



Government of Uttarakhand
Dept. of Industrial Dev. and MSME
Newsletter | August 2022



Shri Pushkar Singh Dhama
Hon'ble Chief Minister
Government of Uttarakhand

From Chief Editor's Desk



Dear Readers,

I am happy to introduce this monthly newsletter to our industry members and other stakeholders. This newsletter aims to update you about the new initiatives on the issues related to industrial developments in the state, both from the Government perspective and from the Industries' standpoint.

The Government has always been working towards providing a better investment climate for businesses. Recent developments include improvement in ranking on 'Ease of Doing Business (EoDB) and State's initiatives on economic planning of locations across the state, under PM Gatishakti initiative by the Government of India.

In EoDB, Uttarakhand is placed in the Achievers' Category in the recently announced ranking by DPIIT. Further, the State is in the process to amend some age-old clauses in its acts/rules to order to decriminalize them for businesses. Government is also drafting new policies as per suggestions made by our businesses, our brand ambassadors. I am sure that these policies will open up many new avenues for investments.

We are always ready for your feedback. If you have any suggestions, kindly do write to us.

Wishing all readers, a very Happy Independence Day!

Dr. Pankaj Kumar Pandey, IAS
Secretary, Dept of Industries



**Uttarakhand Gatishakti Master Plan under
'PM Gati Shakti: National Master Plan**

Hon'ble Prime Minister, Shri Narendra Modi has launched PM Gati Shakti - National Master Plan (NMP) for Multi-modal Connectivity, a digital platform to bring 16 Government of India Ministries, including Railways and Roadways, together for integrated planning and coordinated implementation of infrastructure connectivity projects. The will provide integrated and seamless connectivity for the movement of people, goods, and services from one mode of transport to another and reduce travel taken and cost incurred.

PM Gati Shakti will incorporate the infrastructure schemes of various Ministries and State Governments like Bharatmala, Sagarmala, inland waterways, dry/land ports, UDAN, etc. Economic Zones like textile clusters, pharmaceutical clusters, defense corridors, electronic parks, industrial corridors, fishing clusters, and agri zones will be covered to make Indian Businesses more competitive. It will also leverage technology extensively including spatial planning tools with imagery developed by BiSag-N (Bhaskaracharya National Institute for Space Applications and Geoinformatics). BISAG has been appointed for the development of the NMP portal.

Uttarakhand is one of the first states to provide information for uploading on the national portal. In line with this commitment, the Dept. of Industries foresees to propose projects for funding under PM Gatishakti.

Further, for the success of various projects, the Dept. of Industries is working with other Dept. to create interim portal wherein new proposed projects can be shared for planning, designing, and finalizing projects in the GIS environment. Once approved, information on these projects will be uploaded on NMP. A meeting of concerned Departments was organized by the Department of Industries on 22 Jul 2022. Officials of 16 departments attended the workshop to deliberate on the working of the portal and the status of the upload of information.

Visit of Canadian Trade Commissioner Canada

Dr. Pankaj Kumar Pandey, Secretary Industries, Govt. of Uttarakhand along with Sh. Rohit Meena, Director General Industries and Sh. Sudhir Chand Nautiyal, Director Industries met The Canadian Trade Commissioner at the High Commission of Canada, Ms. Payal Kalra, to explore the bilateral trade & investment opportunities between the State of Uttarakhand and Canada.

During the meeting, the two parties discussed strengthening the bilateral relationship and agreed to expand trade and economic linkages and cooperation in various sectors. The visiting Canadian delegate noted Uttarakhand as a promising State with ample opportunities for investors including the sector-specific policies, single window clearance system, pollution-free environment, road and rail connectivity, which makes the state one of the favorite destinations for Canadian companies to invest.

Industry Consultation on Draft Logistics Policy



Uttarakhand is one of the top-ranking states of India in the Ease of Doing Business ranking, organized by the Department for Promotion of Industry and Internal Trade (DPIIT), Govt. of India. Also, in the Export Preparedness Index 2021 report released by NITI Aayog, Uttarakhand has been identified as the top performing state in the Himalayan State's category.

