



Government of Jammu and Kashmir
Industries and Commerce Department
Civil Secretariat, Srinagar/Jammu

Subject:- Procedural Guidelines of Industrial Policy 2016-26.
Reference:- Cabinet Decision No. 72/5/2017 dated 07-06-2017.

Government Order No: 129-IND of 2017
Dated: 07-06-2017

Sanction is hereby accorded to the adoption of Procedural Guidelines with respect to the Industrial Policy, 2016 - 2026 as per the annexure to this Government order. These Guidelines shall be applicable with immediate effect till the Industrial Policy, 2016 – 2026 remains in vogue.

By order of the Government of Jammu and Kashmir.

Sd/-
(Shailendra Kumar), IAS
Commissioner/Secretary to Government
Industries and Commerce Department

No: IND/DIC-21/2015-PF

Dated: 07 -06-2017

Copy to the:-

1. All Financial Commissioners.
2. All Principal Secretaries to Government.
3. Principal Secretary to the Hon'ble Governor.
4. All Commissioner/Secretaries to Government.
5. Principal Secretary to the Hon'ble Chief Minister.
6. Divisional Commissioner, Jammu/ Kashmir.
7. Director Information, J&K.
8. All Heads of Departments/Managing Directors.
9. All Deputy Commissioners.
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12. Secretary, J&K Legislative Assembly/Council.
13. General Manager, Government Press, Jammu / Srinagar.
14. OSD to the Deputy Chief Minister.
15. Pvt. Secretaries to all Cabinet Ministers/Ministers of State.

16. Pvt. Secretary to Chairman/Chief Executive Councilor, LAHDC, Leh/Kargil.
17. Pvt. Secretary to Advocate General, J&K for information of Ld. Advocate General.
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20. Incharge Website, I&C Department for necessary action.
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P.S. Rathore, KAS 07.06.2017
Additional Secretary to Government
Industries and Commerce Department

Procedural Guidelines for establishment of Industrial Units in Jammu & Kashmir to the Industrial Policy, 2016-26.

1.0 Registration of Units:-

- 1.1. The provisional registration of industrial units shall be done online by the concerned DIC. The General Manager, after issuing dated acknowledgement, shall issue provisional registration within one (01) day.
- 1.2. The registration forms, Entrepreneur Memorandum – I & II (EM-I & EM-II) shall be continued concurrently with the Udyog Aadhar Memorandum (UAM) till EM-I & II are fully replaced with UAM.
- 1.3. A non-refundable processing fee of Rs.1000/- shall be payable, directly to be deposited in the treasury under Major Account Head-0851 Village & Small Industries. However, in case of Micro units and women entrepreneurs, a fee of Rs.100/- only shall be applicable.
- 1.4 In respect of Micro units, the submission of DPRs shall be dispensed away with. However, a project profile shall have to be submitted in place of DPR.
- 1.5 Registration of all enterprises shall be done by the General Manager of DIC concerned subject to any other condition(s) laid by the State/Central Government from time to time in this behalf. Besides that, registration of a unit proposed to be established in any industrial estate managed by SIDCO/SICOP shall not be done without confirmation of availability of land suitable for setting up of the proposed unit, by concerned Corporation.
- 1.6 In case of enterprises having investment of more than Rs. 5 crore in Plant & Machinery, the concerned General Manager DIC shall transfer all the requisite documents, including DPR, to the concerned Director, Industries & Commerce or to the Nodal Officer nominated by SIDCO, for approval of the project by the Single Window Clearance Committee/APCC, as the case may be, in terms of para 2.1.1 & 2.1.2 of these guidelines. The General Manager DIC shall transfer such case(s) to the Director, Industries & Commerce and/or to the nominated Nodal Officer of SIDCO within seven (07) days from the date of provisional registration. Any delay in this regard shall have to be accompanied with justification by the concerned officer in writing.
- 1.7 The provisional registration (EM-I) for new units shall be valid for a maximum period of three (03) years.
- 1.8 In case of the units provisionally registered before issuance of Industrial Policy 2016, which have not been allotted land due to it's non-availability in a particular industrial estate, the maximum period of validity shall also be a total of three (03) years and shall be counted from the original date of registration after which their provisional registration shall be deemed to have lapsed and



such units shall be struck off from the queue for land allotment. All such entrepreneurs will have to apply afresh for provisional registration.

- 1.9 Incomplete applications shall be rejected and the applicants shall be informed about the reasons for rejection.

2.0 Single Window Clearance (SWC):-

2.1 All units, as per cut-off value of investment in Plant and Machinery, mentioned in below para 2.1.1 to 2.1.3, shall be appraised and approved by the mentioned Single Window Clearance Committee (SWCC)/APCC, which shall approve the project after due diligence and decide the quantum of land to be allotted. The concerned SWCC/APCC shall also give in-principle approval to the Power Connection as well as the Consent-to-Establish which shall be subject to the provisions contained in para 4.2.1 of the Industrial Policy, 2016. The composition of these Single Window Clearance Committees/APCC shall be as follows:

- 2.1.1 Units with investment of more than Rs. 25 crore in Plant and Machinery shall be approved by the Apex Project Clearance Committee (APCC) having following composition:

S.No.	Officer to be part of the Committee	Designation
1.	Chief Secretary, Jammu & Kashmir	Chairman
2.	Administrative Secretary, Industries & Commerce	Member
3.	Administrative Secretary, PDD	Member
4.	Administrative Secretary, Forest	Member
5.	Administrative Secretary, H&UDD	Member
6.	Chairman J&K, SPCB	Member
7.	Director, Industries & Commerce, concerned	Member
8.	Managing Director, JKDFC	Member
9.	Managing Director, J&K, SIDCO	Convener
10.	Representative of Industrial Association concerned	Member

- 2.1.2 For units with investment of more than Rs. 05 crore and up to Rs. 25 crore in Plant and Machinery, the composition of the SWCC shall be as under:

S.No.	Officer to be part of the SWCC	Designation
1.	Director, Industries & Commerce, concerned	Chairman
2.	Superintending Engineer, PDD of the district concerned	Member
3.	Representative of the SPCB	Member

4.	Managing Director, SIDCO	Member
5.	Managing Director, SICOP	Member
6.	Representative of the Industrial Association concerned	Member
7.	General Manager, of the DIC concerned	Member-Secy.

2.1.3 For the approval of units with investment in Plant and Machinery upto Rs. 05 crore, composition of the SWCC shall be as under:

S.No.	Officer to be the member of the SWCC	Designation
1.	General Manager, DIC concerned	Chairman
2.	Executive Engineer/AEE, PDD concerned	Member
3.	District Representative of the SPCB	Member
4.	Estate Manager, SIDCO/SICOP as the case may be	Member

2.1.4 These SWCCs shall meet at least once in a month and the APCC shall meet when such projects are referred to it by SIDCO.

3.0 Land Allotment Order:-

3.1 The J&K, SIDCO and SICOP, as the case may be, shall notify new Industrial Estates by publishing in newspapers and also through their respective websites.

3.2 An officer notified by the concerned corporation, SIDCO / SICOP, shall issue the final allotment order within the seven (07) days of approval by the Single Window Clearance Committee.

3.3 The land allotment order shall mention all terms and conditions including compliance with respect to effective steps and the timelines for coming into production as per these guidelines.

3.4 The allottee shall be given two (02) months time to deposit the entire premium amount.

4.0 Execution of lease deed and physical possession:-

4.1 A lease deed in the prescribed uniform-lease-deed format shall be executed by the allottee and SIDCO/SICOP, as the case may be, within 60 days from the date of issuance of allotment order. A final notice of 15 days shall be issued to the allottee immediately after expiry of 60 days from the date of issuance of allotment order. In case of non-payment of premium and/or non-execution of lease deed even after the expiry of notice period the land allotment shall be cancelled by the Managing Director, SIDCO/SICOP.

4.2 Physical possession of the land shall be given only after receipt of total premium cost and execution of lease deed.

4.3 The premium shall be charged at the rate prevalent on the date of issuing of final allotment order.

4.4 The concerned Estate Manager shall cause actual plot to be measured immediately as per the area approved by the SWCC/ APCC and mark the boundary of the plot as per the site plan. The possession certificate in the prescribed format duly mentioning the plot number, exact area/khasra number(s)/coordinates etc. shall be signed by the allottee and the Estate Manager.

5.0 Earmarking:-

5.1 The Industrial plots shall be allotted by the Single Window Clearance Committee(s). However, no land shall be kept reserved through earmarking. All pending cases where land could not be allotted after earmarking in a particular Industrial Estate and six months have elapsed, the earmarking shall be deemed to have been lapsed and such plots shall be allotted as per these guidelines.

6.0 Premium and Rent of leased land:-

6.1 The premium of land allotted on lease to the entrepreneurs shall be as notified by the Government from time to time and the rent of the Industrial plots within Industrial Estates shall be decided by the concerned Corporations through their Board of Directors.

6.2 In case of land allotted on lease to the entrepreneurs outside the Industrial Estates, which are acquired by the Government/SIDCO/SICOP for the specific purpose of industrial development, shall be allotted at a premium arrived at by acquisition cost plus 10% administrative cost plus development cost (if any). However, in case of undeveloped land, the entrepreneur may also have the option of paying half the premium rate which the Government may fix for such area. The premium rate notified for such undeveloped land shall, however, be in consonance with the premium rate of plots in Industrial Estates located in the vicinity of such undeveloped land and shall be decided by the Board of Directors of SIDCO/SICOP.

7.0 Reservation of plots in Industrial Estates:-

7.1 In new Industrial Estates developed by SIDCO/SICOP, having more than 1500 *kanals* of area, the land/plots shall be reserved to the extent shown in favour of the below mentioned categories:

- | | | |
|--|---|-----|
| a. Women Entrepreneurs/Start-ups | - | 10% |
| b. Micro and Small Enterprises/Start-ups | - | 10% |

Explanation:

(i) *Only those enterprises shall be recognized as Start-ups which have been declared as such by the Ministry of MSME, Government of India or under any Scheme of State Government.*

(ii) *'Micro' and 'Small' enterprises (both manufacturing and services sector) shall be as defined by MSME Government of India from time to time and at present, as per the MSMED Act 2006, these are as under:*

Manufacturing Sector	
Enterprises	Investment in plant & machinery
Micro Enterprises	Does not exceed twenty five lakh rupees
Small Enterprises	More than twenty five lakh but does not exceed five crore rupees
Service Sector	
Enterprises	Investment in plant & machinery
Micro Enterprises	Does not exceed ten lakh rupees
Small Enterprises	More than ten lakh but does not exceed two crore rupees

(iii) *Wherever the term 'SSI Unit(s)' appears it would mean 'Micro' and 'Small' Enterprises as defined by Government of India from time to time.*

(iv) *Except 7.1 (a) and (b) above, others shall be General category.*

7.2 In case of applications received for land allotment in the Industrial Estates under the above mentioned reserved category of women entrepreneurs, the sole proprietor of proposed unit should be a woman, and in case of partnership firm or company, the women partners/directors should not be less than fifty percent and should hold at least fifty percent of the equity in the enterprise.

7.3 The woman entrepreneurs who are allotted land in reserved category shall be allowed to transfer their unit, after coming into production, only to a woman entrepreneur. The constitution of such units shall not be allowed to be changed in a manner that the unit does not remain in the category in which it has been allotted land after such change in constitution.

