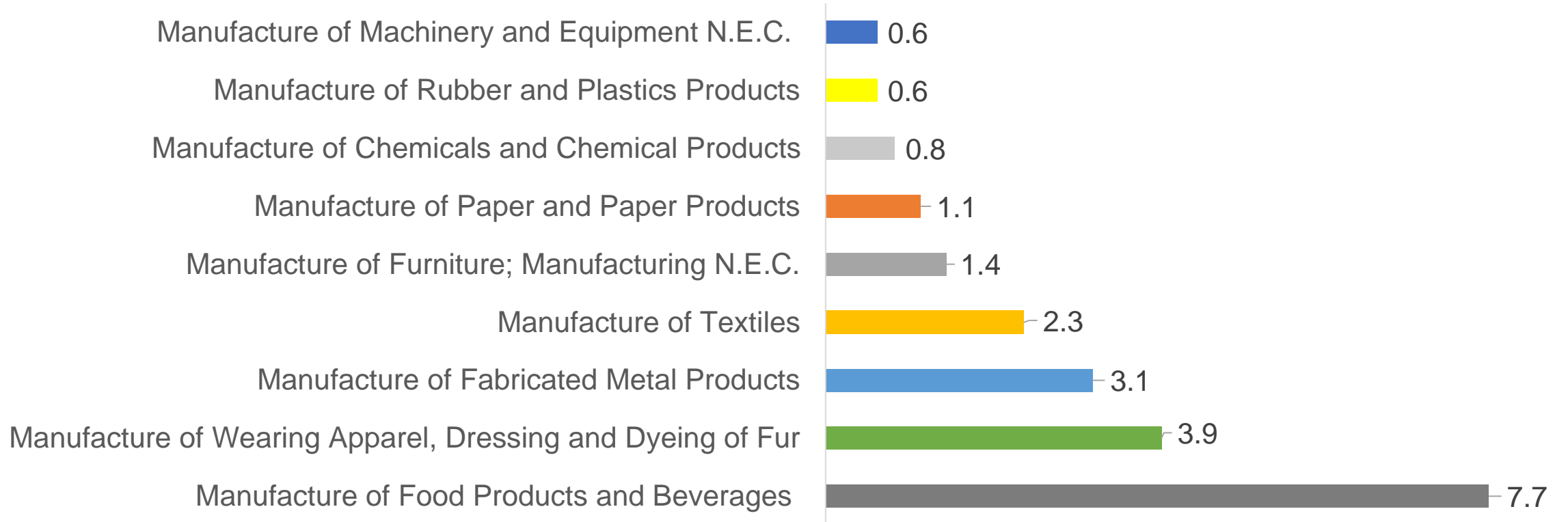


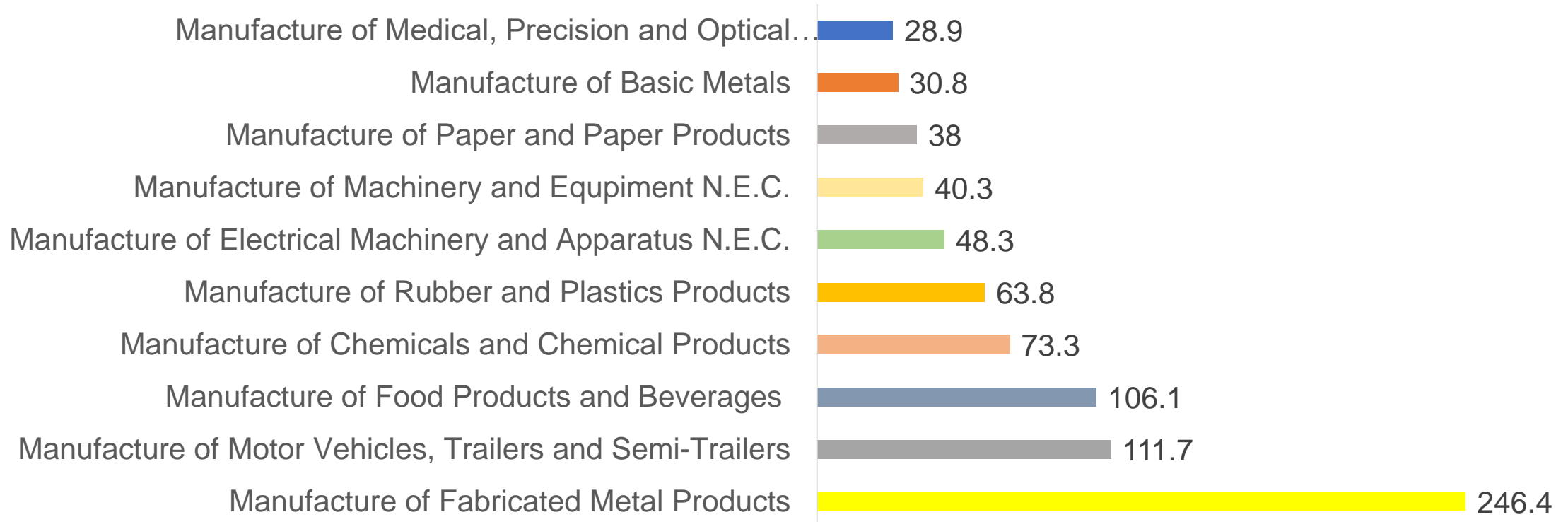


MSMEs in the State of Uttarakhand

Top 10 Major MSMEs in the Secondary Sector by Number of Enterprises (Comparison of Absolute