

CHAPTER V

INDUSTRIES

Old Time Industries

Though from time immemorial, the main occupation of the people of the district has been agriculture, yet the accounts of Bana Bhat and the Chinese Traveller Yuan Chuang also suggest development of some industries in the region now comprising Kurukshetra district.

From the reference to the different variety of clothes by Bana in *Harish Charita*, it is evident that textile industry was advanced in 7th century A.D¹. Some evidence of development of metal industry is also available. Some of the household utensils were made of brass and copper. The war implements such as spear, shield, sword, saber and arrow were made of iron. Bana also informs that the swords were so finely polished that they could also be utilized as mirrors. Queen Yasomati is said to have seen her face in the blade of sword².

At the time of marriage ceremony of Rajyasri, sister of Harsha, a number of gold workers were engaged in hammering gold which was used for making work of arts. Several artists such as carpenters, leather workers, designers, modelers, ivory workers, painters and dyers were also invited. Bana also describes Sthanvishvara (Thanesar) as known for artisans³. But for these references nothing certain is known about the development of industries in the district in ancient period.

As the district had to face onslaught of foreign invaders during medieval period, industrial development achieved during Harsha's period suffered a lot. However, the cottage industries which met the local needs of the people of villages and towns survived.

Manufacturing of Salammoniac (*Naushadar*) has been age-old industry of the district. William Flinch, an English Traveller,

¹ Dr. Baij Nath Sharma, *Harsha and His Times*, Varanasi, 1970, pp. 482-83.

² Ibid.

³ V.S. Agarwala, *The Deeds of Harsha*, 1969, pp. 77-79.

who visited this area in A.D.1611 during Jahangir's reign, mentions about Salammoniac industry at Thanesar¹. In 1908, its production was 84 tones and it was sent to other parts of the country². In 1918, the industry was carried on in villages, namely, Gumthala, Karran and Siyana Saiden³. Manufacturing of saltpeter was another traditional industry of the district. It was manufactured around Thanesar by indigenous process. During medieval period, Thanesar was known for printing of cotton clothes.

In late 19th century, Shahabad was famous for some of its handicrafts. Lockwood kipling, Principal, Lahore School of Arts described this as follows:-

“Shahabad is spoken of as excelling in some handicrafts, but they seem to be practised by one or two individuals only. Two silversmiths from this place contributed to the Exhibition of 1882 very good specimens of chiselled silver, such as open work bracelets set with turquoises, and belt clasps of excellent, though somewhat minute workmanship. They are also the best seal engravers in the Province being capable of cutting intaglios of armorial and other subjects as well as the usual Persian writing for signet rings. Here also is a virtuoso in the manufacturing of musical instruments, such as saringis, Tamburas etc. Mulberry and tunx are the woods generally employed, an ivory carving, and inlay with wood-carving in low relief are freely introduced. He has also produced the pique inlay known in Bombay work-boxes, made by arranging tiny rods of metal, sandalwood, and particloured ivory of geometric section in patterns which are glued up and then sawn across in sections, each section, like a slice of the English sweet meat called ‘Rock’, being a repetition of the pattern ready for insertion in a ground. From the same place, from time to time, specimens of one of the many puerilities in which native ingenuity and skill are so often wasted are sent. This is a sort of paper lace-writing paper cut into a dainty open work of foliage and other forms with great delicacy and

¹ V.N. Datta & H.A.Phadke, History of Kurukshetra, 1984,p.110.

² Imperial Gazetteer of India, Provincial Series, Punjab, vol.II,p.308.

³ Karnal District Gazetteer,1976,p.173.

*some skill in design. There are examples of this triviality in the Lahore Museum”.*¹

In 1983-84, one of the central distilleries for the manufacturing of country liquor was located at Pipli². A glass blowing factory was set up at Shahabad in 1944-45. However, the shortage of skilled labour forced this factory to close down³.

INDUSTRIAL PROGRESS SINCE THE FORMATION OF HARYANA

The district could not make much headway in the field of industries between 1947 to 1966. It had only one large scale and 58 small scale industrial units in 1967. The small-scale units had an investment of Rs. 85.76 lakhs and provided employment to 440 persons. After the formation of Haryana as a separate State in 1966, concerted efforts were made for promotion of industries. As a result of measures taken by the Government, the number of these units rose to 165 in 1975. These units had an investment of Rs. 332.53 lakhs and provided employment to 1,351 persons. The small scale industrial units registered manifold increase during the period 1975-2004. Their number rose to 2,544 in March, 2004 from barely 165 in 1975. As per report of Third Census on Small Scale Industrial Units conducted in 2002-03, the number of working registered small scale industrial units in the district was 1,564. In March, 2004, these units had an investment of Rs. 22,700 lakhs and provided employment to 6350 persons.

Large and Medium Scale Industries

In 2003-04, there were 7 large and medium scale units in the district. These units were engaged in the production of *desi ghee* and milk products, Vanaspati ghee, semi craft, craft paper, and sugar. They produced goods worth Rs.20,285.84 lakhs, and provided employment to 1,539 persons in 2003-04. A brief description of these units is given below:-

Haryana Milk Foods Ltd. Pehowa.- Started in December, 1970, it is a public limited company. It manufactures milk products like

¹ Ambala District Gazetteer, 1883-84, p.52.