7.4 In the existing Industrial Estates as well as the new smaller Industrial Estates with area less than 1500 *Kanals*, the land shall be allotted on first-come-first-serve basis except to the projects having more than Rs. 50 crore investment in Plant & Machinery which shall be allotted land out of turn.

7.5 The Apex Project Clearance Committee (APCC) shall be empowered to allot land out of turn to any unit, irrespective of its category, if the unit has very high employment potential or if it proposes a state-of-art-technology project which has global market or if the Committee feels that it is expedient to do so for the rapid industrial development of the State.

7.6 For the reserved categories mentioned at 7.1 (a) & (b), land shall be reserved only for two years from the date of first allotment after which the land shall be allotted on first-come-first-serve basis to all categories subject to the provision mentioned in para 7.4 & 7.5 above.

7.7 Subject to viability of the project the applications shall be segregated into following categories:

- i. Projects having investment of more than Rs.50 crore in Plant and Machinery
- ii. Start-ups
- iii. Women entrepreneurs
- iv. Micro and Small Enterprises
- v. General

7.8 Separate queues shall be made for separate categories. The priority to the categories shall be accorded in the order in which they appear in 7.7 above.

7.9 The above priority / categories will not apply in case of the industrial plots where allotment is made through auction as detailed in the Industrial Policy.

7.10 An applicant can apply in any one or more categories for which he/she is eligible, separately. However, the benefit of reservation shall be given in only one category.

8.0 Pollution Clearance:-

8.1 The Consent to Establish/Consent to Operate is provided under the Unified Consent Mechanism of the J&K State Pollution Control Board (JKSPCB) which is in the process of establishing an online system for submission of applications to obtain Consent to Establish and Consent to Operate. Till the online system is put in place, the entrepreneur shall submit application in the prescribed form (Schedule-I) to the concerned District Officer of the JKSPCB. The District Officer of the JKSPCB shall submit the inspection report expeditiously to the Regional Director, JKSPCB, who will submit the application along with the inspection report with comments to the Secretary, JKSPCB within seven (07) working days.

8.2 Issuance of NOC by SPCB for establishing Industry/Project under Orange, Red and Green categories shall be as per the timelines prescribed under J&K Public Services Guarantee Act, 2011.

8.3 The White Category Industries are not required to obtain Consent to Establish. However, the White Category units need to inform the J&K State Pollution Control Board regarding the location and setting up of the industry.

8.4 The validity of Consent to Establish shall coincide with the validity period of Provisional Registration.

8.5 Validity period of Consent to Operate (CTO) for different categories of enterprises shall be as decided by the J&K, SPCB from time to time. Presently validity period of CTO for Green/Orange/Red categories of Units shall be as per J&K, State Pollution Control Board's Order No. 60 SPCB of 2016, dated 29.01.2016 (**Annexure-I**), which is as under:

- | | | |
|--------------------|---|---------|
| a. Green category | - | 8 years |
| b. Orange category | - | 5 years |
| c. Red category | - | 3 years |

8.6 The mandatory requirement of online pollution control devices for State incentives shall be applicable only in case of those enterprises which have been notified by the J&K State Pollution Control Board / Central Pollution Control Board for mandatory installation of online pollution control devices.

9.0 Effective Steps:-

- 9.1 Availability of land at reasonable/subsidized rates being the most important factor in the establishment of industry, the State Government will endeavor, on the one hand to arrange and ensure availability of land to the entrepreneurs at reasonable/subsidized rates, on the other hand it will be ensured that the land provided by the Government is put to industrial use within the shortest possible time of it's allotment and that such industrial land does not remain vacant or unutilized for a long time. Industrial Policy 2016, therefore, stresses upon the entrepreneurs to start taking effective steps immediately after the allotment of land. The stipulated period within which effective steps are required to be taken shall be two years, which will start from the date of Building Plan approval which, in turn, should necessarily be obtained within seventy five (75) days of land allotment order. In case the Building Plan approval is not obtained within 75 days, the timeline for taking effective steps shall be reckoned from the date of allotment of the land.
- 9.2 In case effective steps are not taken by the entrepreneur within two years, the land shall be retrieved and allotted to other entrepreneur(s) as per the guidelines. The premium and/or rent paid by the entrepreneur in such cases shall be forfeited. The allotted plot in this case shall be retrieved irrespective of the fact whether the provisional registration is valid. For the purpose of retrieval, the validity of provisional registration shall be inconsequential and only the timeline of two years for taking effective steps shall be the deciding factor for retrieval of land.
- 9.3 The maximum period for coming into production shall also be two years from the date of Building Plan approval which should necessarily be obtained within seventy five (75) days of the land allotment order. And, in case the Building Plan approval is not obtained within 75 days, the timeline for coming into production shall also be reckoned from the date of allotment of land. Therefore, the entrepreneur will have to plan effective steps in a manner that the proposed unit comes into production within two years of Building Plan approval/ allotment of land and the progress of implementation shall be constantly monitored.
- 9.4 In case of those entrepreneurs who have already taken effective steps within two years of allotment, before as well as after the notification of Industrial Policy 2016, but could not come into production for any unforeseen reasons, may be considered by the Committee constituted under para (4.2.8) of the IP,



2016 for extension of time period for coming into production on case-to-case basis. However, timeline for coming into production shall not be extended for more than six (06) months except in some exceptional cases where further extension of two (02) additional months may be granted. For granting extension in timeline, the Committee however would be required to record the reasons of justification in writing in each case. Beyond the extension of additional eight (08) months, further grant of extension can be done in exceptional circumstances by the APCC on case-to-case basis.

9.5 The provisional registration of those enterprises which have not taken any effective steps within the prescribed period of two years shall be cancelled and the land shall be retrieved. However, in case the delay is due to any reason beyond the control of the entrepreneur, he/she may prefer an appeal before the Apex Project Clearance Committee through Director, Industries & Commerce which shall take a decision in the matter.

9.6 The 'effective steps' shall mean as explained in the Industrial Policy, 2016.

10.0 Change of location of allotted land:-

10.1 The applicant may seek change of location of plot before or after allotment only as per below mentioned procedure and provisions.

10.2 The applicant shall file an application before the Managing Director of the concerned Corporation for change of location of the allotted land/plot which shall be subject to the availability of the plot and also to the compatibility of the industries in the chosen new Industrial Estate/site. In case of higher premium of the changed plot, the difference shall have to be deposited by the applicant within the specified time. However, if the premium of the land at the new chosen site is lower, the difference shall be adjusted in the annual lease rent.

10.3 In case two entrepreneurs want to exchange vacant plots, the same shall be allowed after obtaining the prevailing transfer fee. However, the compatibility of the industries in the new locations shall be kept in mind while allowing such transfers.

10.4 The transfer of vacant plot to the legal heirs would be allowed. The transfer of vacant land to the legal heirs shall also be allowed in case of death of the original allottee. No transfer fee shall be charged for such transfers.

10.5 There shall be no restriction on 'Transfer of Ownership' and/or 'Change of Constitution' in private lands subject to issuance of Consent to Establish by the JKSPCB and Power Availability Certificate by the PDD in favour of the new enterprise which may come up due to such transfer of ownership or change in constitution. However, the provisions of special status of J&K, the compatibility of the industry in the chosen locations and/or Master Plan

provisions in such area shall also be kept in mind while allowing such transfers or change of constitution on private lands.

10.6 In all cases of transfer, the date of first allotment shall be considered for the reckoning of the stipulated two years for taking effective steps and coming into production. In case, the unit does not come into production within two years, the land shall be retrieved. All other guidelines mentioned herein or in the Industrial Policy, 2016 shall apply.

11.0 Allotment of premises to the public/utility agencies:-

11.1 J&K, SIDCO/SICOP may consider allotment of land in the Industrial Estates for public/utility agencies such as Fire Station, Police Station, Government / ESI Dispensaries, Power Development Department, Public Health Engineering Department (PHE/I&FC), Scheduled Banks etc. at the premium and rent rates fixed by the respective Board of Directors. Land may also be allotted for weigh bridges, warehouses etc. which are compatible with industrial usage. The Board of Directors may waive off/ reduce the premium or rent rates for such public utility agency, if needed.

11.2 The land for other commercial utilities such as petrol pumps, restaurants etc. required in the industrial estates shall be allotted only through auction of suitable patches identified by the concerned Corporation.

12.0 Monitoring of project implementation:-

12.1 The Managing Director, SIDCO/SICOP shall constitute a Monitoring Cell, which will include suitable officer(s) from the concerned DIC as its member, to regularly monitor and update the status of implementation of the project(s).

12.2 The entrepreneur shall take necessary steps for implementation of project and file documents in evidence of such implementation like approval of building plan, power connection, consent to establish from the J&K State Pollution Control Board, sanction of term loan etc. to the said Monitoring Cell on regular basis.

12.3 The Monitoring Cell shall visit the premises at least once in a month to physically verify the progress of implementation of each project and in case the entrepreneur does not seem to take necessary steps for implementation of the project the Monitoring Cell shall be responsible for immediate reporting the matter to the Managing Director of SIDCO/SICOP as the case may be.

12.4 The Managing Director, SIDCO / SICOP, shall quarterly review the progress of project implementation in each case and if required facilitate the entrepreneurs in obtaining necessary sanctions/approvals from different government agencies. The concerned Director of Industries & Commerce shall also review the implementation of projects from time to time and ensure that all the entrepreneurs are given requisite help for obtaining necessary

sanctions/ approvals. In case of some major impediments, the matter should immediately be brought to the notice of Administrative Secretary, Industries & Commerce Department.

12.5 The allottee will be under obligation to submit quarterly reports to the Monitoring Cell about the progress of implementation.

13.0 Cancellation of lease deed and resumption of plot / premises:-

13.1 In case of failure on the part of allottee to make total payment towards premium within stipulated time from the date of allotment letter, violation of any condition of the lease deed, failure to take effective steps within the stipulated time, failure to come into production within stipulated time, failure to adhere to any other condition(s) stipulated in the Industrial Policy and/or these guidelines, the concerned Estates Officer notified under the Jammu & Kashmir Public Premises (Eviction of Unauthorized Occupants) Act, 1988 shall immediately take necessary action for determination of the lease deed and eviction of the allottee under the said Act and rules made there under.

14.0 Change of Constitution:-

14.1 Proposals for Change in Constitution before/during project implementation shall be as under:

14.1.1 Change in Constitution among the family members or in favour of the legal heirs due to death of allottee(s)/partner(s)/shareholders and without addition of any outside member as partner/ shareholder.

14.1.2 Proprietary firm becoming partnership firm where the proprietor of the original firm holds not less than 51% or more shares in profit and loss and capital investment within the same legal entity.

14.1.3 Partnership firm becoming proprietary firm with exit of all but one partner within the same legal entity.

14.1.4 Where proprietary concern or partnership concern converts into a private limited company or public limited company and the original proprietor/partners together hold not less than 51% of the authorized share capital of the same legal entity.

14.1.5 Changes within the partnership firm where the original partners together hold not less than 51% in the share of profit and loss and the capital investment in the original partnership firm and the reconstituted partnership firm without change of name of the firm.

14.1.6 In respect of Private Limited/Public Limited firm, where there are changes in share holding and the original share holders continue to maintain their holding of 51% or more in the same legal entity.

14.1.7 In cases, where NOC was given by SIDCO/SICOP/DIC to the J&KSFC/ Scheduled Banks/Public Financial Institutions for creating equitable mortgage

on the allotted premises, and the terms of NOC were complied with and the unit is transferred by these institutions for recovery of the loan or otherwise.