Numbers of Enterprises in Thousands)

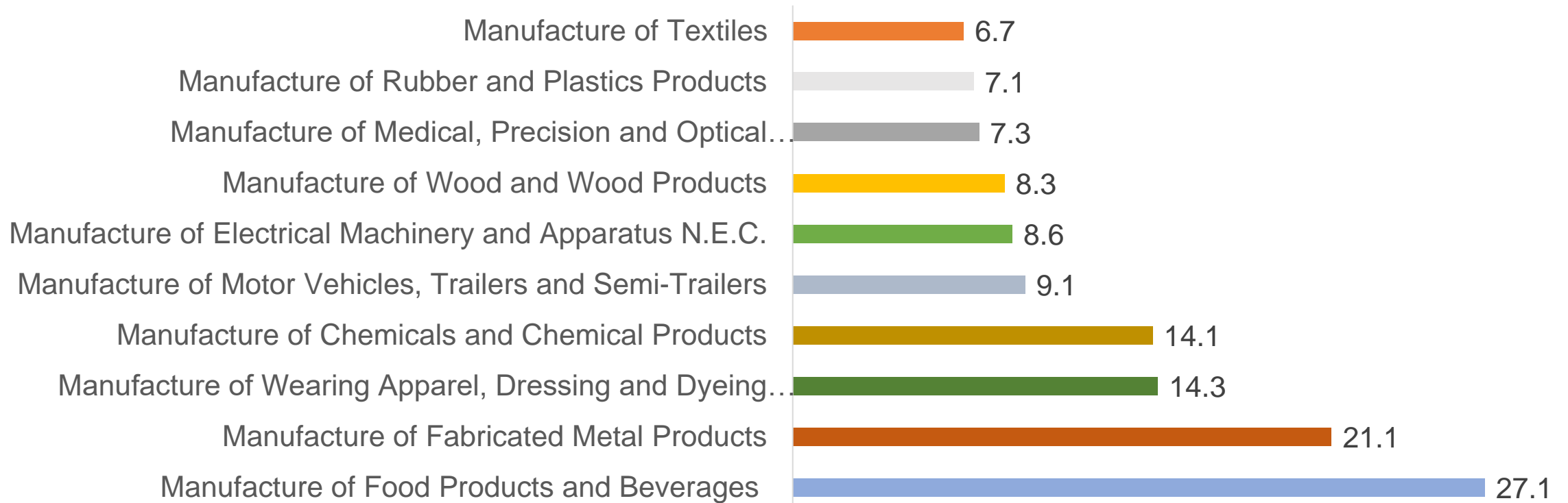


Top 10 Major MSMEs in the Secondary Sector by Investment (Comparison of Absolute Amount of Investment in 100 Million Rupees)