² Ibid.

³ Karnal District Gazetteer, 1976, p.172.

whole/skimmed milk powder, condensed milk, infant milk food, butter and *desi ghee* under a common brand named 'MADHU'. All its products bear ISI or Agmark certification as a guarantee of their purity and adherence to standards laid down by the Government for the manufacturing of these products. The plant capacity initially was to process 50,000 litres of milk a day, has now been raised to more than 3 lakh litres a day. In 2003-04 the total capital investment of the plant was Rs.1880.15 lakhs.

Its production increased from Rs.92.76 lakhs in 1971-72 to Rs.2,447 lakhs in 2003-04. It provided direct employment to 167 persons in 2003-04. Besides, it provided indirect employment to nearly 1,20,000 rural families supplying milk to the plant.

Markanda Vanaspati Oil Mills Ltd. Shahabad Markanda.- Located on G.T.Road, this unit came into being in 1970 and started production in 1971. Apart from manufacturing vanaspati ghee, it manufactures Oxygen gas, spent earth and acid oils. It has an installed capacity of 25 metric tones per day.

In 2003-04, it manufactured products worth Rs.1,210 lakh and provided employment to 79 persons.

The Shahabad Co-operative Sugar Mills, Ltd. Shahabad, Markanda.- Located on Shahabad-Ladwa road, the unit was installed in 1976 but started production in 1985-86. It has an installed capacity of 1,250 T.C.D. In 2003-04, the capital investment was to the tune of Rs.2,752 lakhs. The main product of the unit is sugar and the by-product is molasses. In 2003-04, it produced goods worth Rs.9,240 lakhs and provided employment to 869 persons.

M/S Parul Food Specialities Pvt. Ltd. Village Khanpur Kolian.- Located on Pipli-Ambala Road, this unit was installed in 1994 and started production in 1995. It has an installed capacity of 3.00 lakh litres of milk daily. The unit is manufacturing *desi ghee*, skimmed milk powder, dairy whitener, condensed milk etc. The capital investment of this unit is Rs.420.30 lakhs. In 2003-04, it produced various products worth Rs.2,178 lacs and provided direct employment to 106 persons and indirect employment to 1,10,000 rural/urban families supplying milk to the plant.

M/S Rahul Dairy & Allied Products Ltd. Vill. Masana.- Located on Pipli-Ambala Road about 8 K.M. from Pipli, this unit was installed

in 1993-94 and started production during 1994-95. Now the unit is known in the name of M/S K.M.G.Milk & Allied Products. It has an installed capacity of 4.00 lac litres of milk per day. The unit is manufacturing skimmed milk powder, *desi ghee*, dairy whitener, condensed milk, infant milk foods etc. The capital investment of the unit is Rs.1021.32 lakhs. In the year 2003-04, it produced various products worth Rs.1,574 lakhs and provided direct employment to 92 persons and indirect employment to 90,000 rural/urban families supplying milk to the plant.

M/S Sainsons Paper Inds. Ltd. Guhla Road, Plot No. 5, Bakhli (Pehowa).- Located on Pehowa-Guhla Road in village Bakhli about 8 K.M. from Pehowa, this unit was installed in 1994-95 and started production during 1995-96. It has an installed capacity of 24,000 M.T. per annum. The unit is manufacturing Semi-craft paper. The capital investment of the unit is Rs.2,286 lakhs. In 2003-04, it produced goods worth Rs.2,618 lakhs and provided employment to 123 persons.

M/s Markandeshwar Foods & Allied Products Ltd. Vill. Khanpur Kolian.- Located on Pipli-Ambala Road about 6 K.M.from Pipli, this unit was installed in 1998 and started production during 1999-2000. It has an installed capacity of 3.00 lakh litres of milk per day. The unit is manufacturing *desi ghee* and other milk products such as whole/skimmed milk products, condensed milk etc. The capital investment of the unit is Rs. 477.431 lakhs. In the year 2003-04, it produced various products worth Rs.1,018.84 lakhs and provided direct employment to 83 persons and indirect employment to 60,000 rural/urban families supplying milk to the plant.

SMALL SCALE INDSTRIES

The small scale industries registered significant growth since the formation of Kurukshetra as a separate district in 1973. This growth can be attributed to total rural electrification and spread of network of roads in rural areas in early seventies. It not only provided necessary infrastructure for growth of industries, but also generated demand for industrial goods in rural areas. Further, agricultural development led to establishment of a large number of agro-based industrial units in the district. As a result of all these factors, the number of registered small scale units rose from 115 in 1973 to 2,544 in 2004. The small scale units are engaged in manufacturing of

diversified items such as rice bran oil and de-oiled cake, rice and rice bran, fertilizers and pesticides, motors, agricultural implements, plants and varnish, hand made paper, thread ball, corrugated board and boxes, pharmaceutical goods, TV Antenna, cattle feed, wheat flour, woolen carpet, desert coolers, steel & wooden furniture, glass ampoules, rig machine, submersible filter, oxygen gas, toilet soap, ayurvedic & allopathic medicines, refined oil & vanaspati ghee, invertor & batteries, cement tiles, egg trays, plastic products, PVC pipes, Mill board, mix board & hard board, pumps, and welding electrodes.