In the Logistics Ease Across Different States (LEADS) Index released by the Ministry of Commerce and Industry, Government of India in March 2021, Uttarakhand has been ranked 13th among all states in India. Being a landlocked state, Uttarakhand incurs an inherent adverse cost for transportation of goods as compared to other states, because of high logistics costs in bringing the raw materials as well as shipping the finished products.

To support businesses operating from the State, Government has Drafted a Logistics Policy. This has provisions for incentives and an institutional framework to support the growth of the logistics sector in the state. An Industry Consultation on "The Draft Logistics Policy" was held under the Chairmanship of Secretary Industries with the Industry Associations and Logistics/ Warehousing businesses.

The policy had been drafted keeping in mind the holistic development of the Logistics sector in the State. In

view of the requirements in terms of topography and logistic output of the state of Uttarakhand, the objective of this policy is to build a hub & spoke model concept within the state, leading to the development of large logistics connectivity and infrastructure in hubs (districts classified as plains) and to prepare medium and small spokes in the remotely connected districts.

The flow of goods in containers and vehicles will have to be sized, depending on the geographical/ topographical requirements of the state. The creation of a simplified, proactive, and responsive institutional mechanism for the rapid growth of the logistics sector will help in implementing the policy.

The policy aims at strengthening new and existing logistics infrastructure like Godowns, Inland Container Depot (ICD), Cold Storage, Rail-Road Connectivity to Industrial Estates / Clusters, etc., promoting private investment in setting up of logistics facilities with forward and backward linkages in the state.

The policy provides fiscal and non-fiscal incentives to logistics companies ranging from 10 to 25% of capital expenditure. Inputs received from Industry members have been incorporated and are under approval of the State Govt..

Uttarakhand Startup Conclave



In the august presence of Hon'ble CM Shri Pushkar Singh Dhami, Uttarakhand Startup Conclave and Grand Challenge 2022, were organized on 6th July 2022. The top 10 innovative StartUp ideas were recognized & awarded during the event. A special Address by Mr Anubhav Dubey, Cofounder of Chai Sutta Bar motivated around 100+ start-ups present at the event.

Uttarakhand in Leaders Category

Dept. for Promotion of Industry and Internal Trade, Govt. of India organized ranking of States on Startup ecosystem existing in the state and initiatives taken to further improve the same. The results of the 3rd edition of Ranking of States on support provided to Startup Ecosystems were released by Shri Piyush Goyal, Minister of Commerce and Industry on 4 July 2022.

For this Ranking, States and Union Territories are classified into 5 Categories, viz. Best Performers, Top Performers, Leaders, Aspiring Leaders and Emerging Start-up Ecosystems.

"Startup Uttarakhand" was recognized as the "Leader" in the States' Startup Ranking 2021 announced by Startup India & DPIIT. Uttarakhand was also recognized as "An Institutional Champion" and "A Capacity Building Pioneer" for the strategic programs and interventions undertaken by the State Government. Implementation of the Uttarakhand Startup Policy was a major milestone. In the previous startup ranking, i.e. States' Startup Ranking 2019, State was recognized as the "Aspiring Leader" and "Regulatory champion".

Ease of Doing Business: Uttarakhand placed in the 'Achievers' Category

In order to improve the business environment of the country, the Department for Promotion of Industry and Internal Trade has taken up a series of measures to simplify and rationalize the regulatory process (registration and inspection process) and introduce information technology as enablers to make governance more efficient. It organizes the Ease of Doing Business ranking to rank states on reforms implemented.

Uttarakhand has been placed in the Achievers category on implementation of the Business Reforms Action Plan, popularly known as the 'Ease of Doing Business' ranking. The implementation score of Uttarakhand is higher than many top-performing states like Andhra Pradesh, Gujarat, Tamil Nadu, Punjab & Karnataka.

