



Govt. of Uttarakhand

On Record

A Publication of
Industrial Development
Department

Volume 1, Issue 18.

March 2006

CM inaugurates Pharma City

A 'Pharma City' being developed by the State Industrial Development Corporation of Uttarakhand Ltd (Sidcul) and entailing an investment of Rs 175 crore was inaugurated by Uttarakhand Chief Minister Mr. Narayan Datt Tiwari about 25 km from Dehradun.



Speaking on the occasion, the Chief Minister said it would provide employment and give an impetus to the overall development of the state. Spread over 50 acres at industrial estate Sela Qui, 40 plots have already been allotted to 36 pharma companies. On an average, the companies would be investing upward of Rs 3 crore. Hyderabad-based Natco Pharma Ltd is the largest investor with an investment of

Rs 10 crore. India Glycols Ltd, also a major investor, is putting in Rs 7-8 crore. The companies allotted land include Sami Labs Limited, Lactose (India) Ltd,

Household Pharmaceuticals Ltd, Abco India, Stepan Laboratories Pvt Ltd, India Glycols Ltd and Premier Nutraceuticals Pvt Ltd.

Visions for tomorrow

ETIG Knowledge Forum on 'Uttarakhand: A state on the move - Competitive Advantages, Policies and Investment Potential' in association with the Uttarakhand government was held with a view to bring the government and the industry on a common platform.

The discussion focussed on ensuring that talks on public-private partnership (PPP) are not reduced to mere slogans, but touched everyone concerned — the government, the industry and the common man.

The panel members comprised of Mr. M Ramachandran, Chief Secretary and Mr. Sanjeev Chopra, Secretary Industries, Uttarakhand government; Mr. Krishan Kalra, Adviser, Federation of Indian Chambers of Commerce and Industry (FICCI); Mr. Sushil Ramola, President & CEO, SRF Limited, Packaging Film Business; Mr. Navaid Khan, CEO, UP West & Uttarakhand Circle, Bharti Tele-Ventures and Mr. Vinnie Mehta, Executive Director, MAIT. Mr. TK Arun, Senior Editor, The Economic Times was the moderator for the discussion.

Report on pgs. 12 to 16...

Export zones planned in Uttarakhand



After holding interaction with top industrialists and government officials in the state, Mr. Ramesh announced measures and said the Centre would provide all possible assistance to

Referring to agro-food export zone, the Minister said the export of litchis and apples had good scope.

Noting that there was a need to strengthen connectivity and infrastructure facilities including road and rail links to Dehra Dun, he also said the centre would back the state government in its efforts to improve the infrastructure including telecommunication links.

In the face of growing demand from the industry for dry port facilities, the Minister announced that two new dry port facilities would be set up in Dehra Dun and Pant Nagar.

Mr. Ramesh said that a regional office of the Directorate General of Foreign Trade would also be opened in Dehra Dun shortly.

With exports being seen as a means to generate employment besides turning in foreign exchange, the Uttarakhand government has decided to set up medicinal, agro-food export zones and create its own dry port facilities in the state.

improve infrastructure facilities in the state.

Stating that Uttarakhand had the potential to become the "medicinal capital of the country", Mr. Ramesh said 10 herbs, including *sarp gandha* and *kutki*, had been identified, which have the tremendous potential for exports. These herbs would be commercially cultivated and sent abroad.

The move follows a visit by Union Minister of State for Commerce Mr. Jairam Ramesh to Dehra Dun.

We Will Either Find A Way Or Make One

Uttaranchal Budget has no new taxes

Government unveils measures to develop urban infrastructure

Addressing the legislature on the opening day of the budget session here, **Governor Mr. Sudershan Agarwal** said his government aimed to develop infrastructure in urban areas, including the setting up of a science city, IT-BT parks, and a planetarium.

He said his government was taking assistance of Rs 800 crore from the ADB as part of its long-term strategy to develop urban infrastructure.

Three cities - **Dehra Dun, Nainital and Haridwar** - have been included in the list of **National Urban Renewal Mission**.

A technology resource centre had been sanctioned in **Nauगाon** area of Uttarkashi district for imparting technical assistance to the rural population. Eighteen new industrial estates are being set up in Dehra Dun, Haridwar and Udham Singh Nagar.

Out of the identified potential of 20,000 mw of hydro power, projects of nearly 12,000 mw were in different stages of implementation.

Stating his government was giving a thrust to forestry and horticulture, Mr. Agarwal said 16 horticulture nurseries, 381 herbal-nurseries and 40 centres of excellence had been developed.

For the fifth successive year, there have been no new taxes in the Uttaranchal budget. **Chief Minister Mr. Narayan Datt Tiwari** presented the budget in the assembly, with a total expenditure of Rs 10,925.46 crore, even as the fiscal deficit rose by Rs 401.59 crore.

Mr. Tiwari announced 30 per cent reservation for women in government jobs. He also announced a Rs 32.50 crore universal employment scheme for the unemployed educated youth of the state.

The major highlight was that the state government has estimated its revenue collection targets have gone up by 21.59 per cent more than last year's. The revenue targets stood at Rs 3,136.70 crore, against last year's figure of Rs 2,579.64 crore.

The fiscal deficit touched Rs 2,837.58 as compared to Rs 2,435.99 crore in the previous year, while the revenue deficit had come down sharply to Rs 155.71 crore against Rs 423.42 crore in the previous year, Tiwari said in his budget speech. However, he asserted the revenue deficit would decrease further in the year 2007-08.

The Chief Minister also announced that his government would launch a gender budgeting scheme under which all the departments would allocate their 30 per cent funds for welfare of women and children. Promoting public private partnership, he also announced the setting up of a joint venture fund with an initial deposit of Rs 50 crore.

Though, non-plan expenditure has increased to Rs 5900.73 crore against the previous year's



figure of Rs 5358.40 crore, he did not propose any new taxes in the budget.

Along with the budget, the CM also proposed a vote on account to the tune of Rs 10.92 crore. For the first month of the next financial year till the budget bill is passed in the assembly.

Under special component plan, the government has made a provision of Rs 795.32 crore for scheduled castes and Rs 148.87 crore for the scheduled tribes.

The pension for widows, olds and handicapped persons has been increased to Rs 400 from Rs 250.

Computer education is being provided in madrasas under the project talim with an aim to remove backwardness in the Muslim community. Similarly, another project is being started to impart employment oriented education to the Muslim youth belonging to Muslim community.

The budget also proposed to set up special counters to market handicrafts and handloom products under the brand name "Himadri" along the Chardham yatra route and other religious centres.

He said an investment of Rs 20,000 crore has been proposed through the various industrial units in 18 industrial estates in the state.