Top 10 Major MSMEs in the Secondary Sector by Employment

(Comparison of Absolute Number of Employment in Thousands)



Policy Framework Government of Uttarakhand



Sector Agnostic

Startup Policy

MSME Policy

Heavy Industrial Investment & Employment Promotion Policy

Mega Industrial and Investment Policy

Industrial Development Scheme (GoI)

Sector Specific

IT Policy

Mega Textile Policy

Electric Vehicle Manufacturing Policy

Film Policy

Tourism Policy

Aroma Park Policy

AYUSH Policy

Biotechnology Policy

Mega Food Park Benefits

Solar Power Policy

Policy for Energy Generation from Pine Litter & Other Biomass

Micro and Mini Hydro Projects (Upto 2 MW)

Small Hydro Projects (2-25 MW)

Hydro Projects (25-100 MW)

Policies

Incentives

Interest Subsidy

Capital Subsidy

Stamp Duty Rebate

Land Rate rebate

Land Regn Fee rebate

Electricity Duty rebate

Uttarakhand MSME Policy

Categorization of industries for the purpose of quantifying incentives

Category	Included Region
Category A	Whole Districts of Pithoragrah, Uttarkashi, Chamoli, Champawat, Rudraprayag and Bageshwar
Category B	<ul style="list-style-type: none"> ▶ Whole District of Almora ▶ All hilly development blocks of District Pauri Garhwal, Tehri Garhwal (Excluding regions under category B+) ▶ All hilly development blocks of District Nainital and Dehradun (Excluding regions under category B+)
Category B+	<ul style="list-style-type: none"> ▶ Kotdwar, Sigaddi and adjoining plain regions of Dugadda development block of district Pauri Garhwal ▶ Dhalwala, Muni Ki Reti, Tapovan and adjoining plain regions of Fakot development block of District Tehri Garhwal ▶ Kotabagh development block of District Nainital ▶ Plain regions of Kalsi development block of District Dehradun
Category C	<ul style="list-style-type: none"> ▶ Regions located above 650 mtrs from sea level in Raipur, Sahaspur, Vikasnagar and Doiwala development blocks of District Dehradun ▶ Ramnagar and Haldwani development blocks of District Nainital
Category D	<ul style="list-style-type: none"> ▶ Whole Districts of Haridwar and Udham Singh Nagar ▶ Remaining area of District Dehradun and Nainital (which are not included in category 'B', 'B+' and 'C')

Uttarakhand MSME Policy

Subsidy Type	Category A	Category B, B+	Category C	Category D
Interest Subsidy	10%(Max 8 lacs)	8% (Max 6 lacs)	6% (Max 4 lacs)	5% (Max 3 lacs) <small>*Per year/ unit (on term loan only)</small>
Capital Subsidy	40%(Max 40 lacs)	35% (Max 35 lacs)	30% (Max 30 lacs)	15% (Max 15 lacs)
Transport Subsidy	% of Annual Turnover (Per year/ unit) or Inbound/ Outbound Logistics Cost whichever is less Category A: 7% Category B: 5% Category B+: 5% (Max 5 lacs) <small>or actual transportation cost, whichever less*</small>			

*Capital Subsidy will be applicable on the fixed investment in factory building, plant & machinery

*Only manufacturing units are eligible to avail Transport Subsidy

*Tourism project/units located in municipal areas of category C & D will not be eligible for Interest & Capital subsidies