14.2 Change in Constitution however shall be subject to completion of following formalities and processes:

- 14.2.1 Furnishing of documents viz. Partnership Deed/Dissolution Deed/Retirement Deed duly registered in the Court of Law/Form-14 in case of Companies/Resolution by Board of Directors/Firm Registration Certificate/ Incorporation of the Company from Registrar of Companies/Articles of Association/ Memorandum of Association/ Entrepreneur's Memorandum/ Profit & Loss Account Statements/ Balance Sheet/ Share Capital structure duly certified by practicing Chartered Accountant etc. as may be applicable.
- 14.2.2 Public Notice in leading dailies inviting objections for Change of Constitution.
- 14.2.3 NOC/NDC from the concerned Bank/ Financial Institution/ Sales Tax/Excise/PDD/SPCB/DIC wherever required.
- 14.2.4 An undertaking (attested by Judicial Magistrate) stating that any liability arising due to Change of Constitution shall be borne by the Proprietor/ Partners/ Company.
- 14.2.5 An affidavit duly executed in the Court of Law to the effect that the land is free from all encumbrances.
- 14.2.6 Clearance of all dues whatsoever.
- 14.2.7 Execution of supplementary/ fresh lease deed.
- 14.2.8 Any other formality as may be deemed appropriate by the Managing Director SIDCO/ SICOP.
- 14.2.9 For Change in Constitution, where transfer of unit is within the family/legal heirs and without addition of any outside member as partner/share holder, 5% of the prevalent premium amount shall be charged for such transfers.
- 14.2.10 Proprietary firm becoming partnership firm where the proprietor of the original firm holds not less than 51% or more share in Profit and Loss and Capital Investment within the same legal entity, 5% of the prevalent premium amount shall be charged for such transfers.
- 14.2.11 Where proprietary concern or partnership concern converts into a Private Limited Company or Public Limited Company and the original proprietor/partners together hold not less than 51% of the authorized share capital of the same legal entity, 5% of the prevalent premium amount shall be charged for such transfers.
- 14.2.12 In case of retirement of the original promoter(s)/ share holder(s)/ Director(s) where only 5% has been charged while inducting partner(s)/share holder(s)/Director(s), as per clause 14.2.10 and 14.2.11, 50% of the prevalent premium amount shall be charged for such transfers.



14.2.13 In case of retirement of any of the partner(s)/ share holder(s)/ Director(s), except original promoter/ share holder(s)/ Directors, as per clause 14.2.10 and 14.2.11, no premium shall be charged.

14.2.14 In case of dispute between the partners/ promoters in a company, the division of plot shall be permissible, subject to payment of 5% of the prevalent premium for such transfer. However, such division shall be subject to justifying the requirement of the extent of premises already allotted for undertaking new activities.

14.2.15 In case of merger/ amalgamation of two or more units with same constitution, 5% of the prevalent premium for such transfer shall be charged. However, in case Change of Constitution takes place by virtue of such merger/ amalgamation, 50 % of prevalent premium for such transfer shall be charged.

14.3 With Change in Constitution, lease hold rights should not change, meaning thereby that the original allottee(s) should retain a minimum of 51% or more shares in Profit and Loss and Capital Investment/ Authorized Share Capital, otherwise provisions of transfer of ownership/lease hold rights will be applicable.

14.4 If it is observed that the change of lease hold rights is made through a Change in Constitution before the unit comes into production, such a transfer will be considered void and land shall be resumed after cancellation of allotment.

14.5 Breathing Period:

14.5.1 The applications for Change of Constitution/Name and Style/Line of Activity/Additional Line of Activity, and Transfer of lease hold rights/ Amalgamation etc. received prior to the announcement of Industrial Policy 2016 i.e. 15-03-2016 by the DICs/Directorates of Industries and Commerce, and found eligible but which could not be decided, shall be disposed off as per the provisions of Industrial Policy 2004, within a period of sixty days from the date of issuance of these guidelines. This however, shall be a one-time exception for all such cases.

14.5.2 Breathing period shall also be applicable to such cases of Change in Constitution/Lease hold rights (Outright Sale) if have been effected in any Court of Law before issuance of Industrial Policy 2016 but the concerned parties could not approach SIDCO/SICOP/DIC for seeking permission for recording such changes. Such cases shall also be disposed off as per the Industrial Policy, 2004 subject to the following conditions:

(i) That the concerned parties approach SIDCO/SICOP/DIC within a period of sixty days from the date of issuance of these guidelines.

(ii) Transfer Charges shall be payable as per the rates prescribed in these

guidelines.

15.0 Transfer of lease hold rights:-

- 15.1 Transfer of lease hold rights in the Industrial Estates managed by SIDCO/SICOP shall be permitted by the concerned Managing Director only after the unit comes into production and subject to fulfillment of following conditions/formalities/processes:
- 15.1.1 Furnishing of documents viz. Partnership Deed/Dissolution Deed/Retirement Deed duly registered in the Court of Law or any other relevant deed and /or Form-14/Resolution of Board of Directors/Firm Registration Certificate/Incorporation Certificate by the Registrar of Companies/Articles of Association/Memorandum of Association/Entrepreneur's Memorandum/Profit & Loss Account Statements/Balance Sheets/Share Capital structure duly certified by Chartered Accountant etc, as may be applicable.
 - 15.1.2 Public Notice in leading dailies inviting objections.
 - 15.1.3 NOC/NDC from the concerned Bank/Financial Institution/Sales Tax/Excise/PDD/PCB/DIC wherever required.
 - 15.1.4 An undertaking by the incoming Promoter (attested by Judicial Magistrate) stating therein that liability if any arising due to transfer of lease hold rights (Outright-sale) shall be borne by the Proprietor/Partners/Company.
 - 15.1.5 An affidavit by the outgoing Promoter duly executed in the Court of Law to the effect that the land is free from all encumbrances.
 - 15.1.6 Clearances of all estates dues if any.
 - 15.1.7 Execution of surrender deed before execution of fresh lease deed.
 - 15.1.8 Furnishing of transfer/Sale/release/relinquishment deed.
 - 15.1.9 De-registration of the outgoing unit by the concerned Director, Industries & Commerce in case the incoming promoter desires to establish an Enterprise with different Line of Activity/Name and Style.
 - 15.1.10 Execution of fresh lease deed.
 - 15.1.11 Any other formality as may be deemed appropriate by the Managing Director, SIDCO/SICOP.
 - 15.1.12 Payment of transfer fees @ 50% of the prevalent land premium. In case of transfer of lease hold rights/Outright sale by way of public auction, transfer fee @ 50% of the prevalent land premium applicable on the date of issuance of transfer order/permission by the concerned Corporation shall be payable.

16.0 Change in Name and Style/Line of Activity:-

- 16.1 The request of the allottee(s) for change in Name and Style of the unit shall be allowed by the General Manager, DIC in case of MSMEs and by the concerned Director, Industries & Commerce subject to fulfillment of following conditions/formalities/processes:

- 16.1.1 Furnishing of documents viz. Supplementary Deed to the Partnership Deed registered in the Court of Law wherever applicable/Form-14, Resolution of Board of Directors, Firm Registration Certificate, Change/Amendments in Articles of Association, Memorandum of Association of the Company regarding the change in Name and Style.
- 16.1.2 Public Notice in leading dailies inviting objections.
- 16.1.3 NOC/NDC from the concerned Bank/Financial Institution/Sales Tax/Excise/PDD/PCB/DIC/SIDCO/SICOP wherever required.
- 16.1.4 An undertaking by the Promoter (attested by Judicial Magistrate) stating therein that liability/outstanding if any against erstwhile Name and Style shall be borne by the Proprietor/Partners/Company with changed Name and Style.
- 16.1.5 An affidavit by the Promoter duly executed in the Court of Law to the effect that the land is free from all encumbrances.
- 16.1.6 Clearances of all outstanding estates dues, if any.
- 16.1.7 Execution of supplementary/Fresh lease deed as may be applicable.
- 16.1.8 Payment of 5% of prevalent land premium to the concerned Corporation.
- 16.1.9 Any other formality as may be deemed appropriate by the General Manager DIC/concerned Director, Industries & Commerce as the case may be.
- 16.2 The request for change in the Line of Activity or Additional Line of Activity shall be considered by the respective Committees mentioned in para 2.1.1 to 2.1.3 as per the cut-off value of proposed investment in Plant & Machinery which shall be subject to fulfillment of following conditions/formalities:
 - 16.2.1 Justification by the applicant for Change in Line of Activity/Additional Line of Activity viz-a-viz the quantum of land already allotted.
 - 16.2.2 That such changes in Line of Activity/Additional Line of Activity are compatible to the nature of Industrial Estate and shall not be detrimental to the other neighboring allottees/units.
 - 16.2.3 Furnishing of documents viz. Detailed Project Report, Supplementary Deed to the Partnership Deed registered in the Court of Law wherever applicable /Form-14, Resolution of Board of Directors, Firm Registration Certificate, Change/Amendments in Articles of Association, Memorandum of Association of the Company regarding the change in Line of Activity/Additional Line of Activity.
 - 16.2.4 Consent to Establish and Power Availability Certificate from PCB and PDD respectively.
 - 16.2.5 NOC/NDC from the concerned Bank/Financial Institution/Sales Tax/Excise/PDD/PCB/DIC wherever required.
 - 16.2.6 Clearances of all outstanding estates dues, if any.
 - 16.2.7 Execution of supplementary/Fresh lease deed as may be applicable.

- 16.2.8 Payment of 5% of prevalent land premium to the concerned Corporation.
- 16.2.9 Any other formality as may be deemed appropriate by the General Manager DIC/concerned Director, Industries & Commerce/Managing Director, SIDCO as the case may be.
- 16.3 In cases where change in Line of Activity is requested in case of new units, the maximum period for coming into production shall be reckoned from the original date of final allotment letter.
- 17.0 Substantial Expansion/New unit:-**
- 17.1 The request for substantial expansion/new unit on the land already allotted shall be considered only in case of units which have already come into production and shall be permitted by the respective Committees mentioned in para 2.1.1 to 2.1.3 as per the cut off value of proposed investment in Plant & Machinery which shall be subject to fulfillment of following conditions/formalities:
- 17.1.1 Furnishing of Detailed Project Report (DPR) in case of Substantial Expansion and DPR alongwith Resolution of Board of Directors, Memorandum of Association of the Company needs to be furnished in case of the New Units proposed to be established on already allotted premises of the functional unit.
- 17.1.2 Consent to Establish and Power Availability Certificate from PCB and PDD respectively.
- 17.1.3 NOC/NDC from the concerned Bank/Financial Institution/Sales Tax/Excise/PDD/PCB/DIC wherever required.
- 17.1.4 Clearances of all outstanding estates dues, if any.
- 17.1.5 Execution of supplementary/Fresh lease deed as may be applicable.
- 17.1.6 Payment of 5% of prevalent land premium to the concerned Corporation.
- 17.1.7 Any other formality as may be deemed appropriate by the General Manager DIC/concerned Director, Industries & Commerce/Managing Director, SIDCO as the case may be.
- 17.1.8 It shall also be subject to the fulfillment of building norms and Environmental stipulations and provided that such changes/expansion are compatible to the nature of the Industrial Estate and are not detrimental to other neighbouring allottees/ units.
- 17.2 In case of land retrieved after cancellation from a unit, which is adjacent to an existing functional unit, the owner of the adjacent functional unit shall be afforded first opportunity for allotment of the retrieved land. Such opportunity will however be afforded for a genuine substantial expansion plan/project required to be submitted by such functional unit and duly approved by the Competent Authority. The response to avail such opportunity, by coming forth with the approved substantial expansion plan or new project should be



submitted within one month of receipt of the notice offering such opportunity to the adjacent functional unit. The time limit of taking effective steps and coming into production shall also apply in this case.