A brief description of some of the important categories of these units is given below:-

Card Board/Mill Board and Hand Made Paper.- Card board/mill board is made from the wheat straw and paddy straw. Wheat and paddy straw is easily available in the district at cheap rates. In 2003-04, 15 units were engaged in the production of card board/mill board and hand made paper and their total capital investment and estimated annual production was worth Rs.600 lakhs and Rs.710 lakhs respectively. These units gave employment to 590 persons. Most of these units were located at Pehowa and Thanesar.

Agricultural Implements and Repair.- These industries are scattered throughout the district. In 2003-04, 190 units were engaged in manufacturing/repairing of agricultural implements such as wheat thrashers, tractors, trolleys, tractor harrows animal driven harrows, seed drill, levelers and maize shellers, cage wheel, potato planters etc. The total turnover of these units was Rs. 1,550 lakh and provided employment to 526 persons.

Rice Shelling Manufacturing Plants.- In 2003-04, 2 units located at Pipli and village Sirsama were engaged in the production of rice shelling plants. Now only one plant at Sirsama is working and the estimated annual production of this unit was Rs.110 lakhs and the unit gave employment to 15 persons.

Fertilizers and Zinc Sulphate.- In 2003-04, one unit, namely, M/S Haryana Agro Fertilizers and Chemicals, Shahabad was engaged in the production of NPK fertilizers and pesticides and one other unit was engaged in the production of zinc sulphate. The capital investment

of these units was Rs.55 lakhs and their estimated annual production was Rs.1,865 lakhs.

Naushadar.- Manufacturing of naushadar is a traditional industry of the district. In 2003-04, 10 units were engaged in its manufacturing. These units gave employment to 45 persons.

Agro-based Industries.- It is one of the important small scale industries of the district. Kurukshetra district is the major producer of paddy in Haryana. This has led to the establishment of a number of small scale industrial units which are engaged in the processing of rice. On March 31,2004, there were 135 Rice Shellers in the district to process paddy into rice and rice bran. The total production of these shellers was 6.5 lakh tones. These units gave employment to 4,100 persons. Their production is sent to various states.

Rice bran oil and de-oiled cake.- Rice bran is the by-product of rice shellers and is available in abundance in the district. This has led to establishment of units manufacturing rice bran oil and de-oiled cake. In 2003-04, four units were engaged in the production of rice bran oil and de-oiled cake from rice bran. Their capital investment was Rs.600 lakhs and the estimated annual production was worth Rs.2,850 lakhs. These units provided employment to 180 persons.

Flour Mill and Atta Chakki.- Wheat is the main crop of the district. This has led to the establishment of a number of small-scale units for its processing. In 2003-04, 260 such units were scattered throughout the district. The district has six flour mills.

A list of some of the important small-scale industrial units working in the district is given in Table I.

COTTAGE AND VILLAGE INDUSTRIES.

Though the large scale and small scale sectors play an important role in the industrial progress of the district, yet the cottage and village industries meet the day- to- day needs of the villagers. These industries are carried on by the artisans on family basis. Rural artisans in the district are generally engaged in the traditional trades of carpentry, black-smithy, weaving, pottery etc. These artisans generally produce the goods to cater to the needs of the rural people. Among the various bottlenecks that cottage units in rural areas face, are lack of finance and organization, absence of marketing facilities and entrepreneurial skill.

TOWN-WISE DISTRIBUTION OF INDUSTRIES

In March 2004, the following important industries were located in various Blocks of the district:-

TOWN	INDUSTRIES
THANESAR	Rice milling, rice bran oil and de-oiled cake, hand made papers and file covers, lime, agricultural implements, PVC pipe, cattle feed, T.V. Antenna & stabilizers, woolen carpets, paint brushes, steel and wooden furniture, <i>dhoop</i> and <i>agarbatti</i> , oxygen gas, washing soap and powder, glass ampules, <i>desi ghee</i> & milk powder, milk products, refined oil and vanaspati ghee.
SHAHABAD	Vanaspati ghee, sugar, agriculture implements, centrifugal pumps, rice & rice bran, C.I. casting, exercise & note book.
PEHOWA	Milk powder, <i>desi ghee</i> , baby food, electrical motors, card-board, plastic bottles, allopathic medicines, steel & wooden furniture, rice & rice bran, food products, agricultural implements, wheat thrashers.
LADWA	Rice milling, agricultural implement, corrugated board and box, card board, wheat thrashers, mixed board, solvent extracted oil & de-oiled cakes, hand made paper, file covers, egg/apple trays, corrugated boxes, welding electrodes, H.S.D. Tanks, steel & wooden furniture and card board boxes etc.

GOVERNMENT ASSISTANCE TO INDUSTRIES

Industrial development in the district is looked after by the General Manager, District Industries Centre, Kurukshetra. He functions under the overall control of the Director of Industries, Haryana.

The Government assists the entrepreneurs by giving cheap land on easy instalments, financial assistance through financial institutions, technical and industrial training and common facility centres.