Uttarakhand MSME Policy

Stamp Duty	Category A, B, B+, C: 100% Category D: 50%
SGST Concession*	Category A: 100% for the first 5 yrs and 90% thereafter Category B, B+: 100% for the first 5 yrs and 75% thereafter
Power Bill Rebate	Category A: Sanctioned Load upto 100 KVA: 100% for 5 yrs and 75% thereafter; If Load > 100 KVA: 60% Category B, B+: Sanctioned Load upto 100 KVA: 100% for 5 yrs and 60% thereafter; If Load > 100 KVA: 50%

**The SGST after adjustment of ITC on sale of finished product (B2C) will be reimbursed from the date of commencement of production of the unit for 5 years*

**Only manufacturing units are eligible to avail SGST & Power Bill Reimbursement*

**Tourism project/units located in municipal areas of category C & D will not be eligible for Stamp Duty*

Uttarakhand MSME Policy

Internet Charges

50% Reimbursement on internet usage charges for all categories

*Applicable for IT & ITeS projects/ units only

Mandi Charges

Category A, B:
100% exemption on Mandi charges

Excise Duty

Category A, B:
75% reimbursement on State Excise Duty, Additional Excise Duty, Bottling fees and other charges as under State Excise Policy

*only for Manufacturing Units

Uttarakhand MSME Policy

Reimbursement of cost incurred for carrying out standardization and quality certification of products by accredited institutions at national and international level by means of ISO, ISI marking, registration of copyright, trade marking etc. - 75% (maximum Rs. 1 lac)

Assistance for Marketing, Seminars and Exhibitions

- Assistance for promotion and sale of products from MSMEs including handlooms, handicrafts and khadi products on renowned e-commerce platforms.
- Financial assistance for participation in national / international seminars / exhibitions.

Uttarakhand MSME Policy

Amendment (2016, 2018 & 2019) - Highlights

Policy Validity Period is effective from 31st January 2015 and will remain in-force up to 31st March 2023

Tourism Sector has been accorded Industry Status

SGST after adjustment of ITC on sale of finished product (B2C) will be reimbursed

Under IT & ITeS sector, **Software Development** units are also covered

Under Energy sector, units involved in **Energy Production using Non Traditional ways** are also covered

Service & Manufacturing Sector industries in **Category C & D** districts are also eligible for incentives

Commencement of commercial production before 31st March 2020 – incentive eligibility up to 31st March 2025*

Commencement of production after 31st March 2020 - incentive eligibility will be for 5 years only*

Industrial Development Scheme 2017

Central Capital Investment Subsidy

Central Capital Investment Incentive for access to credit (CCIIAC) @ 30% of the investment in plant and machinery* with an upper limit of INR 5.00 crore

Central Comprehensive Insurance Incentive

Reimbursement of 100% insurance premium on insurance of building and Plant & Machinery for a maximum period of 5 years from the date of commencement of commercial production/operation

Note: 1. Units which have commenced production on or after 01st of April, 2017 and registered with DPIIT on or before 30th of September, 2018

2. All eligible units registered under the scheme with DIPP through the portal prior to be eligible for any benefits in this scheme

*Plant & Machinery for service sector industrial unit shall include cost of construction of building and all other durable physical assets basic to the running of that particular service industry

Special Incentive Scheme for Women Entrepreneurs

Capital Subsidy

Capital investment subsidy of 25% up to a maximum of INR 25 lakhs

Interest Subsidy

Interest subsidy of 6% on bank term loan taken by the entrepreneurs up to a maximum of INR 5 lakhs per year per unit

Applicable across the state for both Manufacturing and Services sector

Uttarakhand Startup Policy

Monthly Allowance

INR 10,000 for one year (INR 15,000 for Startups operated by SC/ST/women/ physically challenged or belonging to Category-A regions of MSME Policy 2015)

Marketing Assistance

Up to INR 5 Lakhs for marketing / publicity of innovative product.

