (whether or not such act is committed in the course of a disturbance of public peace) provided that the Company shall not be liable for any loss of damage arising out or in the course of burglary, housebreaking, theft or larceny or any attempt by any person taking part therein.
- II. Loss of or Damage to the property insured by explosion or otherwise directly caused by:
1. An act or terrorism committed by a person or persons acting on behalf of or in connection with any organisation.
 2. The action of any lawfully constituted authority in suppressing or attempting to suppress any such act, of terrorism or in minimizing the consequences thereof.

For the purpose of this clause "terrorism" shall mean the use of violence for political ends and shall include any use of violence for the purpose of putting the public or any section of the public in fear.

EXCLUSIONS: -

THIS INSURANCE DOES NOT COVER

1. Loss by theft during or after the occurrence of any insured peril except as provided for in the Riot, Strike and Malicious Damage Clause.
2. Loss or damage to property occasioned by its undergoing any heating or drying process.
3. Loss or damage occasioned by or through or in consequence of
 - (a) the burning of property on order of any public authority
 - (b) subterranean fire
4. Loss of damage directly or indirectly caused by or arising from or in consequence of or contributed to by nuclear weapons material.
5. Loss or damage directly or indirectly caused by or arising from or in consequence of or contributed to by ionising radiations or contaminations by radio-activity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this Exclusion only, combustion shall include any self-sustaining process of nuclear fission.
6. Loss or damage to any electrical machine, apparatus, fixture or fitting (including electric fans, electric household or domestic appliances, wireless sets, television sets and radios) or to any portion or the electrical installation, arising from or occasioned by over-running, excessive pressure, short circuiting, arcing, self-heating or leakage or electricity, from whatever cause (lightning included) provided that this exemption shall apply only to the particular electrical machine, apparatus, fixture, fitting or portions of the electrical installation so affected and not to other machines, apparatus, fixtures, fittings, or portions of the electrical installation which may be destroyed or damaged by fire so set up.
7. Loss or damage occasioned by or through or in consequence directly or indirectly, of any of the following occurrences, namely,
 - (a) War, invasion, act of foreign enemy hostilities or warlike operations (whether war be declared or not), civil war,

tary rising, insurrection, rebellion, revolution, military or usurped power.

In any action, suit or other proceeding where the company alleges that by reason of the provisions of the above exclusions any loss or damage is not covered by this insurance, the burden of proving that such loss or damage is covered shall be upon the insured.

8. Loss or damage to bullions or unset precious stones, any curios or work of art, for an amount exceeding Rs.1000/-, manuscripts, plans, drawings patterns, models or moulds, securities, obligations or documents of any kind, stamps, coins or paper money, cheques, books of account or other business books, computer system records, explosives, unless otherwise expressly stated in the policy.
9. Property insured if removed to any building or place other than in which it is herein stated to be insured except Machinery and Equipments temporarily removed for repairs, cleaning, renovation or other similar purposes for a period not exceeding 60 days.

This insurance does not cover

- a) Loss of earnings, loss by delay, loss of market or other consequential or indirect loss or damage of any kind or description whatsoever.
- b) Loss or damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation or omissions of any kind.
- c) Loss or damage occasioned by permanent or temporary dispossession resulting from confiscation commandeering or requisition by any lawfully constituted authority.
- d) Loss or damage occasioned by permanent or temporary dispossession of any building or plant or unit or machinery resulting from the lawful occupation by any person of such building or plant or unit or machinery or prevention of access to the same.

PROVIDED nevertheless that the Company is not relieved under (c) or (d) above of any liability to the Insured in respect of physical damage to the property insured occurring before dispossession or during temporary dispossession.