18.0 Retrieval of land from the Sick Industrial Units:-

- 18.1 There is already a policy framework announced by the State Government for revival of the sick industrial units. The Ministry of Micro, Small and Medium Enterprises has also notified a framework for revival and rehabilitation of Micro, Small and Medium Enterprises. The State Government shall endeavor to take all possible steps for revival of the sick industrial units in the State as per the aforementioned notifications.
- 18.2 Once all the steps have been exhausted for revival and rehabilitation of a sick industrial unit, the Government shall provide an exit route to the sick unit by allowing transfer of its ownership/lease hold rights to another entrepreneur provided all the liabilities are cleared.
- 18.3 In cases where the land / unit have been mortgaged to a financial institution / bank, the SIDCO / SICOP, as the case may be, shall facilitate settlement of the loans etc. and facilitate auctioning of these units by the concerned financial institution / bank in case no other way is found out. Land from such sick industrial units shall be retrieved only in cases when all the aforementioned steps have been taken and exhausted without any result.

19.0 Rehabilitation of Sick Units:-

- 19.1 The guidelines for rehabilitation/ revival of Micro, Small and Medium enterprises (MSME) notified by the Ministry of MSME vide notification NO.S.O.1432(E) Dated 29/5/2015 (Annexure-III of IP, 2016) addresses the problem of early detection of distress and rehabilitation/ exit of MSME in a more structured and transparent manner. These guidelines along with Framework for Revival and Rehabilitation of Micro, Small and Medium Enterprises (MSMEs) issued by the Reserve Bank of India in consultation with the Ministry of MSME vide RBI/2015-16/338 FDD.MSME & NFS.BC.No.21/06.02.31/2015-16 dated 17.03.2016 (**Annexure-II**) shall be applicable.
- 19.2 The State Level Revival Committee (SLRC) shall henceforth deal with only such cases which are referred to it by the concerned banks through the Directorate of Industries and Commerce.
- 19.3 The entrepreneur shall approach the concerned bank/ banks that shall deal with the cases in terms of the framework recommended under the above notification of the Ministry of MSME, GOI and as per the guidelines thereof.
- 19.4 The Bank(s) shall refer the case(s) to the concerned General Manager for identification of the unit as sick, subject to the condition that the bank is

satisfied that the unit holder through the State Level Revival Committee (SLRC) requires the additional financial assistance.

- 19.5 The concerned General Manager shall deal with the case as per the provisions of Govt. Order No: 47 IND-1999, dated 10/02/1999 in respect of the units where total assistance requirement does not exceed Rs. 5.00 Lac. These cases shall be placed before District Level Revival Committee (DLRC) for declaring the unit as sick.
- 19.6 In case of the units where the financial assistance requirement exceeds Rs. 5.00 Lac, the same shall be recommended to the concerned Directorate of Industries & Commerce for declaring the unit as sick and subsequent placement of such case(s) before State Level Revival Committee (SLRC) for approval of requisite funds in each case.
- 19.7 The Director of Industries and Commerce shall there after forward the case(s) to SIDCO/SICOP.
- 20.0 Guidelines related to Incentives under State Package:**
Enclosed as **Annexure- III**.
- 21.0 Price /Purchase Preference:-**
- 21.1 The local SSI/MSME Units will be entitled to price preference upto 15% as envisaged in the Industrial Policy, 2004 issued vide Government Order No. 21-Ind. of 2004 dated 27.01.2004 in reference to Cabinet decision No. 19/1 dated 23.01.2004.
- 22.0 Self-Undertaking Mechanism for NOCs:-**
- 22.1 While processing cases for establishment of Industrial/Business Units, DICs/SIDCO/SICOP shall not obtain NOCs/Permissions on behalf of various other Government Departments/Agencies except for State Pollution Control Board (SPCB), Power Development Department (PDD), Excise and Commercial Taxes Department.
- 22.2 The NOCs/Permissions from the SPCB and the PDD shall be subject to the timelines prescribed in Section 4.2.1 (f) and (g) of the Industrial Policy 2016.
- 22.3 While processing the cases for establishing of Industrial/Business Units, DICs/SIDCO/SICOP, instead of obtaining NOCs in respect of other Government Departments/Agencies as mentioned above in para 22.1, shall take an undertaking from the prospective promoter/entrepreneur on an affidavit attested before Judicial Magistrate as per Self-Undertaking form (**Annexure-IV**).
- 22.4 It shall be however optional for the promoter/entrepreneur to avail the Self-Undertaking route to fast track the establishment of his/her Industrial/Business Unit.
- 23.0 Self Certification for Export, Import and Green Corridor:-**
In addition to the Micro and Small Enterprises the benefit of Self Certification in terms of Section 4.10 of Industrial Policy 2016 shall also be available to the

Medium and Large Scale Units.

24.0 Grievance Redressal:-

24.1 Appeal:

In case of grievance against any decision/order(s) of the Director Industries and Commerce, Jammu/Kashmir, Managing Director, J&K SIDCO/SICOP, the entrepreneur shall have an appeal to be filed before the Administrative Department within thirty days from the date of issuance of such order. The appeal so filed as far as possible shall be decided within a period of thirty days of it's receipt.

24.2 Explanation of Provisions:

In case of any ambiguity vis-à-vis application/execution of the provisions of the Industrial Policy, 2016 and/or the Procedural Guidelines, the final decision will lie with the Administrative Department and as far as possible the clarification in that regard, whenever sought by any quarter/stakeholder, shall be provided within 30 days. If need arises, the Administrative Department may also further clarify, of it's own, various aspects of the Industrial Policy, 2016 and the Procedural Guidelines by way of Circulars/Executive Instructions/Orders etc.

25.0 Status of Subsidies/ Incentives after GST regime would be notified separately.





The Jammu and Kashmir State Pollution Control Board
Parivesh Bhavan, Transport Nagar, Narwal, Jammu, 180006

Subject: Revision of Consent validity period.

Reference: Decision taken on Agenda Item 28.06 in the 28th Meeting of the J&K State Pollution Control Board held on 3rd February, 2016.

ORDER: 60 SPCB of 2016

Dated: 29.03.2016

Pursuant to the decision taken in 28th Meeting of J&K State Pollution Control Board, and in supersession of previous orders on the subject, the period of validity of consent issued under section 25/26 of the Water (Prevention and Control of Pollution) Act, 1974 and/or section 21 of the Air (Prevention and Control of Pollution) Act, 1981 shall be as follows with effect from 1st April 2016:

#	Category	Consent Validity period in years	
		Consent to Establish	Consent to Operate
1.	Red	Consent to establish will be issued for the maximum period for which DIC registration is valid. However, unit holder may apply for lesser period subject to minimum one year.	3
2.	Orange		5
3.	Green		8

Provided that the occupier shall have to deposit the annual consent fees for the entire period of three, five or eight years, as the case may be, while applying for consent to operate otherwise the period of validity of the consent shall be as worked out on the basis of fees deposited in multiples of one year.

-sd-
Abdul Razak (IFS)
Chairman

No: SPCB/Estt/CO/Consent/02/2016/243-55

Dated: 29.03.2016

Copy for information and n/action to the:

1. Commissioner/Secretary to Government, Industries & Commerce Department, Civil Secretariat, Jammu.
2. Regional Directors, J&K SPCB, Kashmir/Jammu.
3. Environmental Engineer/Principal Scientific Officer/I/c Scientist C/AEE Consent Section.
4. All District/Divisional Officers/Nodal Officers, J&K SPCB.



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2015-16/338

FIDD.MSME&NFS.BC.No.21/06.02.31/2015-16

March 17, 2016

All Scheduled Commercial Banks
(Excluding RRBs)

Madam / Sir,

Framework for Revival and Rehabilitation of Micro, Small and Medium Enterprises (MSMEs)

In order to provide a simpler and faster mechanism to address the stress in the accounts of MSMEs and to facilitate the promotion and development of MSMEs, the Ministry of Micro, Small and Medium Enterprises, Government of India, vide their Gazette Notification dated May 29, 2015 had notified a 'Framework for Revival and Rehabilitation of Micro, Small and Medium Enterprises'. However, certain changes in the captioned framework have been carried out in consultation with the Government of India, Ministry of MSME in order to make it compatible with the existing regulatory guidelines on 'Income Recognition, Asset Classification and provisioning pertaining to Advances' issued to banks by RBI. Accordingly, a revised Framework along with operating instructions is furnished in the **Annex**. The Board approved policy to operationalize the Framework may be put in place by the banks **not later than June 30, 2016**.

2. While the prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances will continue to be as per the instructions consolidated in the Master Circular on IRAC Norms dated July 1, 2015 and as updated from time to time, the revival and rehabilitation of MSMEs having loan limits up to Rs.25 crore will be in terms of these operating instructions. Restructuring of loan accounts with exposure of above Rs.25 crore will continue to be governed by the extant guidelines on Corporate Debt Restructuring (CDR) / Joint Lenders' Forum (JLF) mechanism.

3. The revised Framework supersedes our earlier Guidelines on Rehabilitation of Sick Micro and Small Enterprises issued vide our circular RPCD. CO. MSME & NFS.BC.40/06.02.31/2012-2013 dated November 1, 2012, except those

P.

relating to Reliefs and Concessions for Rehabilitation of Potentially Viable Units and One Time Settlement, mentioned in the said circular.

4. Banks should continue to report credit information and SMA status of all accounts above the cut-off exposure of Rs.5 crore and above to the Central Repository for Information on Large Credit (CRILC), as per extant instructions.

5. Please acknowledge receipt and furnish Action Taken Report **by July 31, 2016.**

Yours faithfully

(Uma Shankar)
Chief General Manager

Encl: As above



Framework for Revival and Rehabilitation of Micro, Small and Medium Enterprises

1. Eligibility:

The provisions made in this framework shall be applicable to MSMEs having loan limits up to Rs.25 crore, including accounts under consortium or multiple banking arrangement (MBA).

2. Identification of incipient stress

2.1 Identification by banks or creditors – Before a loan account of a Micro, Small and Medium Enterprise turns into a Non-Performing Asset (NPA), banks or creditors should identify incipient stress in the account by creating three sub-categories under the Special Mention Account (SMA) category as given in the Table below:

SMA Sub-categories	Basis for classification
SMA-0	Principal or interest payment not overdue for more than 30 days but account showing signs of incipient stress (Please see Annex - I)
SMA-1	Principal or interest payment overdue between 31-60 Days
SMA-2	Principal or interest payment overdue between 61-90 Days

On the basis of the above early warning signals, the branch maintaining the account should consider forwarding the stressed accounts with aggregate loan limits above Rs.10 lakh to the Committee as referred in para 3.3 **within five working days** for a suitable corrective action plan (CAP). Forwarding the account to the Committee for CAP will be mandatory in cases of accounts reported as SMA-2.