Land

In order to organize the industrial activity and provide facilities like cheap land, regular supply of power and water to entrepreneurs, the Government has established industrial areas, estates and colonies. An Industrial Development Colony has been carved out at Kurukshetra on NH-1 near Pipli junction in Sector-2, by Haryana Urban Development Authority. In this Industrial Estate, 93 plots of various sizes (81 plots of 525 Sq.mtrs. and 12 plot of 1000 Sq.mtrs.) have been carved out and out of these, 91 plots have been allotted to the entrepreneurs for setting up of their industries. Out of these, 56 units have started their production, 18 units have already completed their construction and are likely to go into production in near future and 7 are at various stages of construction. At present the activities i.e. cattle feed mfg. woolen carpets, glass ampoules, marble cutting, T.V. antenna, assembling of batteries, mushroom spawn, paper cones, chlorinated paraffin wax, cooler assembling, tyre re-trading, deep drilling rotary rigs, seed processing etc. are being carried out.

Udyog Kunj

To remove the unemployment problem and stop exodus of youth from villages, the State Govt. has built up an Udyog Kunj at Village Ismailabad. Under this scheme, educated unemployed are encouraged for setting up small/tiny units in rural areas around their village itself. All possible facilities/infrastructure are provided to the entrepreneurs for setting up their ventures. In this Udyog Kunj set up by Haryana State Industrial Development Corporation, there are 9 plots of 250 Sq.mtrs size and 27 plots of 91 Sq.mtrs. and 10 pucca sheds have been carved out/constructed and allotted to the rural youths for starting of industrial activities.

Financial assistance through Banks

Commercial Banks play significant role in the industrial growth by way of providing substantial financial assistance to the entrepreneurs. The nationalized banks have introduced schemes for providing credit facilities to the industrial units at concessional rates of interest and on easy terms and conditions. Credit is generally given to the industrial units direct by the banks for construction of building, purchase of machinery & equipment and purchase of working capital

etc. Such assistance is offered against hypothecation. In 2003-04, there were 48 bank branches of various nationalized commercial banks serving in rural/urban areas in the district. The Punjab National Bank is the leading bank of the district.

Prime Minister Rozgar Yojna

The Prime Minister Rozgar Yojna was launched in 1992-93 for providing financial assistance to all categories i.e. Business, Service and industrial ventures to educated unemployed youth within the age group of 18-35 years (except women, SC/ST, handicapped and Ex-servicemen persons who have been given exemption for 10 years in upper age limit). The minimum qualification required is Middle pass. The applicant and his parents annual income should not exceed Rs.40,000 each. The applicant and family members should not be the defaulters of any Bank. Under the scheme, Rs.1,00,000/- is given for business and service ventures and up to Rs.2,00,000/- is provided for industrial ventures. After sanction of loan, there is a provision of training for 7 to 15 working days for which stipend is also paid to the beneficiaries. In district Kurukshetra, the following numbers of beneficiaries have been provided financial assistance through commercial banks from 1997-98 to 2003-04:-

Year	No. of cases approved	Amount disbursed Rs. in lakhs)
1997-98	281	113.50
1998-99	326	164.07
1999-00	310	167.20
2000-01	358	219.36
2001-02	448	265.55
2002-03	369	224.42
2003-04	272	138.16

The Haryana Financial Corporation also provides loans up to Rs.500.00 lakhs in case of private limited/limited companies and Rs.200.00 lakhs in case of sole proprietorship/partnership concerns. The Corporation provides financial assistance for acquisition of

capital assets in the form of land, building and plant and machinery. Loans are repayable within a period of 8 to 10 years including initial moratorium period of 18 to 24 months.

With a view to help small entrepreneurs and to provide service at their door steps, the Corporation has nine Branch Offices and has delegated powers for sanction of loans up to Rs. 15.00 lacs and disbursement of loans up to Rs. 45.00 lakhs to Branch Managers.

The Corporation has formulated/adopted various new schemes to attract more entrepreneurs and also to help the existing units to upgrade and modernize their technology. The various schemes are as under:-

1. General Term Scheme
2. Equipment Refinance Scheme
3. Credit Linked Capital Subsidy Scheme for Technology Development and Modernization (CLCSS).
4. Technology Upgradation Fund Scheme for Textile Industries (TUFS).
5. Credit Linked Capital Subsidy Scheme under TUFS.
6. Scheme for financing commercial complexes, show-rooms, sale outlets and shopping malls.
7. Revised National Equity Fund Scheme
8. Scheme for financing Hotel Industry
9. Scheme for financing of Small Hospitals/Nursing Homes
10. Scheme for financing Computer Software Development/ E-Commerce.
11. Transport Loan Scheme
12. Mahila Uddyam Nidhi Scheme.
13. Scheme for acquisition of ISO 9000 Series Certification
14. SEMFEX

The present lending rate of the Corporation is 10.5 percent p.a. Further, a rebate of 1 percent p.a. is given to the borrower on timely

repayment. The loans distributed by the Corporation in district from 1994-95 to 2003-04 are given in Table-II.