CONDITIONS

1. THIS POLICY shall be voidable in the event of mis-representation, mis-description or non-disclosure of any material particular.
2. All insurance under this policy shall cease on expiry of seven days from the date of displacement of any building or part hereof or of the whole or any part of any range of building or of any structure of which such building forms part.
PROVIDED such a fall or displacement is not caused by insured perils loss or damage by which is covered this policy or would be covered if such building, range of buildings or structure were insured under this policy. Notwithstanding the above, the company, subject to an express notice being given as soon as possible but not later than 7 days of any such fall or displacement, may agree to continue the insurance subject to revised rates, terms and conditions as may be decided by it and confirmed in writing to this effect.
3. The insurance may be terminated at any time at the request of the insured, in which case the company will retain the premium at customary short period rate for the time the policy has been in force. The insurance may also at any time be terminated at the option of the Company on 15 days notice to that effect being given to the Insured, in which case the company

term from the date of the cancellation.

- 4.(1) On the happening of any loss or damage the insured shall forthwith give notice thereof to the company and shall within 15 days after the loss or damage or such further time as the company may in writing allow in that behalf, deliver to the company.
- a) A claim in writing for the loss or damage containing as particular an account as may be reasonably practicable of all the several articles or items or property damage or destroyed, and of the amount of the loss or damage thereto respectively, having regard to their value at the time of the loss or damage not including profit of any kind.
 - b) Particulars of all other insurances, if any.
The insured shall also at all time at his own expense produce, procure and give to the company all such further particulars, plans, specification books, vouchers, invoices, duplicates or copies thereof, documents, investigation reports (internal/external), proofs and information with respect to the claim and origin and cause of the fire and the circumstances under which the loss or damage occurred and any matter touching liability or the amount of the liability of the Company as may be reasonably required by or on behalf of the company together with a declaration and oath or in other legal form of the truth of the claims and of any matters connected therewith.

No claim under this policy shall be payable unless the terms of this condition have been complied with.

- i) The Company reserves the right to treat the claim as no claim if no information/documents are submitted by the insured with a period of 6 months from the date of loss.
 - ii) In no case whatsoever shall the Company be liable for any loss or damage after the expiration of 12 months from the happening of the loss or damage unless the claim is the subject of pending action or arbitration; it being expressly agreed and declared that if the Company shall disclaim liability for any claim hereunder and such claim shall not within 12 calendar months from the date of the disclaimer have been made the subject matter of a suit in a court of law then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.
5. On the happening of loss or damage to any of the property insured by this policy, the Company may:-
- a) enter and take and keep possession of the building or premises where the loss or damage has happened.
 - b) take possession of or require to be delivered to it any property of the insured in the building or on the premises at the time of the loss or damage.
 - c) keep possession of any such property and examine, sort, arrange, remove or otherwise deal with the same.
 - d) sell any such property or dispose of the same for account of whom it may concern.

The powers conferred by this condition shall be exercisable by the Company any time until notice in writing is given by the insured that he makes no claim under the policy, or if any claim is made, until such claim is finally determined or withdrawn, and the company shall not by any act done in the exercise or purported exercise of its powers hereunder, incur any liability to the insured or diminish its rights to rely upon any of the conditions of this policy in

If the insured or any person on his behalf shall not comply with the requirements of the Company or shall hinder or obstruct the Company, in the exercise of its powers hereunder, all benefits under this policy shall be forfeited.

The Insured shall not in any case be entitled to abandon any property to the Company whether taken possession of by the Company or not.

6) If the claim be in any respect fraudulent, or if any false declaration be made or used in support thereof or if any fraudulent means or devices are used by the insured or any on acting on his behalf to obtain any benefit under the policy or if the loss or damage be occasioned by the willful act, or with them connivance of the insured, all benefits under this policy be forfeited.

7) If the company at its option, reinstate or replace the property damaged or destroyed or any part thereof, instead of paying the amount of the loss or damages, or join with any other Company or Uninsured(s) in so doing, the Company shall not be bound to reinstate exactly or completely but only as circumstances permit and in reasonably sufficient manner, and in no case shall the Company be bound to expend more in reinstatement than it would have cost to reinstate such property as it was at the time of the occurrence of such loss or damage not more than the sum insured by the Company thereon.

If the Company so elect to reinstate or replace any property, the insured shall at his own expense furnish the Company with such plans. Specifications, measurements, quantities and such other particulars as the Company may require, and no acts done, or caused to be done, by the company with a view to reinstatement or replacement shall be deemed an election by the company to reinstate or replace.