2.2 As regards accounts with aggregate loan limits up to Rs.10 lakh identified as SMA-2, the account should be mandatorily examined for CAP by the branch itself under the authority of the branch manager / such other official (hereinafter referred to as 'designated official') as decided by the bank in terms of their Board approved policy. **Other terms and conditions, such as time limits, procedures to be followed, etc., as applicable to the cases referred to the Committee as referred in para 3.3, should be followed by the branch manager / designated official.** However, the cases, where the branch manager / designated official has decided the option of recovery under CAP instead of rectification or restructuring as mentioned in para 5.3 (a) or (b), should be referred to the Committee for their concurrence. Banks, with the approval of their Boards should frame a suitable policy in this regard as

given in para 3.4. The branch manager / designated official should also examine the accounts reported as SMA-0 and SMA-1, if it is deemed necessary.

2.3 Identification by the Borrower Enterprise - Any MSME borrower may voluntarily initiate proceedings under this Framework, if the enterprise reasonably apprehends failure of its business or its inability or likely inability to pay debts or there is erosion in the net worth due to accumulated losses to the extent of 50% of its net worth during the previous accounting year, by making an application to the branch or directly to the Committee as referred in para 3.3, wherever applicable.. When such a request is received by lender, the account with aggregate loan limits above Rs.10 lakh should be referred to the Committee. The Committee should convene its meeting at the earliest **but not later than five working days** from the receipt of the application, to examine the account for a suitable CAP. The accounts with aggregate loan limit up to Rs.10 lakh may be dealt with by the branch manager / designated official for a suitable CAP.

3. Committees for Stressed Micro, Small and Medium Enterprises:

In order to enable faster resolution of stress in an MSME account, every bank shall form Committees for Stressed Micro, Small and Medium Enterprises as per the following arrangements:

3.1 All banks having exposure towards MSME sector shall constitute a Committee at each District where they are present or at Division level or Regional Office level, depending upon the number of MSME units financed in the region. These Committees will be Standing Committees and will resolve the reported stress of MSME accounts of the branches falling under their jurisdiction.

3.2 For MSME borrowers having credit facilities under a consortium of banks or multiple banking arrangement (MBA), the consortium leader, or the bank having the largest exposure to the borrower under MBA, as the case may be, shall refer the case to its Committee, if the account is reported as stressed either by the borrower or any of the lenders under this Framework. This Committee will also coordinate between the different lenders.

3.3 The Composition of the Committee shall be as under:

- (a) The regional or zonal head of the convener bank, shall be the Chairperson of the Committee;
- (b) Officer-in-charge of the Micro, Small and Medium Enterprises Credit Department of the convener bank at the regional or zonal office level, shall be the member and convener of the Committee;
- (c) One independent external expert with expertise in Micro, Small and Medium Enterprises related matters to be nominated by bank.
- (d) One representative from the concerned State Government. Endeavour should be made to bring representative from the respective State Government in the Committee. In case State Government does not nominate any member, then the



convening bank should proceed to include an independent expert in the Committee, namely a retired executive of another bank of the rank of AGM and above.

(e) When handling accounts under consortium or MBA, senior representatives of all banks / lenders having exposure to the borrower.

3.4 Banks, with the approval of their Boards, should frame a policy, based on these instructions, on the composition of the Committee, the terms of appointment of its members, the manner of filling vacancies, and the procedure to be followed in the discharge of the Committee's functions. While decisions of the Committee will be by simple majority, the Chairperson shall have the casting vote, in case of a tie. In case of accounts under consortium / MBA, lenders should sign an Inter-Creditor Agreement (ICA) on the lines of Joint Lenders' Forum (JLF) Agreement. Banks may put in place suitable arrangements, including dedicated manpower, to ensure smooth functioning of the Committee and adherence to the stipulated timelines.

3.5 All eligible stressed MSMEs shall have access to the Committee for resolving the stress in these accounts in accordance with regulations prescribed in this Framework.

3.6 Provided that where the Committee decides that recovery is to be made as part of the CAP, the manner and method of recovery shall be in accordance with the existing policies approved by the board of directors of the bank which has extended credit facilities to the enterprise, subject to any regulations prescribed by the Reserve Bank of India and extant statutory requirements.

4. Application to the Committee for a Corrective Action Plan

4.1 Any lender on identifying an MSME account as SMA-2 or suitable for consideration under the Framework or on receipt of an application from the stressed enterprise, shall forward the cases having aggregate loan limits above Rs.10 lakh to the Committee for immediate convening of meeting and deciding on a CAP. Stressed enterprises having aggregate loan limits above Rs.10 lakh can also directly file an application for CAP to the Committee or to the largest lender for onward submission under advice to all its lenders. The Indian Banks' Association (IBA) may prescribe suitable application formats for aggregate loan limits above Rs.10 lakh, for this purpose, which, inter-alia, should include the following:

- (a) Latest audited accounts of the Enterprise including its Net worth;
- (b) Details of all liabilities of the enterprise, including the liabilities owed to the State or Central Government and unsecured creditors, if any;
- (c) Nature of stress faced by the Enterprise; and
- (d) Suggested remedial actions

The Indian Banks' Association (IBA) may also prescribe suitable formats for aggregate loan limits up to Rs.10 lakh.

4.2 Where an application is filed by a bank / lender and admitted by the Committee, the Committee shall notify the concerned enterprise about such application within five working days and require the enterprise to:

(a) respond to the application or make a representation before the Committee; and

(b) disclose the details of all its liabilities, including the liabilities owed to the State or Central Government and unsecured creditors, if any, within fifteen working days of receipt of such notice;

Provided that if the enterprise does not respond within the above period, the Committee may proceed ex-parte.

4.3 On receipt of information relating to the liabilities of the enterprise, the Committee may send notice to such statutory creditors as disclosed by the enterprise as it may deem fit, informing them about the application under the Framework and permit them to make a representation regarding their claims before the Committee within **fifteen working days** of receipt of such notice. It is mentioned here that these information are required for determining the total liability of the Enterprise in order to arrive at a suitable CAP and not for payments of the same by the lenders.

4.4 Within **30 days** of convening its first meeting for a specific enterprise, the Committee shall take a decision on the option to be adopted under the corrective action plan as given in subsequent paragraphs and notify the enterprise about such a decision, within **five working days** from the date of such decision.

4.5 If the corrective action plan decided by the Committee envisages restructuring of the debt of the enterprise, the Committee shall conduct the detailed Techno-Economic Viability (TEV) study (also refer para 5.1) and finalise the terms of such a restructuring in accordance with the extant prudential norms for restructuring, within **20 working days** (for accounts having aggregate exposure up to Rs.10 crore) and within **30 working days**

(for accounts having aggregate exposure above Rs.10 crore and up to Rs.25 crore) and notify the enterprise about such terms, within **five working days**.

4.6 Upon finalization of the terms of the corrective action plan, the implementation of that plan shall be completed by the concerned bank within 30 days (if the CAP is Rectification) and within 90 days (if the CAP is restructuring). In case recovery is considered as CAP, the recovery measures should be initiated at the earliest.

4.7 Where an application has been admitted by the Committee in respect of an MSME, the enterprise shall continue to perform contracts essential to its survival but the Committee may impose such restrictions, as it may deem fit, for future revival of the enterprise.

4.8 The Committee shall make suitable provisions for payment of tax or any other statutory dues in the corrective action plan and the enterprise shall take

necessary steps to submit such plan to the concerned taxation or statutory authority and obtain approval of such payment plan.

5. Corrective Action Plan by the Committee

5.1 The Committee may explore various options to resolve the stress in the account. The Committee shall not endeavour to encourage a particular resolution option and may decide the CAP as per the specific requirements and position of each case. While Techno-Economic viability of each account is to be decided by the concerned lender/s before considering restructuring as CAPs, for accounts with aggregate exposure of Rs.10 crore and above, the Committee should conduct a detailed Techno-Economic Viability study before finalising the CAP.

5.2 During the period of operation of CAP, the enterprise shall be allowed to avail both secured and unsecured credit for its business operations as envisaged under the terms of CAP.

5.3 The options under CAP by the Committee may include:

(a) Rectification:— Obtaining a commitment, specifying actions and timelines, from the borrower to regularize the account so that the account comes out of Special Mention Account status or does not slip into the Non-Performing Asset category and the commitment should be supported with identifiable cash flows within the required time period and without involving any loss or sacrifice on the part of the existing lenders. The rectification process should primarily be borrower driven. However, the Committee may also consider providing need based additional finance to the borrower, if considered necessary, as part of the rectification process. It should however be ensured that this need based additional finance is intended only for meeting, in exceptional cases, unavoidable increased working capital requirement. In all cases of additional finance for working capital, any diversion of funds will render the account as NPA. Further, such additional finance should ordinarily be an ad-hoc facility to be repaid or regularized within a maximum period of six months. Additional finance for any other purpose, as also any roll-over of existing facilities, or funding not in compliance with the above conditions, will tantamount to restructuring. Further, repeated rectification with funding, within the space of one year, will be treated as a restructuring and no additional finance should be sanctioned under CAP, in cases where the account has been reported as fraud by any lender.

(b) Restructuring:— Consider the possibility of restructuring the account, if it is prima facie viable and the borrower is not a willful defaulter, i.e., there is no diversion of funds, fraud or malfeasance, etc. Commitment from promoters for extending their personal guarantee along with their net worth statement supported by copies of legal titles to assets may be obtained along with a



declaration that they would not undertake any transaction that would alienate assets without the permission of the Committee. Any deviation from the commitment by the borrowers affecting the security or recoverability of the loan may be treated as a valid factor for initiating recovery process. The lenders in the Committee may sign an Inter-Creditor Agreement and also require the borrower to sign the Debtor-Creditor Agreement which would provide the legal basis for any restructuring process. The IBA may prepare formats for this purpose on the lines of formats used by the Corporate Debt Restructuring mechanism for Inter-Creditor Agreement and Debtor-Creditor Agreement. Further, a stand-still clause (as defined in extant guidelines on Restructuring of Advances) may be stipulated in the Debtor-Creditor Agreement to enable a smooth process of restructuring. The stand-still clause does not mean that the borrower is precluded from making payments to the lenders. The Inter-Creditor Agreement may also stipulate that both secured and unsecured creditors need to agree to the final resolution.

(c) Recovery:— Once the first two options at (a) and (b) above are seen as not feasible, due recovery process may be resorted to. The Committee may decide the best recovery process to be followed, among the various legal and other recovery options available, with a view to optimizing the efforts and results.

6. The decisions agreed upon by a majority of the creditors (75% by value and 50% by number) in the Committee would be considered as the basis for proceeding with the restructuring of the account, and will be binding on all lenders under the terms of the Inter-Creditor Agreement. If the Committee decides to proceed with recovery, the minimum criteria for binding decision, if any, under any relevant laws or Acts shall be applicable.

7. Time-lines

Detailed time-lines are given for carrying out various activities under the Framework. If the Committee is not able to decide on CAP and restructuring package due to non-availability of information on statutory dues of the borrower, the Committee may take additional time not exceeding 30 days for deciding CAP and preparing the restructuring package. However, they should not wait beyond this period and proceed with CAP.

8. Additional Finance

8.1 If the Committee decides that the enterprise requires financial resources to restructure or revive, it may draw up a plan for provision of such finance. Any additional finance should be matched by contribution by the promoters in appropriate proportion, and this should not be less than the proportion at the time of original sanction of loans. Additional funding provided under restructuring / rectification as part of the CAP will have priority in repayment over repayment of

existing debts. Therefore, installments of the additional funding which fall due for repayment will have priority over the repayment obligations of the existing debt.

8.2 If the existing promoters are not in a position to bring in additional funds the Committee may allow the enterprise to raise secured or unsecured loans.

8.3 Provided further, that the Committee may, with the consent of all creditors recognized, provide such loans higher priority than any existing debt.