Industrial Policy.- In order to accelerate the pace of development of industries, the State Government adopted new Industrial Policy, 2005 which came into force w.e.f. 6th June, 2005. The prime objective is to re-establish industry as a key driver of economic growth, facilitate spatial dispersal of economic activities particularly in economically and socially backward regions of the State and to ensure sustainable development through investment in key sectors of economy. The policy further seeks to promote private initiative in the development process of the State. The Policy addresses the following major issues to attract domestic as well as foreign direct investment:-

- (i) Development of industrial infrastructure through Public Private Partnership mode.
- (ii) Revamping of institutional mechanism.
- (iii) Facilitation through simplification of rules and procedure.
- (iv) Focus on Information Communication Technology and ITES and Development of frontier technologies.
- (v) Customized package of incentives for prestigious projects having an investment of Rs. 300 millions and above.
- (vi) Enhancing competitiveness of Small and Medium Enterprises Modernization and Technology Upgradation.

Haryana Investment Promotion Board (HIPB) under the chairmanship of Hon'ble Chief Minister has been constituted for attracting domestic and foreign direct investment in the State. The Board recommend customized package of incentives & concessions to prestigious projects having investment of Rs. 30 crore and above and undertake investment promotion activities by organizing contact programmes, publicity and road shows for prospective investors in India and abroad. Investment Promotion Centres have been set up at Chandigarh and Delhi to act as a single point contact agency. The

State Govt. has brought out an Industrial Promotion Act, 2005 for providing time bound clearance & approval. It has the promotion of deemed clearance/approval for speedy implementation of projects. Time schedules have been fixed for various departments for giving necessary sanctions/approvals. Self certification Scheme has been introduced in respect of labour laws to curtail unnecessary visits of Inspector and to streamline the process of inspection. Outside agencies have been authorized for grant of approvals.

The State of Haryana has abolished all physical barriers to trade and commerce. The State has taken bold initiative of abolishing octroi. The State Govt. has instituted an effective monitoring and grievances redressal mechanism.

Haryana Govt. has identified following thrust areas to promote industrial investment in the State:-

- (i) Agro based and food processing industry.
- (ii) Electronics, Information Technology and Telecommunication Industry.
- (iii) Automobiles, Automotive Components and Light and Medium engineering Industry.
- (iv) Handloom, Hosiery, Textile and Garment Manufacturing Industry.
- (v) Footwear, Leather garments and accessories.
- (vi) Export Oriented Units.

All new industrial units except those in the negative list of industries are exempted from payment of electricity duty for a period of 5 years throughout the State.

Following incentives are being produced for promotion of industry:-

INCENTIVES FOR MEGA PROJECTS IN BACKWARD AREAS

Mega project with an investment of Rs.100 crore and above or any project employing more than 500 persons irrespective of

investment to be set up in the backward areas would be extended the facility of financial assistance to be quantified at 50 percent of the tax paid on the sale of goods produced by such industrial units, under the Haryana Value Added Tax Act, 2003 for a period of 7 years from the date of start of commercial production, as interest free loan (IFL) repayable after a period of 5 years from the date of grant of loan. Exemption from LADT for a period of 5 years.

INCENTIVES FOR SSI IN BACKWARD AREAS

New Small Scale Industrial (SSI) Units in the backward areas would be extended the facility of financial assistance in the shape of interest free loan to be quantified at 50 percent of the tax paid on the sale of goods produced in such industrial units under the Haryana Value Added Tax Act 2003 for a period of 5 years from the date of start of commercial production to be repayable after a period of 5 years.

INCENTIVES FOR EXPORTING UNITS

In order to boost the exports and enhance competitiveness of exporting units, subsidy up to 1 percent of the FOB value of exports subject to maximum of Rs. 10.00 lakhs per annum shall be given.

INCENTIVES FOR FOOD PROCESSING INDUSTRIES

- (i) For Processing Industries except wheat & rice will be considered as seasonal industry and exempted from payment of minimum demand charges for electricity during closer period of more than 3 months.
- (ii) No market fee shall be levied on agriculture and horticulture produce used as raw material by Food Processing Industries with in the State except rice, wheat, mustard oil and cotton.
- (iii) Interest Free Loan at the rate of 75 percent of the tax paid on the sale of goods produced in such industrial units shall be given under the Haryana Value Added Tax Act 2003 for a period of 5 years from the date of start of commercial production. This would be repayable after a period of 5 years.

- (iv) Charges for change of land use for food processing units shall be levied @ 50 percent of normal rates in State declared backward areas.
- (v) Wines/liquors/Brandy etc. made from 100 percent fruits produce in the State will be exempted from the Excise Duty in backward areas.

Haryana's two strongest points-physical infrastructure and Government support are the main determinants of investment decisions. Further, strengthening the infrastructure in order to support the growth process has been accepted by the State as the mainstay of its Policy initiatives.

INTEREST SUBSIDY SCHEME UNDER MODERNIZATION PROGRAMME

The SME sector has played an important role in making the country self-sufficient in a number of items but many of the units are still operating without dated technology using equipment of old designs which are less productive. As a consequence, the industry is faced with high cost of production, poor quality and low productivity. With the consumer becoming more quality conscious, the small and medium scale industry has kept abreast with the latest, appropriate and relevant technology in their field of operation to remain competitive in the market. Technology upgradation and modernization have become imperative for the SMEs to keep their share live in the market.