The state government has also declared 2006-07 as the woman empowerment year because of the special role of women in the development of the hill state. In this regard, the government has given 30 per cent reservation in government jobs.

He announced a special grant of Rs 3000 for all those girls belong to poor families who take admission in class ninth. Women buying lands would also get exemption in stamp duty.

Four working women hostels would also be established in Dehra Dun, Pauri, Haridwar and Haldwani.

In agriculture loans, the stamp duty fee exemption limit has been raised to three lakhs from Rs one lakh, Mr. Narayan Datt Tiwari said.

Courtesy: Business Standard

“State has formulated attractive industrial policy”

The Chairman and Convener of Global Organisation of People of Indian Origin London Convention, Mr. Augustin R. Benoit called on Chief Minister Mr. Narayan Datt Tiwari and invited him to participate in the convention of NRIs which is going to be organized by Global Organisation of People of Indian Origin in June 2007 at London (UK).

During the meeting, Mr. Tiwari apprised Mr. Benoit that the Uttaranchal state had formulated attractive industrial policy and created congenial atmosphere for industries, resulting in setting up of industrial units by renowned industrial houses.

As many as 1800 industrial units had been established by investing Rs.1500 capital in the industrial estates of the state, he informed adding that these estates had been developed at expanse of

800 acres of land.

Master Plans had been chalked out to accelerate the pace of tourism development, Chief Minister mentioned and added that a large number of tourists from the country and abroad were visiting Uttaranchal and it had been developed as an ideal tourist destination.

Besides, novel steps had been taken to exploit herbal and floriculture potential of the state. Referring to the access of information technology to the remote villages of the state, he said that 8845 computer sets had



been made available to the 1720 secondary colleges.

He assured Mr. Benoit that the state Government would provide all possible assistance to him for setting up of National Nursing College of European and American standard in State, from where the trainees would be able to get jobs in France, Britain and America also.

Bajaj, Ashok Leyland eye Uttaranchal

After **Bajaj Auto, Ashok Leyland** is also exploring the possibility of setting up a manufacturing unit in Uttaranchal.

Bajaj Auto is the latest entrant in the race to establish a greenfield manufacturing unit in the thriving Pantnagar industrial estate in Kumaon region with an investment of Rs 500 crore.

Meanwhile, Ashok Leyland is in talks with the top Uttaranchal government officials for setting up a new unit in the state.

For this purpose, the company is exploring the possibility of installing a manufacturing unit at Sitarganj industrial estate which is being developed by **State Industrial Corporation of**

Uttaranchal Limited (SIDCUL).

"The talks are at very preliminary stage. But we are hopeful that Ashok Leyland official would make up a mind very shortly," a government official said.

Already, **Tata Motors** had deposited initial amount of Rs 7 crore for setting up a manufacturing unit at Pantnagar industrial estate which is already bursting at seams with hefty investments from top-notch companies like **Britannia, Parley Biscuits, Nestle India.**

On the other hand, Bajaj Auto company would invest Rs 500 crore in its Pantnagar industrial estate manufacturing unit for motorcycles. The company

would produce 90,000 motorbikes per month. This part of the company's Rs 15 crore expansion plan.

Bajaj Auto is planning to raise production capacity to 51 lakh units — 46 lakh two-wheelers and five lakh three- and four-wheelers, per year by 2009. In the first phase of the expansion, the company plans to expand motorcycle capacity to 36 lakh units per year by the year 2007.

The company has set a sales target of 28.5 lakh units for the financial year 2006-07, including exports of 3.65 lakh units. It is aiming to sell a total of 25.5 lakh two-wheelers and three lakh three-wheelers.

Courtesy: Business Standard

Bajaj to make 4-wheeler commercial vehicles

*India's second largest two-wheeler company, **Bajaj Auto**, has finalized plans to enter the four-wheeler commercial vehicle segment.*

*Bajaj Auto is also planning to enhance capacity and manufacture three million motorcycles a year, part of which will come up as a greenfield venture in **Pantnagar, Uttaranchal.***

*An estimated Rs 300-350 crore would be invested over the next year to expand the two-wheeler manufacturing capacity, including setting up a greenfield plant in **Pantnagar.***

*The commercial production at the **Pantnagar** facility is expected to commence in the first quarter of the next financial year.*

*The company is acquiring 200 acres in **Pantnagar**, part of which will be used by 15 of its vendors, which will set up base there.*

Courtesy: Business Standard

Power from Maneri Bhali by year-end

Literacy Rate

Literacy Rate in Uttarakhand is 73% which is higher than the National Literacy rate .

To achieve 95% literacy rate Uttarakhand is working on a tri -fold strategy

- (a) 100% enrolment
- (b) 100% retention
- (c) Continuous

Education Programme.

India's best schools and training institutes are located in Uttarakhand.

Uttarakhand is ranked 3rd in Education development and achievement, at elementary level, in India in a survey conducted by India Today.

Education in the state of Uttarakhand has a sound background, right from the inception of the state department of education is running ahead and getting shape gradually.

Work on the **304-Mw Maneri Bhali hydel project-II** in Uttarakhand district, the largest power project undertaken by the Uttarakhand Government, is in its final stages and power generation is expected to begin by this year-end.

The construction of a 16-km long underground tunnel from Joshiyara to Dharasu for carrying the Bhagirathi river water for the Rs 957-crore project is in its last stage.

Only 290 metres of digging work was left, **Mr. Avadh Bihari Giri, Chief Managing Director, Uttarakhand Jal Vidyut Nigam Limited**, which was implementing the project, said.

Work on the barrage and power house was also in its final stage,



he said, adding that one of the four units of the power house was ready while the rest would soon be completed.

State Power Minister Ms. Amrita Rawat said the project would produce 1566 million units of power per year and earn an annual revenue of Rs 350 cr.

Integrated power network on the anvil in Uttarakhand

With electricity generation expected to perk up considerably in Uttarakhand in the near future, the state government is setting up an integrated transmission network for power evacuation at a cost of Rs 30 crore and will invite private players for the project.

After getting the Centre's approval for the project, the government has sought a loan from the **Asian Development Bank (ADB)** for the same.

A meeting of the ADB board, which has been convened on March 30 in Manila, will take a final decision on the loan.

Through this network, the government is hopeful of linking all the transmission lines coming from various hydel projects in

the state with the northern grid.

"Our main purpose is to link various hydel projects in the state with the northern grid," **Principal Secretary Power Mr. N Ravishanker** said.

The project envisages a sub transmission network in the Alaknanda-Yamuna-Bhagirathi valleys, which would be linked with that of the Kumaon region network. "We want to link Srinagar with Kashipur transmission lines," Mr. Ravishanker said.