9. If the Committee decides on options of either 'Rectification' or 'Restructuring', but the account fails to perform as per the agreed terms under these options, the Committee shall initiate recovery under option 5.3(c).

10. Restructuring by the Committee

10.1 Eligibility

(a) Restructuring cases shall be taken up by the Committee only in respect of assets reported as Standard, Special Mention Account or Sub-Standard by one or more lenders of the Committee.

(b) However, the Committee may consider restructuring of the debt, where the account is doubtful with one or two lender/s but it is Standard or Sub-Standard in the books of majority of other lenders (by value).

(c) Wilful defaulters shall not be eligible for restructuring. However, the Committee may review the reasons for classification of the borrower as a wilful defaulter and satisfy itself that the borrower is in a position to rectify the wilful default. The decision to restructure such cases shall have the approval of the Board of concerned bank within the Committee who has classified the borrower as wilful defaulter.

(d) Cases of Frauds and Malfeasance remain ineligible for restructuring. However, in cases of fraud / malfeasance where the existing promoters are replaced by new promoters and the borrower company is totally delinked from such erstwhile promoters/ management, banks and the Committee may take a view on restructuring of such accounts based on their viability, without prejudice to the continuance of criminal action against the erstwhile promoters / management. Further, such accounts may also be eligible for asset classification benefits available on refinancing after change in ownership, if such change in ownership is carried out under guidelines contained in circular DBR.BP.BC.No.41/21.04.048/2015-16 dated September 24, 2015 on "Prudential Norms on Change in Ownership of Borrowing Entities (Outside Strategic Debt Restructuring Scheme)". Each bank may formulate its policy and requirements as approved by the Board, on restructuring of such assets.

10.2. Viability

(a) The viability of the account shall be determined by the Committee based on acceptable viability benchmarks determined by them.



(b) The parameters may, inter-alia, include the Debt Equity Ratio, Debt Service Coverage Ratio, Liquidity or Current Ratio, etc.

10.3. Conditions relating to Restructuring under the Framework

(1) Under this Framework, the restructuring package shall stipulate the timeline during which certain viability milestones such as improvement in certain financial ratios after a period of **6 months** may be achieved.

(2) The Committee shall periodically review the account for achievement / non-achievement of milestones and shall consider initiating suitable measures including recovery measures as deemed appropriate.

(3) Any restructuring under this Framework shall be completed within the specified time periods.

(4) The Committee shall optimally utilize the specified time periods so that the aggregate time limit is not breached under any mode of restructuring.

(5) If the Committee takes a shorter time for an activity as against the prescribed limit, then it can have the discretion to utilize the saved time for other activities provided the aggregate time limit is not breached.

(6) The general principle of restructuring shall be that the stakeholders bear the first loss of the enterprise rather than the lenders. In the case of a company, the Committee may consider the following options, when a loan is restructured:

(a) Possibility of transferring equity of the company by promoters to the lenders to compensate for their sacrifices;

(b) Promoters infusing more equity into their companies;

(c) Transfer of the promoters' holdings to a security trustee or an escrow arrangement till turnaround of enterprise to enable a change in management control, if lenders favour it.

(7) In case a borrower has undertaken diversification or expansion of the activities which has resulted in the stress on the core-business of the group, a clause for sale of non-core assets or other assets may be stipulated as a condition for restructuring the account, if under the Techno-Economic Viability study, the account is likely to become viable on hiving off of non-core activities and other assets.

(8) For restructuring of dues in respect of listed companies, lenders may be, ab-initio, compensated for their loss or sacrifice (diminution in fair value of account in net present value terms) by way of issuance of equities of the company upfront, subject to the extant regulations and statutory requirements.

(9) If the lenders' sacrifice is not fully compensated by way of issuance of equities, the right of recompense clause may be incorporated to the extent of shortfall.



(10) In order to distinguish the differential security interest available to secured lenders, partially secured lenders and unsecured lenders, the Committee may consider various options, such as:

- (a) prior agreement in the Inter-Creditor Agreement among the above classes of lenders regarding repayments;
- (b) a structured agreement stipulating priority of secured creditors;
- (c) appropriation of repayment proceeds among secured, partially secured and unsecured lenders in certain pre-agreed proportion.

(11) The Committee shall, on request by the enterprise or any creditor recognized under paragraph 4.3, provide information relating to the proceeding as requested by the enterprise or such creditor.

10.4 Prudential Norms on Asset Classification and Provisioning

The extant asset classification and provisioning norms will be applicable for restructuring of accounts under this Framework.

11. Review

(1) In case the Committee decides that recovery action is to be initiated against an enterprise, such enterprise may request for a review of the decision by the Committee within a period of **ten working days** from the date of receipt of the decision of the Committee.

(2) The request for review shall be on the following grounds:

- (a) a mistake or error apparent on the face of the record; or
- (b) discovery of new and relevant fact or information which could not be produced before the Committee earlier despite the exercise of due diligence by the enterprise.

(3) A review application shall be decided by the Committee within a period of **thirty days** from the date of filing and if as a consequence of such review, the Committee decides to pursue a fresh corrective action plan, it may do so.





SMA-0 Signs of Stress

Illustrative list of signs of stress for categorizing an account as SMA-0:

1. Delay of 90 days or more in (a) submission of stock statement / other stipulated operating control statements or (b) credit monitoring or financial statements or (c) non- renewal of facilities based on audited financials.
2. Actual sales / operating profits falling short of projections accepted for loan sanction by 40% or more; or a single event of non-cooperation / prevention from conduct of stock audits by banks; or reduction of Drawing Power (DP) by 20% or more after a stock audit; or evidence of diversion of funds for unapproved purpose; or drop in internal risk rating by 2 or more notches in a single review.
3. Return of 3 or more cheques (or electronic debit instructions) issued by borrowers in 30 days on grounds of non-availability of balance/DP in the account or return of 3 or more bills / cheques discounted or sent under collection by the borrower.
4. Devolvement of Deferred Payment Guarantee (DPG) installments or Letters of Credit (LCs) or invocation of Bank Guarantees (BGs) and its non-payment within 30 days.
5. Third request for extension of time either for creation or perfection of securities as against time specified in original sanction terms or for compliance with any other terms and conditions of sanction.
6. Increase in frequency of overdrafts in current accounts.
7. The borrower reporting stress in the business and financials.
8. Promoter(s) pledging/selling their shares in the borrower company due to financial stress.

Annexure-III

Operational guidelines for incentives & subsidies under the State Package vide Government Order no. 58-IND of 2016 dated: 15.03.2016

1. The DICs have been accorded power to approve the incentive cases upto Rs. 5.00 Lac for the purpose of which the Director Industries and Commerce Jammu/Kashmir shall nominate/constitute a District Level Committee headed by the General Manager, DIC.
2. Incentive cases exceeding Rs. 5.00 Lac shall be approved by Division Level Committee headed by respective Directors of Industries and Commerce, constituted vide Government Order No: 58-IND of 2016 Dated: 15.03.2016.
3. 30% of the incentive cases approved by District Level Committees shall be subjected to audit by the Directorate for which a Committee shall be nominated by the respective Directors, Industries & Commerce. This audit shall be applicable to all the incentives approved by District Level Committees under the J&K State Industrial Policy, 2016.
4. All the transactions pertaining to purchase of Plant, Machinery & equipment on which incentive is claimed shall invariably have to be through the banking instruments.
5. The incentive wise procedural guidelines for the implementation of various State incentives as prescribed in the J&K Industrial Policy 2016 are discussed hereunder:
 - 5.1 30% CAPITAL INVESTMENT SUBSIDY:**
 - 5.1.1 Capital Investment Subsidy is meant to supplement resources of the promoter for smooth functioning of the unit. As and when a unit is registered formally, it is entitled for CIS on Plant & Machinery to the extent of 30% under State Package of Incentives.
 - 5.1.2 The unit holder shall have to apply within one year from the commencement of date of production of the unit to General Manager on the format prescribed for the purpose for availing 30% incentive on Plant & Machinery with the documents as mentioned below:
 - I. CIS Application Form.
 - II. Copy of Project Report.
 - III. Copy of acknowledgement of EM-II.
 - IV. Detailed list of Plant & Machinery installed.
 - V. Detailed list of items/ components of P&M considered eligible for subsidy under State Package 2016 as per format given below.
 - VI. Copy of lease deed/ rent deed/ ownership deed.
 - VII. Bills/ vouchers/ GR's/ toll receipts and VAT-58 of Plant & Machinery installed.
 - VIII. CA certificate regarding investment made on the project as per the prescribed proforma.
 - IX. Valuation of civil works/ work done estimate of the factory building as per the prescribed proforma, site plan by the approved valuer.
 - X. Bank loan sanction/ Means of Finance/ fixed investment certificate.
 - XI. Power sanction/ power connected certificate from PDD.
 - XII. Mode of payment certificate of Plant & Machinery and Civil Works from CA.
 - XIII. Affidavit/ Undertaking & Indemnity Bond (attested by Judicial Magistrate).
 - XIV. Balance Sheet.
 - XV. Photographs of the Plant & Machinery Installed in the unit duly attested by GM DIC concerned.
 - XVI. Affidavit (attested by Judicial Magistrate) from the promoter (s) if he has obtained unsecured loans.
 - XVII. Partnership Deed/ Memorandum and Articles of Association/ ROC.
 - XVIII. NOCs/ Consent to operate from PCB.
 - XIX. PAN Card.
 - XX. Current income tax return/ sales tax return.
 - XXI. Labour Certificate.
 - XXII. Agreement and Indemnity Bond on disbursement as per format duly notarized.
 - 5.1.3 The General Manager shall examine the case within a period of seven days and in case the unit holder qualifies for CIS upto Rs. 5.00 Lac, shall place the same in the District Level Committee nominated by the Director, Industries & Commerce for the purpose. The units which qualify for CIS on P&M for an amount above Rs. 5.00 Lac, the same shall be forwarded to the Directorate for discussion and approval in the Divisional Level Committee.
 - 5.1.4 The General Manager shall convene at least one meeting of the District Level Committee in each quarter to clear the cases.

- 5.1.5 After the cases are approved by the District Level Committee the sanction shall be issued within a period of two days by the General Manager.
- 5.1.6 The General Manager shall forward the list of sanctioned cases to the Directorate for meeting the liability and for conducting 30% audit of the cases.
- 5.1.7 In case of Micro and Small units falling in Zone-B as notified in the State Industrial Policy 2016 an additional incentive @10% of the Capital Investment in Plant & Machinery shall be provided. However, this shall be subject to the upper ceiling of Rs. 20.00 lacs.
- 5.1.8 The General Manager shall process and calculate the 30% CIS on the components of P&M considered eligible for subsidy under the State Industrial Policy 2016 as per the format shown herein below:

Detailed list of items/components of Plant & Machinery considered eligible for subsidy under State Policy 2016

Name of the unit:-M/S _____

(New unit)

Date of Production: _____

S. No.	As appraised by Financial Institution assisting the project/Independent Agency (in case of self financed project appraisal report by Chartered Accountant)			As considered eligible for subsidy under State Industrial Policy 2016 by the DIC and recommended to Divisional Level Committee for approval			Reason for deviation (if any) from appraisal report of the Financial institution.
	Bill Date	No.&	Items/components of plant and machinery	Amount	Items/Components of Plant and Machinery	Amount	
1.							Deletion
2.							
3.							
4.							
5.							

Total Bill Amount Rs.