If in any case the Company shall be unable to reinstate or repair the property hereby insured, because of any municipal or other regularizations in force affecting the alignment of streets or the construction of buildings or otherwise, the Company shall in every such case, only be liable to pay such sum as would be requisite to reinstate to its former condition.

8) The insured shall at the expense of the Company do and concur in doing, and permit to be done, all such acts and things as may be necessary or reasonably required by the Company for the purpose of enforcing any rights and remedies or of obtaining relief or indemnity from other parties to which the Company shall be or would become entitled or subrogated, upon its paying for or making good any loss or damage under this policy, whether such acts and things shall be or become necessary or required before or after his indemnification by the Company.

9) If at the time of any loss or damage happening to any property hereby insured there be any other subsisting insurance or insurances, whether effected by the insured or by any other person or persons covering the same property, this Company shall not be liable to pay or contribute more than its ratable proportion of such loss or damage.

10) If the property hereby insured shall at the breaking out of any insured peril, be collectively of greater value than the sum insured thereon, then the insured shall be considered as being his own insurer for the difference, and shall bear a ratable proportion of the loss accordingly. Every item, if more than one of the policy shall be separately subject to this condition.

Provided, however that if the sum insured hereby on the property insured shall at the opera-

tion or damage be not less than 85% (eighty-five percent) of the collective value of the property insured, this condition shall be of no purpose and effect.

- 11) If any dispute or difference shall arise as to the quantum to be paid under this Policy (liability being otherwise admitted) such difference shall independently of all other questions be referred to the decision of a sole arbitrator to be appointed in writing by the parties to or they cannot agree upon a single arbitrator within 30 days of any party invoking arbitration the same shall be referred to a panel of three arbitrators, comprising of two arbitrators, one to be appointed by each of the parties to the dispute/difference and the third arbitrator to be appointed by each of the parties to the dispute/difference and the third arbitrator to be appointed by such two arbitrators and arbitrator shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

It is clearly agreed and understood that no difference or dispute shall be referable to arbitration as herein before provided, if the company has disputed or not accepted liability under or in respect of this policy.

It is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon this policy that the award by such arbitrator/arbitrators of the amount of the loss or damage shall be first obtained.

- 12) At all times during the period of insurance of this policy the insurance cover will be maintained to the full extent of the respective sum insured in consideration of which, upon the settlement of any loss under this policy, pro rata premium for the unexpired period from the date of such loss to the expiry period of insurance for the amount of such loss shall be payable by the Insured to the Company.

Government of India
Ministry of Commerce & Industry
(Department of Industrial Policy and Promotion)

NOTIFICATION

New Delhi, 28th November, 2003.

No. 1(11)/2002-NER – In pursuance of the announcement by the Prime Minister on 19th April, 2003 at Srinagar for creation of one lakh employment and self employment opportunities in Jammu & Kashmir, the Government of India had set up a Task Force under Cabinet Secretary. The recommendations of Task Force were submitted to the Cabinet. To achieve this object of employment generation, the Cabinet has, inter-alia, approved following definition of the term 'substantial expansion' for the purpose of incentives/subsidies notified as per O.M. No. 1(13)/2000-NER dated 14.06.2002.

2. The Central Government, therefore, hereby makes the following amendment in the **Central Capital Investment Subsidy Scheme, 2002** notified in the Notification of the Government of India in the Ministry of Commerce & Industry, Department of Industrial Policy & Promotion No. 1(11)/2002-NER dated 22nd October, 2002. The definition of the term 'Substantial Expansion' appearing under para 5 (d) of the Scheme may be substituted by the following:-

“Concessions for substantial expansion should extend to include all new investments by entrepreneurs, which leads to substantial additional employment creation by an existing entrepreneur without insisting on major expansion. However, credit under the Industrial Policy Package should not be merely for paying off old debts or for equipment already in place.”

(S. Jagadeesan)
Joint Secretary

Government of India
Ministry of Commerce & Industry
(Department of Industrial Policy and Promotion)

NOTIFICATION

New Delhi, 28th November, 2003.