Once the loan is approved by the ADB, the government will go for global bidding, inviting private players for the project.

The power generation capacity in Uttarakhand, which is being billed as an energy rich state, is expected to rise considerably

with the government stating that it would generate another 1700 Mw of power during the 11th Plan period and has set a target of producing 4000 Mw during the 12th Plan period. At present, Uttarakhand produces 1400 Mw of power.

NTPC, NHPC, THDC, UJVNL are some of the government enterprises which are undertaking big hydel projects in the state.

Tehri Hydel project alone would produce 2400 Mw of power on its final completion. The first phase of the Tehri project is expected to generate electricity in March-April this year.

Courtesy: Business Standard

Biotechnology : Technology of the New Millennium

Biotech-Information Technology Park at Pantnagar



The Strategy

** Units coming up in this sector, including the Research and Development units in this field, shall be accorded Industry status and the provisions made for the Information Technology sector shall be made applicable to this sector.*

** Establish an internationally competitive business infrastructure and environment for the BT Industry in the State.*

** Develop Uttaranchal as a centre of excellence in biotechnology by providing necessary education and training facilities for the creation of a large pool of multi-skilled, technically competent manpower and organizations for state of the art biotechnology research in the State.*

** A Biotechnology Park will be developed near Pantnagar to achieve the vision of the Government.*

** The proposed Biotechnology Park will integrate resources and provide amongst others, a focused institutional set up for accelerated commercial growth of Bio-Technology and Bio-Informatics.*

Biotechnology is considered a key technology of the new millennium and a lot of expectations are linked with recent and future developments in biotechnology research and the biotech industry. Thus biotechnology is promoted by industrial and governmental initiatives around the globe.

Biotechnology (BT) is poised to make significant contributions in

agriculture, human and animal health care, environment management and process industries. Uttaranchal is a store house of rich variety herbs, medicinal and aromatic plant species. Rare species of plants and animals found in the State, add to its natural advantage in this sector.

In this context, a MOU has already been signed between **Rabo India Finance Company, Infrastructure Devel-**

opment Finance Company and the Govind Ballabh Pant University of Agriculture and Technology in order to forge strategic cooperation to jointly pursue initiatives in the sphere of research in food and agriculture sectors.

A high level Biotechnology Board is also being setup under the Chairmanship of the Hon'ble Chief Minister.

Reckitt to invest Rs 60cr in Uttaranchal facility

Vision of UHHDC



Reckitt Benckiser India Ltd, a household cleaning products company, is setting up a big factory in Uttaranchal with an investment of Rs 60 crore to double its production capacity.

On the sidelines of a press conference organised to announce the launch of its campaign called 'Dettol Surakshi Parivar', **Mr. Chander Mohan Sethi, chairman and managing director, RBIL**, said the company had just started the construction of the factory, which is expected to be ready by December. This expansion is likely to meet the company's demand for the next four years.



The factory would manufacture a number of products including handwash products. It is likely to have an annual throughput capacity for Rs 400 crore. Earlier, Mr. Sethi said RBIL's turnover was about Rs 1,000 crore and its turnover doubled in the last four years. One of the key drivers for this growth was its spend on branding and marketing. It was spending over 16 per cent of its sales in marketing.

Mr. Sethi said the 'Dettol Surakshit Parivar' programme was

aimed at advocating better hygiene practices in families to ensure protection from illness caused by germs, particularly among children.

Mr. Sethi said liquid handwash category was growing at 40 per cent even with a low handwash household penetration of 3 per cent in the country. As per the AC Nielsen trackings, the market size of handwash is estimated at about Rs 35 crore, while the untracked market size may be double the amount, he added.

He added that liquid handwash category had the potential to grow exponentially through awareness campaigns.

The 'Dettol Surakshit Parivar' campaign would be undertaken at three levels — 'new mother programme', 'school handwash programme' and 'hospital programme'. Initially, the programme will be spread across six metros — Delhi, Mumbai, Kolkata, Chennai, Bangalore and Hyderabad. The company would run the campaign in association with the Indian Medical Association (IMA). It has earmarked a budget of about Rs 5 crore for the programme.

In the first phase, the campaign is expected to contact over 12 lakh new mothers, 3 lakh school children and 250 hospitals in the six metros. About 40 per cent of the contacts is planned in Chennai, Bangalore and Hyderabad. In Chennai alone, the campaign would cover about 2 lakh. The company would distribute free samples of Dettol antiseptic liquid during the campaign.

Answering a question on covering rural areas, Mr. Sethi said though the company was not physically present in the rural areas, about 30 per cent of the sales came from rural areas. The company plans to continue this programme for the next few years and cover mini-metros, Tier II cities and rural areas in phases.

The company's flagship brand, Dettol accounted for one third of its sales. According to an AC Nielsen report, Dettol is reported to have garnered a market share of 60 per cent in the handwash segment and Dettol soap had a market share of 18-plus in the health soap market and 4 per cent in the total soap market, said Mr. Sethi.



Chief Minister Mr. Narayan Datt Tiwari laid the foundation stone of **Him Giri Nabh Vishwavidyalaya** at Sela Qui, Dehradun.

Speaking on the occasion he said that by establishing the university it will a major step towards the overall development of Uttaranchal.

The world class education which will be imparted by the Him Giri Nabh Vishwavidyalaya at Sela Qui, will fulfill the needs of the students who seek for an international standard education.

Present on the occasion were **Mr. Subhash Chandra, President Taleem Research Foundation**, **Dr. Vinod Kumar Aggarwal, VC, HGNV**.

ADB approves USD 300 mn loan to Uttarakhand power sector



Asian Development Bank has approved a USD 300 million loan to Uttarakhand to strengthen and expand its power sector.

"A project for assisting Uttarakhand government in the power sector was approved. Out of the USD 300 million (about 1,320 crore), USD 250 million approved for transmission, USD 45 million for generation (mini hydel) and USD 5 million for reforms related capacity building," **Mr. Ashok Saikia, executive director** in the ADB's board said.

Linked with the project will be reforms in the power sector, cost recovery, private sector development, improved effi-

ciency of power facilities, Mr. Saikia said.

The amount will be in the form of an innovative new 7-year financing facility, from which individual loans will be taken out for specific projects under the Uttarakhand government's comprehensive power sector road-map.

According to ADB estimate, Uttarakhand has undeveloped hydropower potential estimated at 20,000 megawatts.

Harnessing this capacity will meet the state's needs for clean and efficient energy and allow it to export power to surrounding states, generating funds for the

state.