Amount considered Rs.

30% CIS worked out Rs.

5.2 INCENTIVES ON POLLUTION CONTROL DEVICES:

The procedural guidelines for availing of incentives under this scheme shall be as under:

- 5.2.1 The entrepreneur who intends to install the Pollution Control Devices/ Equipment, shall apply to the General Manger concerned for grant of permission who shall accord the same within a period of two days and recommend the equipment for import to the Director of Industries & Commerce Jammu/ Kashmir for its installation in the unit premises.
- 5.2.2 After the equipment is installed in the unit premises, the unit holder shall approach the General Manager concerned with an application and the documents as provided in para xvii of Annexure-I of these guidelines for availing the incentive on these devices/ equipment.
- 5.2.3 The General Manager shall on the same day forward the list of Pollution Control Devices/Equipmenttothe J&K, SPCB requesting the said organization for certifying the installation and satisfactory commissioning of the installed equipment.
- 5.2.4 After receiving the satisfactory installation and commissioning report from the said organization (J&K SPCB) the General Manager shall process the case for placement before District Level Committee or Divisional Level Committee as the case may be.
- 5.2.5 60% subsidy shall be extended for purchase of Pollution Control Devices/ Equipment, subject to an upper ceiling of Rs. 50.00 Lac.
- 5.2.6 The General Manager will however ensure that the unit holder has not already claimed the said subsidy under the CIS or similar subsidy schemes of Central/ State Government.
- 5.2.7 Checklist of documents:
- I. Application Form.
 - II. Copy of Project Report.
 - III. Copy of acknowledgement of EM-II.
 - IV. Copy of Lease Deed/ Rent Deed/ Ownership Deed.
 - V. Bills/ Vouchers/ GR's/ Toll Receipts of the Plant & Machinery installed.
 - VI. C.A. Certificate regarding investment made on the project as per the prescribed proforma.

- VII. Bank Loan Certificate/ Means of Finance/ Source of investment.
- VIII. Power connection sanction copy/ power connected certificate.
- IX. Mode of payment certificates of Plant & Machinery and Civil Works from CA.
- X. Affidavit/ Undertaking & Indemnity Bond (attested by Judicial Magistrate as per proforma available in the respective DIC's.
- XI. Balance sheet.
- XII. Photographs of the Plant & Machinery installed by the promoter (s).
- XIII. Affidavit (attested by Judicial Magistrate) of the promoter (s), if got unsecured loan.
- XIV. Partnership Deed/ Memorandum and Articles of Association/ ROC.
- XV. Consent from PCB.
- XVI. PAN Card/ current income tax/ sales tax return.
- XVII. Agreement and Indemnity Bond on disbursement as per format duly registered in the court of Sub Registrar.

5.3 INTEREST SUBSIDY(3% and 5%) ON WORKING CAPITAL:

Procedural guidelines to be adopted in this regard are as follows:

- 5.3.1 In order to avail this incentive, the unit holder shall apply at the end of each financial year along with all relevant documents as shown herein below to the office of the General Manger for a period of five (05) consecutive financial years from the date of commencement of commercial production.
- I. Bank application form duly filled in by Banker.
 - II. Date of sanction of working capital loan with amount sanctioned/Sanction letter of the bank with date of sanction/ disbursement.
 - III. Date of encashment in case of enhancement in working capital/ enhancement sanction letter.
 - IV. Annual Production Certificate/ Balance Sheet & Profit and Loss Account.
 - V. Annual sales turnover by CA and annual Sales Tax return.
 - VI. Labour Certificate.
 - VII. Agreement and Indemnity Bond on disbursement as per format duly notarized.
- 5.3.2 The claim shall have to be preferred invariably in the financial year following the year of claim, failing which the unit holder shall not be eligible for the said period.
- 5.3.3 The General Manager shall process the claim as per the format given hereunder and subsequently place the cases before Divisional Level Committee/ District Level Committee for approval/ sanction as the case may be.
- 5.3.4 Industrial units falling in Zone-B shall however be provided 5% Interest Subsidy on Working Capital.
- 5.3.5 However, in case of units falling in Zone-B, the 3% Interest Subsidy shall be availed under the Special Central Package wherever eligible in the first instance, and claim the balance of 2% from the State Package.
- 5.3.6 The Interest Subsidy ceiling shall be Rs.10.00 Lac in case of the units falling in Zone-A and Rs.15.00 Lac in respect of the industrial units falling in Zone-B.
- 5.3.7 The industrial units which are not eligible under the prescribed conditions to draw the 3% Interest Subsidy from the Special Central Package can draw the entire working capital subsidy from the State Package.

3% INTEREST SUBSIDY CALCULATION SHEET

I	Name of the Unit									
II	Working capital									
III	Financial Year				I. Previous Year					
IV	PMT No.				II. Working Capital					
V	Rate of Interest				III. Turn over					
VI	Name of the Bank				Quantity					
VII	Annual Turnover	Quantity			Amount					
		Amount			IV. Sanctioned Subsidy					
IX clauses – A calculation on the basis of working capital norms										
S. No.	Month Quarter	Amount of working capital disbursed (Rs. in lacs)	Rate of interest charged by the Bank	Total interest calculated by DI&C Kashmir (inRs.)	Total Interest charged as per Bank (inRs.)	Least of Two	3% Interest subsidy calculate by DI&C (on col 5)	3% Subsidy claimed as per Bank statement	Least of two Interest subsidies	
1	2	3	4	5	6	7	8	9	10	

1	April								
2	May								
3	June								
1st Quarter									
4	July								
5	August								
6	September								
2nd Quarter									
7	October								
8	November								
9	December								
3rd Quarter									
10	January								
11	February								
12	March								
4th Quarter									
Grand Total									
Amount claimed by the Bank									
Amount calculated by the General Manager Concerned									
Amount of subsidy @ 3% recommended									

5.4 SUBSIDY (100%) ON PURCHASE/ INSTALLATION OF DIESEL ENGINE GENSET

- 5.4.1 A subsidy of 100% on purchase and installation of DG set from 10 KW to 2000 KW capacity purchased from reputed/ standard company's shall be allowed.
- 5.4.2 Capacity of DG Set should have relevance with the power connected to the unit.
- 5.4.3 The amount of the subsidy on DG Set shall not exceed Rs. 40.00 Lac for Zone-A and Rs. 45.00 Lac for Zone-B in any case.
- 5.4.4 The amount of subsidy on purchase of one DG set shall be paid to the supplier through the Bank even if the promoter may not have taken any loan for purchase of the DG set.
- 5.4.5 An amount of 50% of the subsidy on DG set shall be paid on verification of installation and the remained shall be paid after six months of installation or date of commencement of production of the unit, whichever is later.
- 5.4.6 DG Set purchased/installed shall not be allowed to be shifted out of State or to any of the unit for the period of ten years counted from the date of installation, except with the approval of DI&C.
- 5.4.7 The procedure for availing subsidy on the purchase and installation of DG set is given in the following paras.
- 5.4.8 The unit holder desirous of installing a DG set shall have to seek permission from the concerned General Manager before the same is purchased and installed in his unit premises.
- 5.4.9 The checklist for seeking permission for purchase and installation has been notified in para xii of Annexure-V to the State Industrial Policy, 2016 and is also reproduced herein below:
- I. Quotations of DG set to be purchased, minimum from two suppliers.
 - II. List of Plant & Machinery installed with power load.
 - III. Self declaration from the entrepreneur regarding not having installed the DG set and not having availed subsidies earlier.
 - IV. NOC from PDD regarding installation of DG set of the desired load.
- 5.4.10 The General Manager shall issue the permission for purchase and installation of DG set within a period of two days after all the requisite documents are received by his office.
- 5.4.11 After the unit holder purchases and installs the DG set, he/she shall intimate about the same to the concerned General Manager alongwith the documents as prescribed in para xiv of Annexure-V to the State Industrial Policy, 2016 which are as below:
- I. Permission from GM DIC, Industries & Commerce.
 - II. Bills/ Vouchers of DG set purchased and duly verified from Sales Tax Department.
 - III. CA certificate regarding investments made on purchase of DG set.
 - IV. Satisfactory commissioning certificate/ sanctioned power load and fitness certificate from PDD.
 - V. Mode of payment certificate from bank, if any.

5.4.12 The General Manager shall issue sanction after the case is approved by the District Level Committee if the claim is upto Rs. 5.00 Lac and for all cases involving claim above Rs. 5.00 Lac recommend the case to Director, Industries & Commerce concerned for approval by the Divisional Level Committee. The Director, after the approval by the Divisional Level Committee shall issue sanction within two days and release the funds in favour of the units on the same day.

5.4.13 Likewise, once the case is approved by District Level Committee the General Manager shall issue sanction within a period of two days positively and convey the liability to the Directorate for release of funds on the same day. The disbursement shall also be made by the General Manager within two days following the release of funds.

5.5. INCENTIVES ON QUALITY CONTROL:

5.5.1 The industrial units procuring quality certification like ISO, ISI, BIS, FPO, BEE, AGMARK, ECOMARK etc. shall be given a subsidy of 30% of the total cost incurred for obtaining the said certificate, subject to a maximum of Rs.2.00 Lac as certified by the Chartered Accountant. This incentive, however, can be availed only once.

5.5.2 In this regard the General Manager shall place the case before the District Level Committee for approval of sanction of subsidy after the unit holder prefers this incentive and produces the following documents in support of his/her claim.

- I. Certificate from Chartered Accountant regarding the total cost incurred for obtaining the said certificate.
- II. Attested copy of the quality certificate.

5.5.3 The General Manager shall issue sanction within a period of two days after the approval of District Level Committee and convey the liability of funds to the Directorate on the same day.

5.5.4 The General Manager shall disburse the incentive within a period of two days from the date of receipt of funds.

5.6. INCENTIVE ON TESTING EQUIPMENT:

5.6.1 Incentive of 100% subsidy on testing equipment shall be available to the industrial units subject to the upper limit of Rs. 35.00 Lac. The incentives shall be restricted to 25% of the total capital investment, if the cost of testing equipment exceeds 25% of the total investment. The procedure to be followed for availing incentive in this regard is given in the following paras.

5.6.1 The unit holder who intends to install testing equipment/ lab shall approach the concerned General Manager with the documents as shown below:

- I. Quotations (minimum 03) from Testing Equipment suppliers.
- II. List of Testing Equipment to be purchased.
- III. Form to be filled by the unit holder.
- IV. CA certificate for fixed assets.

5.6.2 The General Manager shall issue sanction for purchase of testing equipment within a period of two days after the receipt of application and abovementioned supporting documents.

5.6.3 The unit holder shall approach the General Manager once the said equipment is purchased and installed in the unit with the following supporting documents:

- I. Copy of permission by General Manager, DIC Industries & Commerce.
- II. Bills/ Vouchers of equipment purchased and verified by Sales Tax Department.
- III. Satisfactory commissioning certificate from SICOP/ DIC any other authorized agency.
- IV. Mode of payment certificate from bank.

5.6.4 On the receipt of claim supported by requisite documents the General Manager shall place the case before the District Level Committee for the claims not exceeding Rs. 5.00 Lac or forward the case to concerned Director, Industries & Commerce for placement of the case before Divisional Level Committee for all the claims exceeding Rs. 5.00 Lac for grant of approval for sanction of said subsidy.