Smt. Nirmla Sitharaman, Hon'ble Minister of Finance and Corporate Affairs announced the assessment of States/UTs under Business Reforms Action Plan (BRAP) 2020, the 5th edition of the BRAP exercise in New Delhi on June 30, 2022. Speaking at the event, Shri Piyush Goyal, Hon'ble Minister for Commerce & Industry stated that the assessment has evolved from evidence-based to 100% feedback in a multilingual format. He also mentioned that the purpose of this BRAP exercise is to infuse a culture of learning from each other's best practices and improve upon

the business climate in each State/UT with a unified objective for India to emerge as a most favored Investment Destination across the globe.

The BRAP 2020 includes 301 reform points that cover 15 business regulatory areas such as Access to Information, Single Window System, Labour, Environment, Land Administration & Transfer of Land and Property, Utility Permits, and others. About 118 new reform points were included in BRAP 2021 to further augment the reform process. Sectoral reforms with 72 action points spread across 9 sectors namely Trade License, Healthcare, Legal Metrology, Hospitality, Fire NOC, Telecom, Movie Shooting, and Tourism were introduced to expand the scope.

Uttarakhand is compliant with all the reforms, except a few, which are long-term points, and intervention from the Government of India is also required. The broader aim is to boost investor confidence, foster a business-friendly climate and augment the Ease of Doing Business across the state.

DPIIT has already indicated the next round of reforms, where, along with Ease of Doing Business, reforms for Ease of Living have also been included. Various Departments of the Government of Uttarakhand are working to carry out proposed reforms.

Setting up Aroma Park at Kashipur

An Industrial Park is being developed by SIIDCUL to promote units specifically in the Aroma sector to set up and avail the benefits of the common facilities and the existing ecosystem. This is to build and utilize the potential that the state has in the sector. Industries in the Aroma Park can benefit due to the following facilities:

- Distillation & Extraction of Essential Oils
- Fractionation of Aroma Chemicals & Isolates
- Fragrance & Flavour Creation (Blending)
- Dhoop & Agarbatti Manufacturing
- Drying & Packaging of Aromatic Products
- Perfumery & Deodorant
- Designing & Packaging of Aroma Products
- Flavoured & Blended Tea
- Trading, Export/ Import of Aroma Products
- Aroma Candles/ Diffusers/ Handmade Soaps, Cosmeceuticals, Aroma Therapy Products, etc.

Niche sectors like Herbs & Aromatics in which the state has advantages of adequate availability of aromatic products and a suitable agro-geo climate for aromatics cultivation. Skilled manpower is available within the state with the presence of sector-specific institutes like G.B Pant University, Forest Research Institute and a dedicated "Centre for Aromatic Plants". The Aroma Park enjoys additional 1-year time grant for completion of project construction as against 2 years. Many units working in the aroma and related sectors have applied for land.

Upcoming Plastic Park, Sitarganj

Plastic Park, Sitarganj has been approved by the Govt. of India under the "Scheme for promotion of Plastic Parks in India". The plastic park would cater to the needs of the already established auto industry in Pantnagar and other plastic-related industries in the region. State Infrastructure and Industrial Development Corporation of Uttarakhand Limited (SIIDCUL) would be promoting the SPV. Central Institute of Plastic & Engineering Technology will also be involved in skilling, maintaining toll rooms, test labs, etc. within the park. Sitarganj is an ideal location for manufacturing units producing Plastic Products such as:

- Woven sacks, Plastic pipes
- Injection molded components
- Films, Pouches, Packaging Products
- Other Consumer Plastic Products

A Plastic Products Evaluation Centre will also be set up in the Plastic Park with testing facilities, processing hall/ shop floor, tool room, design, and product development facility with simulation and evaluation support, training and skills up-gradation facility. Other proposed infrastructure facilities include Plastic Waste Recycling Facility, Flatted Factory, warehousing facility, etc. The site is well connected with NH-74, Pantnagar airport is within a radius of 60 Km and National Capital Region is about 250 Km away from the location. Several units have already been allocated land parcels and construction is being planned.