To realise its potential, the state's energy sector requires about USD 12 billion over the next 12 years.

About USD 5 billion would be needed over the next six years to fund projects to increase power generation and improve transmission and distribution, as well as for policy reform and efforts to improve financial management.

"ADB's presence as a partner brings down the total cost of funds and helps attract other long-term financiers to the sector," **ADB senior energy specialist Mr. Dan Millison** said.

CM inaugurating 20th State Level Bankers Committee meeting. He is flanked by Chief Secretary & bankers.



Vision of UHHDC



Infrastructure a prerequisite for Dev.: Governor Make Education Employment Oriented: CM

Sum Up

Summing up the discussions of the morning session Mr. Hemant K Arora, Immediate Past Chairman CII Uttarakhand State Council said that the key focus areas for ensuring sustained economic development, that emerged from the discussions were: -

*** Integrated Development of Physical Infrastructure**

*** Development of Human Resource Infrastructure**

*** Progressive and a stable policy regime**

*** Enhancing Internal Competitiveness of the Industry**

*** Ensuring transparency in Government's decision making**

Ms. Lovelena Mody Chairperson CII Uttarakhand State Council delivered the Vote of Thanks.

More than 100 representatives from NGOs, Industry, Schools and media participated in the Valedictory Session.



State of the art infrastructure including integrated plan for development of roads and rail services, telecommunications and uninterrupted power supply was a prerequisite for growth and development in the state said Mr. Sudarshan Agarwal, Governor of Uttarakhand while delivering the Inaugural Address at the 5th CII Uttarakhand Annual Session.

Emphasizing on the need for inclusive growth he urged the corporates to play a greater role vis-à-vis Corporate Social Responsibility and develop new strategies to reach out to the Bottom of the Pyramid population.

He added that in the present innovation driven world commitment to idealism combined with a passion for excellence was the key to sustainable development and growth and responsible and responsive governance both in the industry and government were the need of the hour.

Explaining the theme of the session 'Driving Growth through Industry: Opportunities & Challenges' Mr. Ajay S Shriram Chairman CII Northern Region said that the state had witnessed an explosive growth in terms of investment.

This would entail creation of appropriate infrastructure both physical and social infrastructure, an industry friendly policy environment, ensuring availability of appropriately skilled manpower and also ensuring sustainability from an environmental perspective.

The Inaugural Session was followed by a panel discussion on the theme which was moderated by Mr Hemant K Arora, Chairman, CII Uttarakhand State Council. An eminent panel comprising of Mr P Rajendran Chairman, CII HRM Sub Committee & Chief Operating Officer NIIT Ltd; Mr Sunil Uppal, Vice President - Finance, Eldeco Infrastructure & Properties Ltd; Mr Milan Anandan, Branch Manager - UP IBD Operations, ITC Limited; Mr Ravi Pillai, Director City & Guilds (South Asia); Mr Ashish Bhatia, Chief Operating Officer Fortis Hospital, Mohali and Mr Sujit Mukherjee, President Friends of Doon & Former Director Wildlife Institute of India.

Emphasizing on the need of employment oriented education and creating more employment opportunities Mr. Narayan Datt Tiwari, Chief Minister, Uttarakhand said that the Industry has an important role to

play in Bharat Nirman while delivering the Valedictory Address at the Valedictory Session of the 5th Annual Day of CII Uttarakhand at Dehradun.

Apart from Greening CII has been actively working on other aspects of environment preservation and nature conservation including Rainwater Harvesting, Environmental Education and facilitating the Battery Operated Vehicles Project.

Addressing the gathering on the occasion Mr Sanjeev Chopra, Secretary Industrial Development & IT, Government of Uttarakhand congratulated CII for its role in enhancing the Competitiveness of Indian Industry. He also congratulated CII on its attempt to bring together the representatives of industry and environment to discuss issues of sustainable development.

Highlighting the future areas of engagement between the State Government and CII he said that a MoU on Skills Development initiative was in the pipeline. He also urged the Confederation to play a leading role in facilitating Foreign Direct Investment in the State.

Courtesy: CII, Uttarakhand.

CII Chairperson, Vice Chairperson elected



Ms Lovelena Mody and Mr J C Jain have been elected as the new **Chairperson** and **Vice Chairperson** respectively of the **CII Uttarakhand State Council** for the year 2006–2007, at the Annual Session of CII Uttarakhand State Council, held on 18 March 2006 at Dehradun.

Ms Lovelena Mody is the Executive Director & Vice President of Hotel Great Value, an Associate Company of the **Clarks Group of Hotels**.

Ms Mody is one of the well-known faces both in the industry and social circles of Uttarakhand. She has earlier been the Vice Chairperson of the CII Uttarakhand State Council 2005-06 and also the Regional Head at Stree Shakti – A parallel force.

She is the Vice President & Treasurer of **Chinmaya Mission Dehradun**. She has been regularly conducting workshops, seminars of regional and national

level to facilitate partnerships in development with a human face – AIDS Awareness, Value Education and Women, Work & Health.



Mr J C Jain is M.E (Production) from BITS PILANI and is presently the **Chairman & Managing Director of**

Texplas India Pvt. Ltd., The Rishabh Velveen Ltd., Texplas International, College of Engineering, Roorkee, Vardhman Agro Products and Astha Finance & Leasing Limited.

In recognition of his contribution to the industry Mr Jain has been awarded the “Udyog Ratan” by President of India in 1993 and “Udyog Patra” in 1983 by Institute of Trade & Industrial Development amongst many other awards. Mr Jain has also been associated with many social organizations and trusts including the **Seth Roshan Lal Jain Trust and Tarawati Jain Trust** of which he is also the Chairman.

ITC to start biscuit production units in Uttarakhand

Uttarakhand

ITC's food division would soon start its biscuit production units in **Uttarakhand** and Bangalore at a cost of Rs 36 crore, a senior company official said today.

A Rs 16 crore unit in Uttarakhand would cater to the northern region, **ITC Ltd brand manager Mr. Devarajan Iyer**.

The company's branded biscuits 'Sunfeast,' which were launched in mid-2003, have already captured 10 per cent market share in a short period and now the company was targeting to capture at least 20 to 25 per cent within one year, Mr. Iyer said.

With annual growth of five to six per cent in the organized biscuit sector, Tamil Nadu has a market size of 10,000 tonnes worth Rs 550 crore, and the company was gearing up to become the number one brand in the state.

The company would also bring out new products like cookies and sweet and salt crackles shortly, Mr. Iyer said.

Now, gensets to run on CNG, bio-diesel

Birla Power Solutions is planning to make gensets that will run on compressed natural gas and bio-diesel, inspired by the success of CNG's use in automobiles.