- 5.6.5 The General Manager shall issue the sanction within a period of two days after the approval is granted and convey the liability on the same day to the Directorate.
- 5.6.6 The disbursement shall be made by the concerned General Manager within a period of two days. The General Manager shall however obtain an affidavit/ undertaking and indemnity bond (attested by Judicial Magistrate) as per the proforma available in the respective DICs.
- 5.7 GEOGRAPHICAL INDICATION (G.I) CERTIFICATION/ BRAND PROMOTION:**
- 5.7.1 In order to help manufacturers who are operating in highly competitive markets, the Government shall provide assistance for GI certification in Handicraft and Handloom sector. The assistance shall be available in the shape of subsidy for a period of three years. The subsidy shall be paid to the unit holder of his/ her products @ 50% of expenses incurred during the first year subject to a maximum of Rs.15.00 Lac, 30% of the expenses incurred during the second year subject to a maximum of Rs.10.00 Lac and 10% of expenses incurred during the third year subject to a maximum of Rs.5.00 Lac.
- 5.7.2 The application form as per prescribed format, as given here below, duly filled in by the unit holder along with undertaking at the end and supporting documents as per the below mentioned checklist is to be submitted to the General Manger DIC for the purpose for approval of the scheme.

APPLICATION FORM FOR G.I. CERTIFICATION

COMPANY PARTICULARS:

1.	Name of the company:		
2.	Registered Office:		
3.	Factory:		
4.	Telephone/Fax/e-mail:		
5.	Nature of company:	Proprietorship/partnership/private/public limited	
6.	Contact Person:		
7.	Name of bankers:		
8.	Permanent Registration Number with DIC		
9.	TIN No. of Department of Commercial Taxes		
10.	PCB's Consent No. and Date:		
PRODUCTS MADE AND MARKETED			
11.	Products made:	Proprietorship/partnership/private/public limited	
	S.No.	Name of Product	Annual Installed Capacity
12.	Production during last 3 years:		
	Year	Production	
13.	Main markets:		
14.	Sale in the last three years:		
	Year	Quantity	Total Sale Value
PRESENT MANUFACTURING SYSTEM			
15.	Manufacturing Process	Please describe in a separate sheet the process of manufacture, including technology used.	
16.	List of equipment:		
17.	Productivity/ day		
18.	Energy consumption/ day		
19.	Waste generated/ day: Solid: Liquid: Gaseous		
20.	Mode of disposal of waste:		
PROPOSAL FOR G.I CERTIFICATIONS			
(Applicants to get a project report prepared by a consultant for G.I. Certification, the cost incurred will qualify for assistance under the scheme within the overall limits)			
21.	Objectives of G.I. Certifications	To increase market share To enter new market To compete effectively To create niche market	
(Tick the relevant objectives add if any other)			
22.	Proposed strategy	Describe how the objective will be	

		achieved (Attach separate sheet)
23.	Cost elements:	
S.No.	Item of Expenditure	Estimated Cost
	Year 1 Year 2 Year 3	
24.	Means of financing	Own resources: Bank loan: Assistance under the scheme:
25.	Success indicators: Increase in sale at the end of : Year 1/ Year 2/ Year 3 Increase in market share : Year 1/ Year 2/ Year 3 Entry to new market : Year 1/ Year 2/ Year 3 Any other indicator :	
26.	Brand Name:	
27.	Anticipated Problems:	
28.	Any other relevant information:	
29.	Time schedule of implementation	
30.	Name of consultant (if any) with experience:	

I hereby declare that the information given herein is correct and true to the best of my knowledge and belief. I agree that if any information given is found to be incorrect or untrue after the G.I Certification scheme is approved, the sanction given can be withdrawn by the Government at any point of time in future and I shall be liable to return the incentive received from the Government with penalty as may be fixed by the Government.

(Applicant) Name:

Address:

Place:

Dated:

5.7.3 Application as per format will have to be submitted to the General Manager concerned along with the project report for the future three years and the Balance Sheet for the last three years. The project for approval shall be admitted by the DIC concerned as per checklist.

5.7.4 The General Manager shall forward the case to the concerned Director Industries & Commerce for grant of approval of permission by the Divisional Level Committee.

5.7.5 The General Manager shall grant permission to the unit holder within a period of two days after the same is approved by the Divisional Level Committee. Thereafter, the unit holder may proceed with the implementation of the scheme.

5.7.6 The claim will be disbursed by the General Manager concerned after the unit holder obtains G.I certifications.

5.8. SUBSIDY ON PRE-INVESTMENT STUDIES/ FEASIBILITY REPORT:

5.8.1 The expenditure incurred by the entrepreneur on such feasibility reports, which are prepared by J&K ITCO, J&K DFC, J&K SIDCO, J&K SICOP or any other agency approved by the Director, Industries & Commerce from time to time, shall qualify for 100% subsidy at the time of execution of the project, subject to limit of Rs. 2.00 Lac.

5.8.2 The promoter may also get a report prepared from any other specialist agency/ reputed consultant(s) in the field.

5.8.1 In this regard the General Manager shall place the case before the District Level Committee for approval of sanction of subsidy after the unit holder prefers this incentive and produces the following documents in support of his claim.

I. Certificate from Chartered Accountant regarding the total cost incurred for obtaining the said report/DPR.

II. Certificate from the consultancy from which the pre investment studies/ feasibility report has been framed to the effect that the same has been prepared by it.

5.8.2 The General Manager shall issue sanction within a period of two days after the approval of District Level Committee and convey the liability of funds to the Directorate on the same day.

5.8.3 The General Manager shall disburse the incentive within a period of two days from the date of receipt of funds.

5.9 FREIGHT SUBSIDY:

5.9.1 Freight Subsidy of 90% is available under Special Central Package. In order to help the unit holders in thrust industries in Zone-B districts, an additional 5% freight subsidy shall be provided under the State Package.

5.9.2 The unit holder is allowed cash transaction payment to the tune of Rs. 20,000/- only under the scheme.

5.9.3 The unit holder shall prefer the claim on quarterly basis alongwith the documents as depicted herein below in the office of General Manager (DIC).
CHECKLIST FOR FREIGHT SUBSIDY:

S.No.	Particular
01.	Name and address of the unit
02.	Period of claim
03.	Date of receipt of the claim at DI&CC
04.	Date of received of the claim in DI&C
05.	Application Form of the unit with date and signature
06.	Enquiry Report of DI&CC
07.	SSI/IEM Registration Certificate
08.	Transport Subsidy Registration Certificate
09.	Date of 1st Commercial Production of the unit
10.	Annexure-I [Statement of Raw Materials (RM) purchased]
11.	Annexure-II [Statement showing the utilization of raw materials and Finished Products (FM) Manufactured during the claim period]
12.	Annexure-III (Statement of Finished Goods transported to places outside NER/ within NER during claim period)
13.	Sales Tax Registration Certificate and Value Added Tax Clearance Certificate
14.	VAT payment Challans/ VAT Returns
15.	Income Tax Registration Certificate & Clearance Return submitted
16.	PAN Card
17.	Railway Freight Certificate for relevant period, if applicable
18.	Capacity Assessment Certificate with quantum of F.G. produced per limit consumption of power and diesel to be specifically mentioned in the joint assessment report, facilitating examination of claim on the basis of these parameters
19.	Road distance certificate from competent authority
20.	Employment certificate from competent authority
21.	List of Employee (s)
22.	Affidavit as per prescribed format (by unit)
23.	List of Board of Directors/ Partners
24.	Article of Memorandum of Association/ Partnership Deed
25.	Company Registration Certificate
26.	Upto date balance sheet showing carriage inward and outward
27.	State Electricity Board/ Power Department power sanction letter and NOC for installation of D.G. Set, If applicable
28.	Power bills and receipt for concerned period
29.	Statement showing month wise output and diesel and power consumption, rating of the DG Set (KVA), diesel consumption and hours run.
30.	Factory license (Upto date)
31.	Chartered Accountant Certificate
32.	Land Documents
33.	NOC/ Consent from Pollution Control Board
34.	NOC from local authority (GaonPanchayat Secretary/ GaonBurah, Municipal etc.)
35.	Bank statement for payment made to transporters during the period (Payment only by cheque)
36.	Bank A/c No. and Name
37.	Bills & Challans for raw materials purchased (from the RM supplier)
38.	Receipt from Transporters for carrying RM
39.	Bills and Challan consignment note for finished goods dispatched
40.	
41.	In case of excisable goods produced by the unit Certificate from Excise Department showing the quantity cleared on quarterly basis. Excise Payment challan; Refund statement showing quantity and value
42.	In case of local sale, detailed address of purchasers with payment receipt details (cash/ cheque etc) CA certificate on the body of the statement
43.	In case of purchase of RM from outside NER and from within NER: Copy of challan and Consignment Note of transporter endorsed to purchaser
44.	In case of Finished Products sold outside NER or within NER:

- 5.9.4 On receipt of the application along with the documents and as per the checklist the General Manager shall examine the case in his office and recommend the same to the Directorate for placing before the State Level Committee/ Divisional Level Committee as the case may be.
- 5.9.5 The State Level Committee shall discuss and approve the 90% freight subsidy claim of the unit holder.
- 5.9.6 The Divisional Level Committee shall discuss and approve the additional 5% freight subsidy claim of the unit holder in case of the units falling in thrust industries in Zone-B districts.
- 5.9.7 The General Manager shall disburse the additional 5% freight subsidy claim within a period of three days from a date of receipt of funds for which he shall execute agreement with the unit holder and obtain indemnity bond duly attested by the Judicial Magistrate.

5.10 AIR FREIGHT SUBSIDY:

- 5.10.1 Air Freight Subsidy is available on export of finished goods and import of raw material for the units registered under MSME sector for any destination within the country @ 50% subject to maximum of Rs. 5.00 Lac per year. However, in respect of the Handicrafts and Handloom sector, Exporter Air Freight Subsidy shall be allowed to the extent of 50% for parcels upto 5000 Kgs for destination within the country and 1000 Kgs outside the country per year to registered traders/ exporters, registered with Customs Department having maximum limit of 15.00 Lac.



Annexure-IV

(Section 4.22 of IP-2016)
(G.O No. -IND of 2017 Dated: -03-2017)

SELF-UNDERTAKING FORM

I/We.....S/o/D/o/W/o.....

R/o.....and

Manager of M/s.....hereby solemnly affirm to
undertake on oath as following:

1. That I/We wish to establish an industrial/business unit with the Name & Style "M/s....." and Line of Activity as "....." at.....
2. That I/We applied for Power Availability Certificate to the Power Development Department on vide no.....(copy of application and acknowledgement enclosed) and for Consent to Establish to the PCB onvide no.....(copy of application and acknowledgement enclosed).
3. That I/We shall fully abide by all the provisions of the State and Central Laws applicable for the establishment of my/our aforementioned industrial/business unit.
4. That in case of any deviation/non-compliance of any provision of the State and/or Central law(s) on my/our part or on the part of management of my/our industrial/business unit, I/we and the management of the unit shall be solely responsible, and the Industries & Commerce Department, J&K or any of it's formations would not be responsible for that deviation/non-compliance and I/we and the management of my/our unit shall be liable to be prosecution under the provisions of the law and the Industries & Commerce Department, J&K and any of it's formations shall not be party in such prosecution or liable to be sued in any court of law.
5. That I agree to accept and pay penalty ranging from Rupees Fifty Thousand to Rupees Five Lakh as shall be decided by the Industries & Commerce Department in case of any violation detected on my/our part or the part of management of the unit.

PLACE.....

DATE.....

Signature of the Applicant
(Name, Designation and Address)

Attestation of the Judicial Magistrate