Up to INR 7.5 Lakhs if operating business in focus sector / run by SC/ST/ women/physically challenged / Category-A regions as per MSME Policy 2015

Patent (Intellectual Property)

Up to 100% reimbursement of actual cost of Start-up Patent fees (including filing fees, Attorney Fees, research fees, maintenance fees)

(Up to INR 1 lakh for Indian Patent and up to 5 lakh for international patents)

Uttarakhand Startup Policy

Stamp Duty

Stamp duty exemption on lease deed/ place/ purchase of space as per category defined in MSME Policy 2015 (100% in Category A, B, B+ , 50% in Category D)

State Goods & Services Tax (SGST)

SGST deposited by Start-ups will be reimbursed.

Incubation Space

Space at recognised Incubators at 25% discount for Startups operated by SC/ST/ Women/ Physically challenged and recognized by Startup Council

Uttarakhand Startup Policy

Capital Grant

One-Time Capital Grant of 50% of capital cost (excluding cost of building and land) up to INR 1 crore to set up or scale up incubation facility

Running expense

INR 2 Lakhs per year as part of operating and management expenses, for 3 years

Matching Grant

A sum equal to that obtained from Govt. of India or INR 2 Crore, whichever is lesser as alternate finance to Incubators recognised by State Govt. which are managing seed fund scheme of Govt. of India

Uttarakhand Purchase Preference Policy

- State SMEs including Start-ups, Cottage and Khadi, Handlooms and Handicrafts will be given purchase preference in State tenders (without compromising the quality), if their quote is within maximum of 10% of the L1 bidder.
- For SMEs in Category A and B (as per MSME Policy 2015), maximum limit is 15%.
- State Departments / institutions / PSUs are required to mandatory procure at least 25% products and services from the State SMEs.
- Out of the 25% of total procurement from the State SMEs, minimum 3% should be from women entrepreneurs.
- State turnkey projects are required to procure at least 25% of their total requirement from SMEs including the Cottage and Khali industries and State Startups .

Delayed Payments to MSEs under the MSMED Act 2006

- The buyer is to make payment to MSEs on or before the date agreed on between the buyer and the supplier in writing or, in case of no agreement, before the appointed day.
- The agreement between seller and buyer shall not exceed more than 45 days.
- If the buyer fails to make payment of the amount to the supplier, the buyer is liable to pay compound interest with monthly rests to the supplier on the amount from the appointed day or, on the date agreed on, at three times of the Bank Rate notified by Reserve Bank.
- Any appeal against the award can only be filed after depositing 75% of the amount of award.

UK Sinha Committee Recommendation

- Extension of ambit of [facilitation council to Medium enterprises](#) supplying to large corporates.
- Need to [Promote Samadhaan Portal](#) among MSME entrepreneurs.
- Need to increase the [number of MSEFCs](#) in States having large number of delayed payment cases.

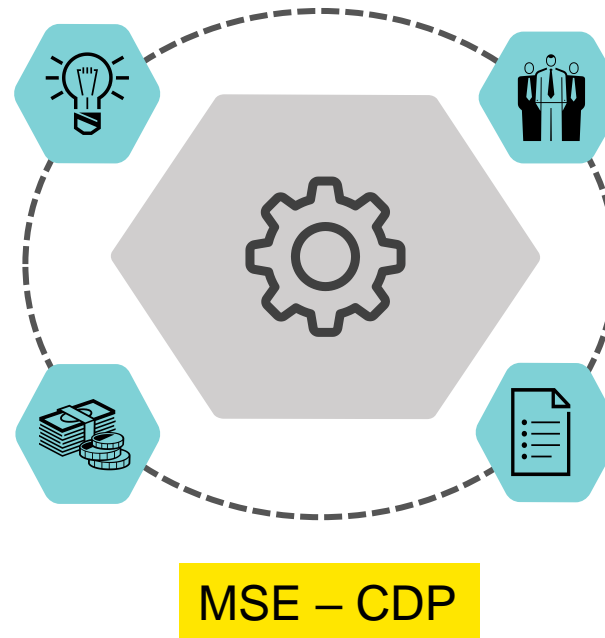
Cluster Development

Common Facility Centers (CFCs)

- Creation of “*tangible assets*” like Common Production / Processing Centres, Design Centers, Testing Facilities etc.
- SPV registered as Section 8 contributing 10% of project cost.