The CNG-fuelled gensets are being planned by the **Yash Birla Group** company that is setting up its manufacturing unit in Dehradun in Uttarakhand.

"We already make liquefied petroleum gas gensets. The new manufacturing unit will be for making LPG, bio-diesel and CNG gensets," **BPSL president and CEO Mr. Sanjay Khazanchi** said.

While CNG gensets would start rolling out from September this year, bio-diesel gensets were in research and development stage and would take another year, he said and claimed **BPSL** would be the first company in India to make such gensets.

The company has a strategic tie-up with **US-based Briggs & Stratton** for making LPG and CNG gensets and with state-owned **Hindustan Petroleum Corporation Ltd** for distributing LPG sets.

Birla Power, which already has a unit in Dehradun for manufacturing gensets, inverters and other equipments.

Courtesy: PTI

Uttarakhand lowers VAT on plywood products

Uttarakhand government has decided to lower the VAT on plywood products from 12 to four per cent besides providing 50 to 75 per cent subsidy for the purchase of agricultural equipment.

At a cabinet meeting which was presided over by **Chief Minister Mr. Narayan Datt Tiwari**, it was decided that the state government would provide relief to farmers by giving 50 to

75 per cent subsidy on various agriculture equipment being used by them.

Though the central government is giving 25 per cent subsidy on the purchase of these devices, the state government would give additional subsidy to provide relief to farmers in view of drought-like conditions prevailing in the state, **Chief Secretary Mr. M Ramachandran** said.

Mr. Ramachandran said the cabinet has also cleared a proposal to lower the VAT duty from 12 to four per cent on plywood products.

The cabinet also gave its nod to the formation of a new Uttarakhand transport corporation by creating nearly 6397 new posts.

Courtesy: Times of India

Government to support handloom & handicrafts export

Voltas plans 3 plants in Uttarakhand

Voltas Limited, air conditioning and engineering services company of the Tata group, has decided to set up three plants in Uttarakhand at Rs 120 crore to augment its export market in the Middle East.

The factories, to be set up at Pantnagar, would go for commercial refrigeration, room air-conditioning and central air-conditioning, the company's senior vice president (Unitary Products Business Group), Mr. K J Jawa said.

Mr. Jawa said Voltas Limited aimed to increase its AC market share from 16 to 20 per cent.

The company also had plans to expand its export market base in Dubai, Muscat and Doha in the Middle East by amplifying its annual production this year from last year's two lakh units to three lakh units. Jawa also said the company was contemplating foraying into the rural market.

The **Minister of State for Commerce Mr. Jairam Ramesh** gave a written reply in the Lok Sabha about **handloom and handicrafts** export.

The Government has taken the following steps to promote export of handloom and handicrafts:

- In the Foreign Trade Policy (2004-09) handloom and handicraft sectors have been identified as thrust areas for special focus initiatives.

- The Government has decided to develop a trademark for handloom on the lines of "Woolmark" and "Silkmark".

- New towns of excellence in handloom sector with a threshold value of Rs. 250 crore have been notified at Kannur, Kekra, Karur and Madurai.

- Financial assistance has been provided to the Export Promotion Council for Handicrafts for setting up of Common Facility

Centres for design development.

- Assistance to the Handloom Export Promotion Council and the Export Promotion Council for Handicrafts is provided for participation in International trade fairs and organizing Reverse Buyer-Seller Meets in India.

The Government has provided financial support to the handicraft sector in setting up common facility centers for design development at Saharanpur, Jodhpur and also for aggressive international marketing project of development of North-Eastern Crafts.

The office of Development Commissioner (Handlooms), Ministry of Textiles has been implementing a scheme under the name "Handloom Export Scheme".

This scheme provides financial assistance to the eligible agencies for development of exportable range of handloom products and international marketing thereof.

At present there is no proposal to review the guidelines of the scheme.

The share of handicrafts exports from India in the world market was 1.27% in the year 2005.

However, the present share of Handlooms items is not available due to some technical difficulties in generation of export data.

Lack of Brand image, marketing competition from some countries, severe competition from powerloom and mill sector and lack of flexibility in Labour Laws are some difficulties faced by these sectors.

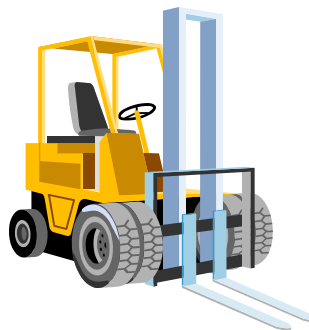
The free Trade Agreements with neighbouring countries do not have any significant effect on indigenous industry and on export of handicrafts and handlooms as export to these countries is negligible and bilateral trade with these countries has been growing steadily.

Courtesy: PIB

HTTL to set up mfg unit in Uttarakhand

Home furnishing products company **Hanung Toys and Textiles Ltd (HTTL)** is setting up a manufacturing unit in Uttarakhand and would go public to part fund the Rs 175 crore project, which would boost its overseas exports.

The upcoming unit at Uttarakhand will comprise a weaving plant, dyeing and printing facilities and produce home furnishing products such as bed-sheets, quilts, curtains and cushions.