No. 1(11)/2002-NER – In pursuance of the announcement by the Prime Minister on 19th April, 2003 at Srinagar for creation of one lakh employment and self employment opportunities in Jammu & Kashmir, the Government of India had set up a Task Force under Cabinet Secretary. The recommendations of Task Force were submitted to the Cabinet. To achieve this object of employment generation, the Cabinet has, inter-alia, approved following definition of the term 'substantial expansion' for the purpose of incentives/subsidies notified as per O.M. No. 1(13)/2000-NER dated 14.06.2002.

2. The Central Government, therefore, hereby makes amendment in the **Central Interest Subsidy Scheme**, 2002 notified in the Notification of the Government of India in the Ministry of Commerce & Industry, Department of Industrial Policy & Promotion No. 1(11)/2002-NER dated 22nd October, 2002. The definition of the term 'Substantial Expansion' appearing under para 5(d) of the Scheme may be substituted by the following:-

“Concessions for substantial expansion should extend to include all new investments by entrepreneurs, which leads to substantial additional employment creation by an existing entrepreneur without insisting on major expansion. However, credit under the Industrial Policy Package should not be merely for paying off old debts or for equipment already in place.”

(S. Jagadeesan)
Joint Secretary

Government of India
Ministry of Commerce & Industry
(Department of Industrial Policy and Promotion)

NOTIFICATION

New Delhi, 28th November, 2003.

No. 1(11)/2002-NER – In pursuance of the announcement by the Prime Minister on 19th April, 2003 at Srinagar for creation of one lakh employment and self employment opportunities in Jammu & Kashmir, the Government of India had set up a Task Force under Cabinet Secretary. The recommendations of Task Force were submitted to the Cabinet. To achieve this object of employment generation, the Cabinet has, inter-alia, approved following definition of the term 'substantial expansion' for the purpose of incentives/subsidies notified as per O.M. No. 1(13)/2000-NER dated 14.06.2002.

2. The Central Government, therefore, hereby makes amendment in the **Central Comprehensive Insurance Scheme**, 2002 notified in the Notification of the Government of India in the Ministry of Commerce & Industry, Department of Industrial Policy & Promotion No. 1(11)/2002-NER dated 22nd October, 2002. The definition of the term 'substantial expansion' appearing under para 6 of the Scheme may be substituted by the following:-

“Concessions for substantial expansion should extend to include all new investments by entrepreneurs, which leads to substantial additional employment creation by an existing entrepreneur without insisting on major expansion. However, credit under the Industrial Policy Package should not be merely for paying off old debts or for equipment already in place.”

(S. Jagadeesan)
Joint Secretary

Industries in specified locations.

**Government of India
Ministry of Finance and Company Affairs
(Department of Revenue)
New Delhi, dated the 14th November, 2002**

23 Kartika 1924(Saka)

**NOTIFICATION
NO.56/2002-CENTRAL EXCISE**

G.S.R .(E) :- In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), read with sub-section (3) of section 3 of the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (58 of 1957) and sub-section (3) of section 3 of the Additional Duties of Excise (Textiles and Textile Articles) Act, 1978 (40 of 1978), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts the goods specified in the First Schedule and the Second Schedule to the Central Excise Tariff Act, 1985 (5 of 1986), other than goods specified in Annexure I appended hereto, and cleared from a unit located in the Industrial Growth Centre, Industrial Infrastructure Development Centre or Export Promotion Industrial Park or Industrial Estate or Industrial Area or Commercial Estate, or Scheme Area, as the case may be, specified in Annexure - II appended hereto, from so much of the duty of excise or additional duty of excise, as the case may be, leviable thereon under any of the said Acts as is equivalent to the amount of duty paid by the manufacturer of goods, other than the amount of duty paid by utilization of CENVAT credit under the CENVAT Credit Rules, 2002.