Technology upgradation would ordinarily mean induction of State-of-the-art or near State-of-the-art-technology. Accordingly, technology levels are benchmarked in terms of machinery/process technology levels lower than that specified in the diagnostic study will not be permitted for funding under the scheme.

In order to encourage small and medium industrial units to adopt modern techniques by way of purchase of modern machines, tools etc. and in order to increase productivity, reduce the costs and improve the quality of products, following packages of incentives shall be provided under SMERFH modernization programme:-

INCENTIVES

1. Reimbursement of expenses towards diagnostic study, if required, from approved/specified agencies subject to a maximum of Rs.25,000 per unit. SSI units covered under STDBI's technology Development and Modernization Scheme (RTDM) and assisted by Haryana Financial Corporation/Commercial banks and State/Centre FI's will not be required to undertake the diagnostic study. Small scale and Medium scale units who intend to get the studies conducted in their units for Modernization/upgradation from consultants can avail of the assistance up to Rs.25,000 under this scheme.
2. Interest shall be reimbursed up to 5 percent and 3 percent for a period of 5 years to industrial units in small scale and medium scale respectively subject to a maximum of Rs. 1.00 lac per annum. However, the SSI units which are availing financial assistance from HFC and Commercial Banks under SIDBI's Technology Development and Modernization Scheme(RTDM) will be reimbursed interest @ 3.5 percent p.a. with a maximum limit of Rs.1.00 lac per annum. This is so because a rebate of 1.5 percent p.a. is already available to the units from HFC/Banks under RTSM scheme.

If an account becomes a non-performing asset (NPA), the interest reimbursed would not be available. The interest reimbursement will be available from the date of coming out of the NPA category. In default-free rescheduled cases, reimbursement will be as per the original repayment schedule.

ELIGIBILITY CONDITIONS

1. Applicant unit should be SME Industrial Unit registered with GM,DIC or Govt. of India with fixed capital investment up to Rs.500 lacs and its works (manufacturing facilities) should be located in the state of Haryana.

2. The unit should be in existence for atleast for the last 3 year.
3. Only new machinery shall be eligible for incentives. However, second hand imported machinery with vintage up to 5 years can be considered.
4. Balancing equipments, waste reduction equipment and any other machinery equal to or higher than bench-marked technology specified in diagnostic study will be considered for incentive by a committee consisting Technical Expert (ME/CE), Coordinator (IAG) and representative of HFC.
5. The following investments will also be eligible to the extent necessary towards the plant & equipment to be reinstalled for Technology upgradation and towards total of such investment will not normally exceed 25 percent of the total investment in such plant and machinery:-
 - (a) Land and Factory building including renovation of factory building and electrical installation.
 - (b) Energy saving devices.
 - (c) Effluents Treatment Plant.
 - (d) Water Treatment Plant for captive industrial use.
 - (e) Captive power generation.
 - (f) Inhouse R and D including design studio.
 - (g) Information technology including ERP.
 - (h) Total quality management including adoption of appropriate ISO/BIS standards.

Application form can be obtained form the office of concerned General Manager, District Industries Centre. Application form should be submitted in the office of General Manager, District Industries Centre.

REIMBURSEMENT OF ISO-9000 CERTIFICATION EXPENSES

With the objective of promoting Quality Management Systems in the small industrial sector and for strengthening their products marketing and exports, the society shall give away incentive to SSI for acquitting ISO-9000. The Govt. of India has formulated Policy of giving away incentives to industrial units acquitting ISO-9000 certification. A sum of Rs.75, 000 is given as subsidy to the SSI unit who is awarded ISO-9000 certification. To supplement Govt. of India Policy, SMERGH shall give Rs.50,000 or 50 percent of the expenditure, whichever is less, incurred in acquiring ISO-9000 or equivalent certification if the unit has not availed the incentive from Government of India. If the unit has availed the incentive granted by Govt. of India then no subsidy will be reimbursed to the unit by SMERFH.

REIMBURSEMENT OF TRAINING EXPENSES UNDER ENTREPRENEUR TRAINING PROGRAMME

Suitable training programme will be arranged for improving the skills and managerial effectiveness of entrepreneurs and their first line managers, through well accredited training agencies of the small and medium industries. Help of Industries associations and NHOs providing training facilities shall be availed in arranging such programs. The special emphasis will be on Quality Improvement, Total Quality Management, Modernization, Technology Upgradation and Marketing Reduction of Costs.

The entrepreneur/1st line manager possessing graduate degree in engineering/masters degree in management shall be considered for incentives for participating in the training programmes arranged by Govt./Semi Govt. Agencies. Tuition fee up to a maximum of Rs. 5000/- shall be considered to be paid for a training course to a SME unit. In case of residential courses with built in boarding and lodging charges, 50 percent of course fee of Rs.10,000/- whichever is lower shall be paid to the entrepreneurs on successful completion of the course on production of certificate from the Govt./Semi Govt./Govt. approved Training Institutes.

Small and medium industrial units with fixed capital investment upto Rs. 500 lakhs shall be eligible for grant of incentives.