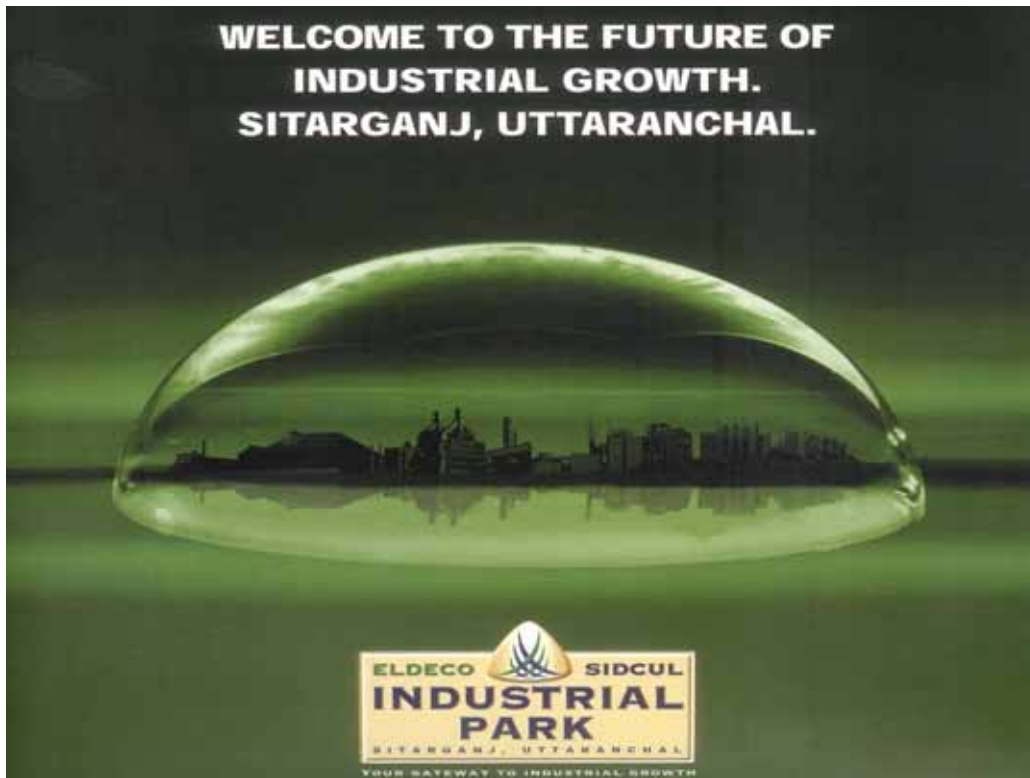


The products are sold under the brand 'Splash'," **Chairman and Managing Director Mr. Ashok Kumar Bansal** said adding that the company, has a

technical collaboration with South Korean company **Hanung Industrial Co Ltd.**

The unit, which is scheduled for commissioning in December this year, would enhance company's capacity six folds and boost overseas export of home furnishing products. "Current production of furnishing products is about 20,000 metres per day. After the unit in Uttarakhand becomes operational it would go up to 1,20,000 metres per day," he said.

Courtesy: PTI



Proximity to Delhi & NCR

- * 290 km from Delhi
- * 50 - 55 km East of Rudrapur/Pantnagar

CONNECTIVITY & LINKAGE by all modes

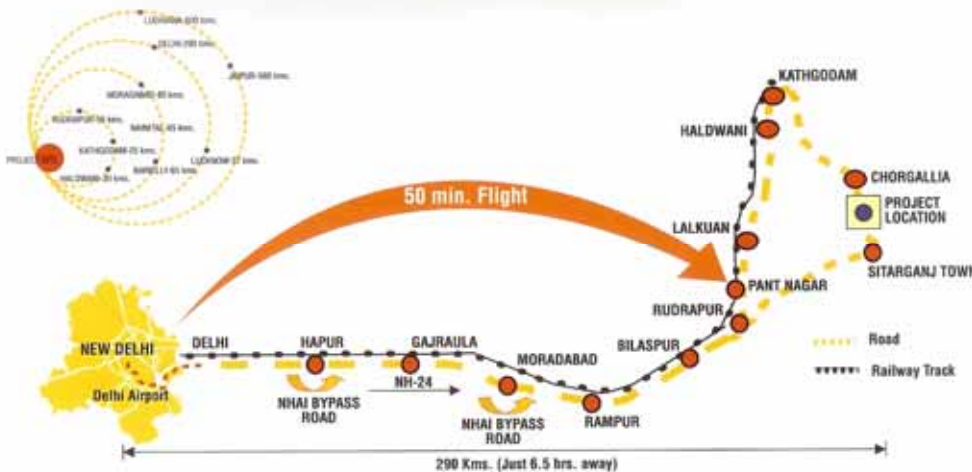
- * NH 74 (Sitarganj end) & NH 87 (Haldwani/ Kathgodam), two connecting National Highway
- * Direct train to (Haldwani/ Kathgodam), nearest BG rail head- 30 km
- * Daily flight to Pantnagar/ Rudrapur

Regional Connectivity & Reach

- * 50 -100 km to large town of Haldwani, Rudrapur, Moradabad, Kashipur & Bareilly
- * 300 – 600 state capitals of Delhi, UP,HP, Haryana, Punjab & Rajasthan.

Commercial Terms...

- Pricing (Dated: 24.02.06)
- * Upto 1/2 acre—650 / sqm
 - * Above 1/2 acre upto 1 acre—600 / sqm
 - * Above 1 acre upto 5 acre—550 / sqm
 - * Above 5 acres—525/ sqm



What Uttaranchal State has to offer.....

*100% excise duty exemption for 10 years. *100% income tax exemption for first 5 years and 30% for next 5 years. *CST @ 1% for 5 years. *Capital Investment Subsidy @15% with a maximum of Rs. 30 lakhs. *Central Transport subsidy for transportation between the nearest rail head and unit. *Exemption from entry tax on plant & machinery for setting up new industrial units. *Lowest Power Tariff (Rs 1.90) in the country; Hydel is the key source. *To be soon a Power Surplus State (adding anther 2000 Mw installed capacity this yr). *Water is abundant (land of Himalayas). *Highly literate State (74%). *Traditionally have been a peaceful region. *Vibrant Govt. Machinery and Will (resulted in 20 K Cr Industrial Investment in short span of 3yrs).

Visions for tomorrow



Mr. M Ramachandran, Chief Secretary, Government of Uttaranchal said that the Rs 1,000-crore Plan outlay in '00-01 increased to Rs 2,200 crore in '05-06, and has now been increased to Rs 4,000 crore for '06-07.

Speaking at the **ETIG Knowledge Forum on 'Uttaranchal: A state on the move - Competitive Advantages, Policies and Investment Potential'**

Mr. M Ramachandran said projects are lined up in the power sector to generate 14,000 MW of power over the next eight years. The overall project cost is estimated at Rs 70,000 crore at Rs 5 crore/MW. By '06, 2000 MW will be added through the Tehri power project. The Uttaranchal government aims to achieve 100% village electrification by 2007 and 100% household electrification by 2009, he added. The objective focuses on both quality and quantity.



Mr. Sanjeev Chopra, Secretary, Industries & Information Technology, Government of Uttaranchal

began with a message from the **Chief Minister Mr. Narayan Datt Tiwari** containing the vision statement and the goals and objectives of the state government. He highlighted the achievements of the young state and the benefits that awaited potential investors.

Mr. Krishan Kalra, Advisor, FICCI said the 10th Five Year Plan lay greater emphasis on states for the economic development of the country. He said that when foreign investors come for investment, they are confronted with the stark reality, which is much different from what is projected during road shows. He cautioned the Uttaranchal government not to fall in a similar trap.



Mr. Sushil Ramola, President & CEO, SRF, Packaging Film Business spoke about creating

excellence in manufacturing. He said with increasing competition among states, only those which integrate their actions towards providing the most holistic solution to investors within a set timeframe, would emerge as winners.