Gol Assistance - CFC

- Gol grant – 90% of the project cost for Hilly States
- 90% grant for-Aspirational Districts, clusters with more than 50% micro/village / women owned /SC/ST units
- Project cost not exceeding INR 20 Crores.



Infrastructure Development (ID)

- Creation of new/upgradation of existing infrastructural facilities in Industrial Estates / Flatted Factory Complex.
- State may provide land for projects and meet balance cost.

Gol Assistance - ID

- Gol grant – 80% of the project cost for Hilly States
- 80% grant for-Aspirational Districts, clusters with more than 50% micro/village / women owned /SC/ST units
- Project cost not exceeding INR 10 Crores for IE and INR 15 Crores for FFC

Initiatives by Govt. of Uttarakhand



Cluster Development

S.No	Location	District	Cluster	Remarks
1	Pantnagar	Udham Singh Nagar	Automobile Component Manufacturing	Identified
2	Bhagwanpur	Haridwar	PET Yarn Manufacturing	1st meeting conducted with SPV members
3	Roorkee	Haridwar	Organic Jaggery and Khandsari	1st meeting conducted
4	Roorkee	Haridwar	Surveying Instruments (as souvenirs)	Approved under SFURTI
5	Rudrapur	Udham Singh Nagar	Pharmaceutical	Identified
6	Jaspur	Udham Singh Nagar	Textile Printing	Identified
7	Dehradun	Dehradun	Pharma	Identified
8	Rudrapur	Udham Singh Nagar	Rice Mill	Identified
9	Nainital	Nainital	Rice & Dal Mill	Identified
10	Haldwani	Nainital	Food Processing	Identified

MoU with National University of Singapore

- Health Check-ups for MSMEs
 - Review the **current status of MSME sector** and **conduct health checks**.
 - Improve the **efficiency and sustainability** of MSME sector.
 - Improve the **quality of manpower** in Uttarakhand to **narrow skills gap**.
- ACI GLSC Index in Uttarakhand

Tool Room in Sitarganj

- Design and Manufacturing
 - Product Development
 - Design & Manufacturing of tools, dies, moulds, precision tools
 - Process Development & Improvement
- Skill development
 - Conduct long & short term training programs in the areas of CAD, CAM, CNC, automation, RPT, mechatronics, glass design, shoe design, aromatherapy and advanced technologies.
 - Offers customised programs for industries
- Consultancy
 - Process and Product Improvement
 - Automation solutions
 - Quality Systems support
 - Turnkey assignments
 - Course curriculum developments

Centre of Excellence (Textile Hub including Research on Himalayan Fibre)

- Northern India Textile Research Association (NITRA) is setting up **Textile hub including Research on Himalayan Fibre in Almora**.
- **0.4 hectares** of land has been **transferred to Ministry of Textile** by the State Government.
- Research Centre will have **R&D facility** to carry **research on natural fibres** of more than 10 states.
- **Latest technology** will be used to extract high quality fibre.
- Centre will have **testing facility and exhibition hall** to showcase the products developed in the centre.
- Bamboo board is providing **Fibre Extraction and Skill Building training** for capacity building in the sector.

Increase in Value Addition

- Average technology value-addition in manufactured products exported by the Indian Industry is around 8%. It is comparatively low when compared to other developing nations.
- Capacity building of MSMEs is required to increase the value addition exports in the future