REIMBURSEMENT STAMP DUTY CHARGES FOR REGISTRATION OF LOAN DOCUMENTS.

An entrepreneur has to get his loan documents registered for availing loan from Financial institution or commercial Bank and stamp duty charges are paid to the State Govt. Presently, no stamp duty is levied for registration of loan document, in case SSI units. However, stamp duty @ 15 percent of loan amount is charged from medium scale units for registration of loan agreement. Registration expenses shall be subsidized to the extent of 50 percent the stamp duty charges for medium scale units of Haryana State, in case, they are availing term loans from any central/State Financial Institutions. The amount shall be reimbursed after the entrepreneur has incurred the expenditure and submit proof in lieu thereof.

Small and Medium industrial units with fixed capital investment up to Rs. 500 lakhs shall be eligible for grant of incentives.

TESTING EQUIPMENT SUBSIDY SCHEME

In view of the importance of quality of products, the small scale industries have to upgrade the quality of the products for which they are required to possess the testing facilities for testing of raw materials and end products. The small entrepreneurs find difficult to purchase the testing equipments because of limited resources. In order to encourage entrepreneurs to have testing facilities at their door step, expenditure on purchase of testing equipment instrument shall be subsidized from the SME renewal fund.

Subsidy to the extent of 50 percent of the value of the equipment subject to a maximum of 50,000/- (Rs. Fifty thousand only) shall be disbursed to small scale industrial units.

The interested SSI who wish to avail under the said scheme should apply to the concerned General Manager, District from the date of actual receipt of the testing equipment. This subsidy will be admissible on the purchase of new testing equipment only.

The application will be scrutinized by a Committee consisting of General Manager, District Industries Centre and Senior Technical Officer/Superintendent, Quality Making Centre and sanction will be accorded by the Director Industries, Haryana-cum-Director, Small and

Medium Enterprises Renewal Fund of Haryana and amount shall be disbursed by SMERFH as per policy.

The unit will not dispose off the testing equipment purchased for a period of five years by way of sale, transfer, gift, exchange, mortgage etc. without the prior permission of the Director of Industries, Haryana-cum-Director, Small and Medium Enterprises Renewal Fund of Haryana, Chandigarh,

The applicant shall have to furnish a personal surety of person(s) who should be solvent for the double the amount of subsidy applied for or a bank guarantee for the amount advanced.

Small scale industrial units registered with G.M., Director of Industries shall be eligible for grant of this incentive.

TECHNOLOGY GENERATION THROUGH RESEACH AND DEVELOPMENT

Two main inductors of technology activity are R and D investment and patenting. In general, it is seen that countries excel in R and D investment and patenting, also excel in exports. A patent can be seen as the basic product of technology activity which includes R and D investment. It is an intangible asset. It gives its holder a monopoly and has market value. The patent recognizes an invention, which may be in industrial process or for a new product or material.

The growing neglect of innovation activities by developing countries is likely to have serious consequences for their ability to efficiently apply new technologies in their development. The trend in declining share of developing countries in both R and D investment as well as global distribution of technology flows may have a negative impact on their competitiveness and this needs to be reversed. Therefore, measures shall be evolved to support SMEs in their technology upgradation efforts and thrust shall be on export of higher value added products and services. Strategic policy interventions and policy measures including tax related incentives to the industrial units undertaking Research and Development have been announced by Govt. of India.

Under this scheme, the society shall provide incentives to the SME industrial units of Haryana who are awarded patents for the

technology generated by them. The SME industrial units shall be given one time grant-in-aid of Rs.1.00 lakhs whose item of manufacture is awarded patent by Govt. of India.

Small and Medium industrial units with fixed capital investment up to Rs. 500 lakhs shall be eligible for grant of incentives.

TECHNICAL EDUCATION AND INDUSTRIAL TRAINING

The Government has established a number of institutes for industrial training in the district to provide training facilities in various crafts. In 2003-04, the following technical institutions were functioning in Kurukshetra district:-

Sr. No.	Name of the Institute	Number of Trainees
1.	Inudstrial Training Institute, Kurukshetra	122
2.	Inudstrial Training Institute, (Women Wing) Kurukshetra	36
3.	Inudstrial Training Institute, Shahabad Markanda	32
4.	Inudstrial Training Institute,(Women Wing) Shahabad Markanda	54
5.	Vocational Education Institute, Kurukshetra	365
6.	Vocational Education Institute, Pehowa	126
7.	Vocational Education Institute, Babain at Suneria	174
8.	Vocational Education Institute, Budha.	175

SOURCE OF POWER

Before independence, diesel power was used for running the industries. The supply of hydro-electric power from Bhakra Nangal Project was introduced in the district in the mid-fifties.

In 2003-04, every town and village of the district had the power facility. The distribution of power supply to the district is catered from 220 KV Sub Station, BBMB,Kurukshetra, Shahabad, Pehowa, Jorian (Yamunanagar), BBMB Khera(Jagadhari), 4 Nos.