He praised the Uttaranchal government's responsiveness by

citing an example from his plant at Kashipur. Earlier, the plant was running on DG sets, as the power situation was not conducive to hitch on the grid. But after Uttaranchal was formed, the situation has improved, and the plant now solely runs on the power purchased from the government, he informed.

When his company applied for power to the state government, it got a prompt response. He added that prompt action makes for a conducive environment for investors. He said the vision should be understood and percolate down to the field level. He said though the Uttaranchal government has a progressive vision and policy, it needs a good infrastructure and the right mindset to support it.

Mr. Chopra said that Uttaranchal exported goods worth Rs 350 crore in '04-05. Of this, agro-based and medicinal plants, engineering goods, handicrafts and survey instruments accounted for Rs 160 crore, which the government plans to increase to Rs 420 crore by the year '09-10. He said the state had various institutions for different sectors, which helped priority sectors to get focused attention and cut down approval time.



Mr. Navaid Khan, CEO, UP West & Uttaranchal circle, Bharti Tele-Ventures said that the Indian econ-

omy will be close to that of the US by '45 and its electricity production would fall short. The hydroelectricity potential of Uttaranchal, which stands at 20,000 MW, would help in bridging the demand-supply gap, then.

He added that hydroelectricity could bridge the gap nationally, if captive power plants are allowed to sell their excess electricity to the state through a power purchasing agreement, which can then be fed into the national grid.

He suggested connectivity can be increased by providing affordable telecom solutions like low cost handset bundles and shared phones.



Mr. Vinnie-Mehta, Executive Director, MAIT said the increasing manufac-

turing demand for cell phones and computer hardware should be tapped. Policy changes favouring manufacturing and equity participation in high-end IT manufacturing will help in developing them.

Many Taiwanese companies want to set up shop in India, because of its strategic location. Convergence in IT manufacturing and IT, ITes or BPO is anticipated. He said many companies didn't want excise duty benefits, as they can drawback the duty on the exported items.



Mr. TK Arun, Senior Editor, Economic Times said that ITES services are moving out of big cities to smaller ones, and this is a

huge opportunity to be tapped. Nasscom's new exam patterns for Uttaranchal will put the youth here at par with students of bigger cities.

Uttaranchal: Land of opportunity

“Come as a visitor, stay as an investor” — that’s the message Uttaranchal has for you. The state not only enjoys proximity with the national capital New Delhi (which is just 250 km away), but has a high literacy rate of over 73% and a population which widely speaks and understands English. The state is a safe and secure destination for investors, has a tourist-friendly environment, with a culture of ‘Athithi Devo Bhava’ or ‘Guest is God’.

Mr. Sanjeev Chopra, Secretary, Industries & Information Technology, Uttaranchal, elaborated on the goals and objectives of the government. The state aims to augment capital, infrastructure and resources, and promote technology and innovation for agricultural and industrial upgradation.

He said that efforts are being made to make the government effective, transparent, responsive and accountable. The Uttaranchal government aims to encourage public-private participation in infrastructure development and delivery, Mr Chopra pointed out.

Describing Dehradun as the ‘Knowledge Capital’ that boasts of many famous organisations like the **Lal Bahadur Shastri National Academy of Administration, FRI, IMA, DEAL, IRDE and IIP**, Mr Chopra said that Doon Valley is the nerve centre for quality education with institutions like **Doon School, Welhams and RIMC**. Uttaranchal also offers the best in technical education and has institutions like **UPES, ICFAI and Doon University**. The state has eight universities, 63 colleges and 19 technical colleges.



The state has well-known tourist spots like Panchachuli Peak, Bedini Tal, Bedini Bugyal, Harsil, Narayan Ashram, Nabi Village, Valley of Flowers and Om Parwat; religious places like Badrinath Temple, Kedarnath Temple, Gangotri Temple, Yamonatri Temple and Rudraprayag and national parks like Corbett National Park and Rajaji National Park bear testimony to Uttaranchal’s natural beauty.

Elaborating on the economic front, Mr Chopra said the credit-deposit ratio of state banks in the state for the period ended December ‘05 was 42.01% and the credit-plus investment to deposit ratio was 49.28%. This is

a steep rise from the credit-deposit rate of 18% in ‘01-02. Loan disbursement in priority sector was Rs 3,447.95 crore, with agriculture and allied services accounting for Rs 1,147.03 crore and small-scale industries and others Rs 2,300.92 crore.

Speaking of state exports, he said Uttaranchal exported goods worth Rs 350 crore in ‘04-05, from units primarily located in Dehradun, Nainital, Haridwar and Udham Singh Nagar. He identified the agriculture and medicinal plants, engineering goods, handicrafts and drawing and survey instruments as sectors with potential for high growth in exports.

Government will facilitate in development of entrepreneurship in Uttaranchal

Chief Secretary Mr. M Ramachandran said the six-laning of the Delhi-Dehradun highway till Meerut and four-laning from Meerut to Dehradun is under consideration and hopes the access control expressway is extended to Dehradun.

The Muzaffarnagar-Roorkee rail route would reduce the travel time to half, he said, adding that he was optimistic that transportation cost would come down once the volume grew at the inland container depot (ICD), Rudrapur.

He said Air Deccan flights in the state, which once ran at a capacity of about 30-40%, now run at full capacity.

**Exclusive Feature
Courtesy: Times News
Network**

Biotechnology

Tourism

Special incentives for tourism include exempting new tourism units from luxury tax and new ropeways installed from entertainment tax for five years from the date of commencement, and exempting new amusement parks from entertainment cost for five years from the date of becoming fully operational.

These measures, along with a 100% exemption from entertainment tax for new multiplex projects for a period of three years and the conversion of land use being made admissible for hotels, motels, resort, health spa, yoga and meditation centre, tourist village entertainment/amusement/water park/natural and botanical park, would accelerate tourism growth in the state.

He said the test runs of air travel have been successful in Uttaranchal and the state aims to be among the top global tourism destinations by 2010. The thrust would be on targeting high spending tourists, both international and high-end domestic ones.

The state has a vision to be India's leading player in biotechnology by '14. It is developing infrastructure for housing state-of-the-art facilities and promoting human resource development in bio technology to catalyse new ideas.

The Uttaranchal government has taken initiatives to set up a world class bio-IT park on 500 acres of land abutting NH-87 that would also house a bio-incubator and engage a professional advisor to catalyse the park development based on a public-private partnership model.

The government has taken various initiatives for forest and rural development, too. It has created the agriculture export development unit (AEDU), which is the nodal agency for implementation of infrastructure initiatives in the sector and has the responsibility of processing horticulture technology mission in the state.