2. The exemption contained in this notification shall be given effect to in the following manner, namely:-
 - (a) The manufacturer shall submit a statement of the duty paid, other than the amount of duty paid by utilization of CENVAT credit under the CENVAT Credit Rules, 2002, to the Assistant Commissioner of Central Excise or Deputy Commissioner of Central Excise, as the case may be, by the 7th day of the next month in which the duty has been paid.
 - (b) The Assistant Commissioner of Central Excise or Deputy Commissioner of Central Excise, as the case may be, after such verification, as may be deemed necessary, shall refund the amount of duty paid, other than the amount of duty paid by utilization of CENVAT credit under the CENVAT Credit Rules, 2002, during the month under consideration to the manufacturer by the 15th day of the next month.
 - (c) If there is likely to be any delay in the verification, the Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise, as the case may be, shall refund the amount on provisional basis by the 15th day of the next month to the month under consideration, and thereafter may adjust the amount of refund by such amount as may be necessary in the subsequent refunds admissible to the manufacturer.
3. The exemption contained in this notification shall apply only to the following kind of units namely:-
 - (a) New industrial units which have commenced their commercial production on or after the 14th day of June 2002.
 - (b) Industrial units existing before the 14th day of June 2002, but which have undertaken substantial expansion by way of increase in installed capacity by not less than twenty five per

4. The exemption contained in this notification shall apply to any of the said units for a period not exceeding ten years from the date of publication of this notification in the Official Gazette or from the date of commencement of commercial production whichever is later.

ANNEXURE-I

Cigarettes/ cigars of Tobacco;
Manufactured tobacco and substitutes thereof;
Soft drinks and their concentrates.

ANNEXURE-II

(It contains the khasra numbes)

(The details of which can be had from the office of Directorate of Industries, Govt of J&K)

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE AND COMPANY AFFAIRS
(DEPARTMENT OF REVENUE)**

**New Delhi, dated the 14th November, 2002
23 Kartika 1924 (Saka)**

**Notification
No.57/2002-Central Excise**

- G.S.R (E) - In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act 1944 (1 of 1944), read with sub-section (3) of section 3 of the Additional Duties of Excise (Goods of Special Importance Act.1957 (58 of 1957) and sub-section (3) of section 3 of the Additional Duties of Excise (Textiles & Textile Articles) Act. 1978 (40 of 1978) the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts the goods specified in the Schedule appended hereto, other than goods specified in Annexure appended hereto, and cleared from a unit located in the State of Jammu & Kashmir from so much of the duty of excise leviable thereon under any of the said Acts as is equivalent to the amount of the duty paid by the manufacturer of goods other than the amount of duty paid by utilization of CENVAT credit under the CENVAT Credit Rules, 2002.
2. The exemption contained in this notification shall be given effect to in the following manner, namely
 - a) The manufacturer shall submit a statement of the duty paid, other than the amount of duty paid by utilization of CENVAT credit under the CENVAT credit Rules, 2002, to the Assistant Commissioner of Central Excise or Deputy Commissioner of Central Excise, as the case may be, by the 7th day of the next month in which the duty has been paid,
 - b) The Assistant Commissioner of Central Excise or Deputy Commissioner of Central Excise, as the case may be, after such verification, as may be deemed necessary, shall refund the amount of duty paid, other than the amount of duty paid by utilization of CENVAT credit under the CENVAT Credit Rules, 2002, during the month under consideration to the manufacturer by the 15th day of the next month,
 - c) If there is likely to be any delay in the verification, the Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise, as the case may be, shall refund the amount on provisional basis by the 15th day of the next month to the month under consideration, and thereafter may adjust the amount of refund by such amount as may be necessary in the subsequent refunds admissible to the manufacturer.
 3. The exemption contained in this notification shall apply only to the following kind of the units namely :-
 - a) New industrial units which have commenced their commercial production on or after the 14th day of June 2002.

stantial expansion by way of increase in installed capacity by not less than twenty five per-cent on or after 14th day of June 2002.

4. The exemption contained in this notification shall apply to any of the said units for a period not exceeding ten years from the date of publication of this notification in the Official Gazette or from the date of Commencement of commercial production whichever is later.