Rationalization of Fees for Manufacturing Units

As per Uttarakhand Excise Policy 2017, for units such as breweries, distilleries, bottling plant and vintner holding manufacturing license, there was a provision for charging two times of the regular fee, in case if the licensee of the Excise Department is not able to establish its units within the defined timelines as mentioned in the license granted.

This was a major hurdle for the businesses engaged in such manufacturing. Working on this feedback, the Excise Department simplified the provision. As per notification no. 22/XXIII-1/2022-04(01)/2021 dated 07/01/2022, relaxation has been provided to units which are unable to establish their units within the defined timeline as mentioned in the license.

The provision of applicability of double the fee will not be applicable now and manufacturer will have to pay only the fee applicable as per the policy. This will be a major relief for these businesses and brings more responsibility to license holders to complete their projects in time.

Amendment in Annual Clearance Certificate for Fire Safety

Under Uttarakhand Fire and Emergency Service, Fire Prevention and Fire Safety Act 2016, it required safety clearance of all building, commercial, industrial of residential on annual basis.

This renewal process has been relaxed by extending the period of validity of Annual Clearance Certificate. As per this amendment, the Annual Clearance/ Safety Certificate, until revoked, will be valid for 5 years for residential buildings (except hotels) and commercial buildings and industrial institutes, educational institutes, shopping complexes, hotels, hospitals, warehouses, buildings storing petroleum and explosive, etc. will be valid for 3 years.

Renewal will have to be done before the expiry of mentioned timeline. Further, applicants will have to submit self audit report, every six-months on the online portal.

Mechanism for 'Change of Land Use' simplified

The state has carried out a major reform, which will speed up the time taken for setting up of business in Uttarakhand. Earlier, for 'change of land use' from agriculture to non-agriculture status, assessment was carried out by revenue inspector on the basis of current use of the said land parcel.

Section 143 of UPZALR Act 1950 has been amended via notification no. 192/ XXXVI(3)/2022/35(1)/2022, dated 22 July 2022. As per amendment, Assistant Collector of respective Pargana shall declare that the land parcel shall be used for the purpose other than agriculture, within 7 days of such application. On issuance of such declaration, within a period of 3 working days, an entry of intent will be mentioned in the Khatoni. Above will be applicable for:

1. Either, Purchased for Non-Agriculture under section 154 of UPZALR
2. Or, The Map of Land sanctioned for Non-Agriculture purpose by any Development Authority
3. Or, Land approved for Non-Agriculture purpose by SLEC/ DLEC

Objective of this amendment is to boost the industrial activity in the state, by making it easier to set up a business. This will also help in making it easier to apply and avail bank loan for industrial use. For full details, please refer to the notifications issued. Under this notification, total timeline for approval under 'Change of land Use' has been reduced to 10 days, instead of 15 days previously.

'Right of Way' approvals for setting up Mobile Tower available online

Information Technology Development Agency (ITDA) working under aegis of Department of Information and Science Technology, Government of Uttarakhand has implemented an online mechanism for grant of:

1. Permission/ renewal for laying/ establishment of underground telecom infrastructure/ Optical Fibre Cable
2. Permission/ renewal of permission for installation of over ground Telecom Infrastructure/ Mobile Tower Approval

Above facility is available on the Uttarakhand Single Window portal. Telecom Service Providers, ISPs and other establishments which need to obtain RoW permissions from State Government can apply for permission from State's portal as well as Central Govt. portal. State's portal is integrated with the Gatishakti Sanchar Portal of Department of Telecommunication, Government of India. Key features of online portals are as under:

1. Centralized tracking of applications
2. Automated alerts on application processing
3. Centralized help desk
4. Faster approval of applications since pendency will be monitored
5. Faster rollout of services like 5G, Fiberisation of Towers, and Broadband connectivity to Citizens/Institutions.

For detailed information on Government of Uttarakhand policies, please visit

<https://investuttarakhand.uk.gov.in/>

For feedback and suggestions on the newsletter, please connect with Directorate of Industries

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