Four agriculture export zones (AEZ) have been created for litchie, basmati, floriculture and aromatic and medicinal plants. The AEZ for walnut, exotic and off-season fruits and vegetables and organic produce are being set up. AEZ would also facilitate fiscal incentives, provide technical assistance, infrastructure and logistic arrangements and escort service to entrepreneurs.

The government wants to make Uttaranchal the organic capital of India and has declared it an organic state. A team of 20,000 farmers in 1,200 bio-villages are being formed. A thousand hectares has been certified as organic as per international norms, more than 75 product ranges are available, and a dedicated agency provides a single window for



forward link. The surplus production of horticulture and agriculture crops and a large livestock population provide several opportunities. Floriculture sector provided opportunities for corrugated packaging and bottle and can manufacturing, establishing cold chain infrastructure, herbal pharmaceutical and cosmetics, and Basmati processing and storage facility.

He acknowledged the need to augment state capabilities and service delivery by expanding the trained and skilled workforce, implementing positive policy and procedural environment, developing adequate public and social infrastructure and efficient urban and rural services. The growth would be achieved by focussing on providing support to "growth pillars" like road, civil aviation, transportation, irrigation, urban development and rural up-gradation.

This, he said, would be attained by leveraging strength through "growth leaders" such as power, tourism, industrial development, agribusiness, information technology and biotechnology. The state has institutionalised development by creating various institutions, each catering to a specific sector. This, it hopes, will

help in speedy resolution of investment issues and will proactively resolve investors' grievances or needs. **Medicinal Plant Board, Tourism Board, Livestock Board, Organic Board, Bio-Fuel Board, Bamboo and Fibre Board, SIDCUL, ITDA, UDeC and AEDU** have been set up for the purpose.

Mr Chopra emphasised that for a land-locked state with limited surface connectivity, developing air connectivity was of immense importance. Top domestic and multinational companies have already committed investments exceeding Rs 20,000 crore.

He also said that disaster relief and management work could be undertaken more effectively if air connectivity is provided to disaster prone areas. He said the state had two airports at Jolly Grant and Pant Nagar, three airstrips at Chinyalisaur, Gauchan and Naini Saini and six helistrips at Yamunotri, Gangotri, Badrinath, Kedarnath, Hemkund and Haridwar. Business opportunities existed for investors in the sector and the Uttaranchal government would support infrastructure development by entering into partnerships or JVs, he said.

IT & ITeS

The Uttaranchal government will provide free bandwidth up to two Mbps to all IT and ITeS companies, call centres and BPO, among others, for a year. The companies will get 100% exemption on central excise for 10 years, 100% exemption on income tax exemption for the first five years and a 30% exemption for the next five years. Others would get an exemption of 25% for the same period and there would be a capital investment subsidy of 15% with a maximum of Rs 30 lakh.



The **State Industrial Development Corporation of Uttaranchal (SIDCUL)** is setting up a 65-acre state-of-the-art software technology park at Dehradun with intelligent buildings and a hi-tech habitat centre. In addition, an STPI earth station will be set up at Dehradun with a connectivity of up to 100 mbps. Reliance Infocomm, BSNL and VSNL are laying a fibre optics network. The state government has signed MoUs with Cisco Systems, Intel Corporation, IBM and others for setting up re-

search academies. Around 40 acres of the 65-acre IT Park at Shastradhara Raod, Dehradun was saleable. The built-up space would be 40 lakh sq feet and the park will soon have roads, drainage, sewerage, water supply, provision for internal electrical and telecom/data connectivity. Doon Cyber Tower will have a 4-lakh sq feet built-up area. The construction will commence in March '06 and the target for completion is January-March '07. MoUs have been signed with

Microsoft IT academy, Shikhar project, Intel Technology India and CISCO. The state is developing infrastructure by creating a State IT academy at hermitage building, Nainital, specialised e-governance projects and standards for-governance applications. He said private sector IT parks have been successful and the state has the fastest growing BPO sector, with 26 BPOs, including Astra, with 500 seats already operational. HCL will commence operations by April.

Dear Sanjeev,

Congratulations on a well presented promotional features of Uttaranchal in the *Economic Times* and *The Times of India*.

As industry consultants, **Chennai Consultancy Services (CCS)** focus areas of interest are in agriculture, biotechnology and healthcare.

We are particularly interested to see the reference to the agribusiness development and the proposal for a world class BioIT Park in Uttaranchal.

CCS have recently partnered with **BDKT UK** to help write up a pre feasibility proposal for TN Bioscience Park along with IL & FS.

We wish to express our interest in being considered as consultants along with some of our UK partners to bid for Agri and BT Business parks in Uttaranchal.

We would also like to offer you our expertise to market the state of Uttaranchal as a investment destination to special categories of investors, angel funds and business entrepreneurs in the UK and USA.

Kind regards

Indu Palaniappan
Director
Chennai Consultancy
Services Pvt Ltd
481-A Mount Road,
Chennai 600 035.

Topics Suggested for the next forum

- Bio technology.
- Real estate development.
- Venture funding.
- Highway projects.
- Potential projects for investors abroad.
- Seminar On The Real Estate Boom.
- Developing growth centers.
- Dev. of air transportation.
- Infrastructure dev. and PPP.
- Energy Policy.
- Hospitality Industry.
- Public Private Partnership.
- Attracting FDI In Education Sector In Uttaranchal.



ETIG Knowledge Forum: From Camera's Eye

Response

ETIG Forum at Hyatt Regency

Dear Mr. Ramachandran, Congratulations on your efforts in bringing Uttaranchal to Delhi and creating a dialogue with the people who are in some way connected with the State. The presentation on the Vision and the current plans of Uttaranchal was very good and the good progress made in the short 5-6 years comes through. I am sure people were touched by the sincerity of approach and drive to achieve results as well. I hope this sharing and interaction will lead to more interest in the State from all those who came in contact with you and Mr. Sanjeev Chopra on 10th March evening at Hyatt Regency. Personally for me, sharing my experiences and getting connected with the State was a happy experience. I thank you for providing me the opportunity. In future as well I will be happy to contribute in any way possible towards fulfilling the Vision of the State..

*Warm regards,
Mr. Sushil Ramola
President and CEO
Packaging Films Business
www.srf.com*

Edited by Vipul Dhasmana, Consultant, Corporate Communications, SIDCUL, 2, New Cantt. Road, Dehradun 248001. Uttaranchal. Published by Department of Industrial Development, Government of Uttaranchal. Printed at Government Press, Roorkee.
vipul.dhasmana@gmail.com
Ph: 09412992605
Websites: <http://ua.nic.in> & www.sidcul.com
(For Free Distribution).