ANNEXURE

1. Cigarettes/cigars of Tobacco
2. Manufactured tobacco and substitutes thereof
3. Soft drinks and their concentrates

SCHEDULE

1. Food Processing and agro based industries (excluding conventional grinding/extraction units)
 - a) Sauces, Ketchup
 - b) Fruit Juices and fruit pulp
 - c) Jams, jellies, vegetable juices, puree, pickles.
 - d) Fruit Waxing, packaging grading
2. Leather Processing and Leather goods
3. Tissue culture
4. Silk Reeling Yarn, Yarn spun from silk waste and Woven fabrics of silk or silk waste
5. Wool and Woven fabrics of wool
6. Woven fabrics of cotton
7. Floriculture
8. Medicinal herbs - processing
9. Green House only in Ladakh
10. Computer hardware / Electronics (integrated circuits and micro assemblies)
11. Sports goods and articles and equipment for general physical exercise.
12. Auto Ancillaries
13. Eco-Tourism :
Hotels, Houseboats, Resorts, adventures and leisure sports, amusement parks, cable car.
Guesthouse only in Ladakh.
14. Handicrafts
15. Precision engineering
16. Exploration of minerals.

For the removal of doubts, it is hereby declared that for the purpose of this notification, 'mineral' does not include crude petroleum oils and the expression "Exploration of mineral" shall be constructed accordingly.

F.No.354/173/2000-Tru

(Amar Kumar Singh)

Under Secretary to the Government of India.

Dated 14th Nov. 2002

11/2004-CENTRAL EXCISE, DATED : JAN 29, 2004

In exercise of the powers conferred by sub-section (1) of section 5 A of the central Excise Act, 1944 (1 of 1944), read with sub section (3) of section 3 of the Additional Duties of Excise (Goods of Special Importance) Act ,1957 (58 of 1957) and sub section (3) of section 3 of the Additional Duties of Excise (Textiles and Textile Articles) Act, 1978 (40 of 1978) ,the Central Government, being satisfied that it is necessary in the public interest so to do, hereby directs that each of the notifications of the Government of India in the erstwhile Ministry of Finance and Company Affairs (Department of Revenue), specified in column (2) of the Table hereto annexed ,shall be further amended, in the manner specified in the corresponding entry in column (3) of the said Table.

TABLE

S. No.	Notification No. and Date	Amendments
1	2	3
		<p>In the said notification, in para 3,for clause (b) and entries relating thereto ,the following shall be substituted ,namely:-</p> <p>a) Industrial units existing before the 14th day of June 2002, but which have:</p> <p>i) undertaken substantial expansion by way of increase in installed capacity by not less than twenty five per cent, on or after the 14th day of June, 2002; or</p> <p>ii) made new investments on or after the 14th day of June 2002, d such new investment is directly attributable to the generation of additional regular employment of not less than twenty five per cent over and above the base employment limit, subject to the conditions that;-</p> <p>(1) the unit shall not reduce regular employment after claiming exemption , and once such employment is reduced below one hundred and twenty five per cent of the base employment limit, such industrial unit shall be debarred from claiming the exemption contained in this notification in future. However, the exemption availed by such industrial unit, prior to such reduction, shall not be recoverable from such industrial unit.</p> <p>(2) the manufacturer shall produce a certificate, from General Manager of the concerned District Industries Centre to the Juris-</p>

		<p>tant Commissioner of Central Excise, as the case may be, to the effect that the unit has created such additional regular employment.</p> <p><i>Explanation</i> : for the purposes of this notification:-</p> <p>(a) ³base employment limit² means maximum number of regular employes employed at any point of time, by the concerned industrial unit, during last five years;</p> <p>(b) ³regular employment² shall not include employment provided by the industrial unit to daily wagers or casual employees;</p> <p>(c) ³new investment² shall not include investments which are used for paying off old debts or making payments for the plant or machinery installed prior to the 14th day of June 2002, or paying salaries to the employees.</p> <p>In the said notification, in para 3,-</p> <p>(i) clause (c) shall be re-lettered as clause (a) thereof;</p> <p>(ii) for clause (d) and entries relating thereto, the following shall be substituted, namely:-</p> <p>(b) Industrial unit existing before the 14th day of June 2002, but which have,-</p> <p>(i) undertaken substantial expansion by way of increase in installed capacity by not less than twenty-five per cent. on or after the 14th day of June, 2002; or.</p> <p>(ii) made new investments on or after the 14th day of June 2002, and such new investment is directly attributable to the generation of additional regular employment of not less than twenty-five percent over and above the base employment limit, subject to the conditions that,-</p> <p>(1) The unit shall not reduce regular employment after claiming exemption, and once such employment is reduced below one hundred and twenty-five per cent of the base employment limit, such industrial unit shall be debarred from claiming the exemption contained in this notification in future. However, the exemption availed by such industrial unit, prior to such reduction, shall not be recoverable from such industrial unit.</p>
2	57/2002-Central Excise dated the 14 th November 2002	

		<p>Manager of the concerned District Industries Centre to the jurisdictional Deputy Commissioner of Central Excise or the Assistant Commissioner of Central Excise, as the case may be, to the effect that the unit has created such additional regular employment.</p> <p><i>Explanation :</i> for the purposes of this notification,-</p> <p>(a) 'base employment limit' means maximum number of regular employees employed at any point of time, by the concerned industrial unit, during last five years;</p> <p>(b) 'regular employment' shall not include employment provided by the industrial unit to daily wagers or casual employees;</p> <p>(c) 'new investment' shall not include investments which are used for paying off old debts or making payments for the plant or machinery installed prior to the 14th day of June 2002, or paying salaries to the employees.</p>
--	--	---

[F.No. 354/173/2000-TRU]

(G.S. Karki)

Under Secretary to the Government of India

Footnote:

(1) The principal notification No. 56/2002-Central Excise, dated the 14th November, 2002 was published in the Gazette of India, vide number G.S.R. 764 (E), dated the 14th November, 2002 and was last amended by notification No. 79/2003-Central Excise, dated the 22nd December, 2003, [G.S.R. 962 (E), dated the 22nd December, 2003].

(2) The principal notification No. 57/2002-Central Excise, dated the 14th November, 2002 was published in the Gazette of India, vide number G.S.R. 765 (E), dated the 14th November, 2002 and was last amended by notification No. 65/2003-Central Excise, dated the 6th August, 2003, [G.S.R. 639(E), Dated the 6th August, 2003].

Government of Jammu & Kashmir

01.	New Industrial Policy, 2004	01-08
02.	Package of Incentives	09-17
03.	SRO 22 : Toll Tax Exemption Notification	18-20
04.	SRO 23 : Addition to Schedule 'E' to Notification SRO-137	21
05.	SRO 24 : Central Sales Tax Exemption Notification	22-23
06.	SRO 25 : General Sales Tax Exemption Notification on Sale of Finished Products.	24-26
07.	SRO 243 :Amendment in Annexure to Notification SRO 25	27-28
08.	SRO 26 : General Sales Tax Exemption Notification on Purchase of Raw Material.	29-30
09	Details of SINGLE WINDOW CLEARANCE SYSTEM introduced under New Industrial Policy 2004.	31-39
10.	Important Addresses & Telephone Numbers	40

Part-II

New Industrial Policy and other Concessions Announced by Government of India for the State of Jammu & Kashmir along with relevant Notifications

08.	Government of India Package for Industries in J&K	41-46
09.	Central Capital Investment Subsidy Notification	47-51
10.	Central Interest Subsidy Notification	52-55
11.	Central Comprehensive Insurance Scheme Notification	56-62
12.	Amendment to Central Capital Investment Subsidy Notification	63
13.	Amendment to Central Interest Subsidy Notification	64
14.	Amendment to Central Comprehensive Insurance Scheme Notification	65
15.	Central Excise Notification No. 56/2002 Dated 14th Nov. 2002	66-67
16.	Central Excise Notification No. 57/2002 Dated 14th Nov. 2002	68-70
17.	Amendments to Notification No. 56/2002 Dated 14th Nov. 2002 & Notification No. 57/2002 of Central Excise Dated 14th Nov. 2002	71-73