132 KV.S/Stn.Pipli, Ismailabad, Bhore and Malikpur, 6 Nos. 66 KV.S/Stn. Pipli, Ladwa, Babain, Shahabad, Nalvi and Yara and 17 Nos. 33 KV S/Stn.RECK,Kurukshetra, Jyotisar, Mathana, Ajrana Kalan, Pehowa, Bodhni, Ismailabad, Khanpur, Barna, Kirmich, Lukhi, Ishaq, Morthall, Dhurala, Jhansa, Nessi.

The following figures of industrial consumers and power consumed by these units from 1992-93 to 2003-04 indicate that there has been significant increase in the number of consumers in the district during this period:-

Year	No. of Industrial Consumers	Units Consumed
1992-93	2351	351.10 Lakhs
1993-94	2362	347.56 “
1994-95	2374	345.44 “
1995-96	2312	317.42 “
1996-97	2250	309.31 “
1997-98	2158	310.12 “
1998-99	2156	291.86 “
1999-00	1972	293.56 “
2001-02	1892	287.45 “
2002-03	1771	285.47 “
2003-04	1804	288.91 “

INDUSTRIAL CO-OPERATIVES

The Industrial Co-operative Societies help in uplifting weaker sections of the society by providing employment to the unemployed youths in the district. State Government provides assistance to these Societies in the shape of managerial subsidy and share capital loan. The industrial cooperatives ensure that the de-centralization of industry is accompanied by proper improvement of techniques of production, procurement of raw material and marketing of finished goods. The Haryana State Co-operative Industrial Development Federation Ltd., Chandigarh and Handloom Weavers Apex, Panipat

are playing an important role in providing raw material for production and marketing facilities for finished goods to the Societies.

The development of industrial cooperatives in the district is looked after by Assistant Registrar Co-operative Societies with headquarters at Kurukshetra. He is assisted by one Inspector and three Sub-Inspectors. Industrial Cooperatives made considerable progress in the district in the last few years. The following table gives details of the number of Societies, membership, production, etc. of the industrial co-operatives in the district from 1992-93 to 2003-04:-

(Rs. in thousands)

Year	No. of Societies	Member-ship	Production	Sale	Working Capital	Share Capital	Own Funds
1992-93	44	548	3003	4256	7425	1011	28
1993-94	44	554	3559	4270	7493	1023	28
1994-95	45	569	5041	5708	8072	1041	30
1995-96	46	580	2443	4523	8120	1086	33
1996-97	46	609	5707	8615	9955	1171	40
1997-98	46	609	4358	7395	10175	1171	40
1998-99	46	607	9875	11423	10410	1164	44
1999-00	45	594	10970	11669	9259	1144	44
2000-01	45	611	8881	9811	12763	1163	46
2001-02	45	591	10374	10420	10009	1165	46
2002-03	45	612	9637	11289	13011	1268	46
2003-04	44	596	10704	12344	12389	1269	47

INDUSTRIAL LABOUR

The industrial labour in the district is mostly drawn from villages surrounding the industrial towns, except in the season of the

rice shelling when some migrant labourers come to the area to work in rice mills. The labour is now protected by various labour laws. There is an official agency to settle labour disputes and to ensure proper compensation in case of physical injuries. The general condition and standard of living of the labourers is normal. Some of the managements of rice shellers provide accommodation to the migrant labourers.

The district is free from industrial unrest as strikes and lockouts are rare. The trade union movement is gaining momentum in the district. In 2003-04, there were 44 trade unions of industrial workers in the district.

TABLE-I
List of some of the important Small Scale Industries

Sr. No.	Name of the Unit	Products Manufactured
1.	M/S Mahabir Techno,G.T.Road, Umri	Refined Oil, Vanaspati Ghee, Solvent extracted Oil & Washing Soap.
2.	M/S.Haryana Agro Fertilizer & Chemicals Shahabad Markanda.	Fertilizers, Pesticides & insecticides
3.	M/S.Bala Ji Overseas, Sandholi	Rice & Rice Bran.
4.	M/S.Kishmiri Carpet,Mfg.Indl. Areas Kurukshetra.	Woolen Carpet
5.	M/S.Lucky Inds.I.A.,Kurukshetra	T.V.Antenna & Stabilizer Electrical Motors.
6.	M/S United Electricals, Pehowa	Electrical Motors.
7.	M/S Rajni Agro Oils (P) Ltd.Ladwa	Solvent extracted oil, De-oiled Cake, Cattle Feed.
8.	M/S Sthaneshwar Hande Made Paper PCIS, Thanesar.	Hande Made Paper and file cover.
9.	M/S Kailash Paper Board Mills, Pehowa	Card Board.
10.	M/S Malsi Udyog, Shahabad (M)	Agri.Impl.& Centrifugal pumps.
11.	M/S Jasmer Packer (P) Ltd.Village Dab Dallan	Corrugated Boxes.
12.	M/S Kalsi Inds. Shahabad (M)	Wheat Thrashers, Modern, Agri. Implements.
13.	M/S Super Eng. Works, I.A.Kurukshetra	Rigt.Machines.
14.	M/S Ravinders Pharmaceutical (P)Ltd. Pehowa.	Pharmaceutical Products.
15.	M/S Shivan Steel Inds. Bhat Majra	Desert Coolers and Washing Machines.
16.	M/S Goya Agro Inds.(P),G.T.Road Khanpur Kolian	Solvent extracted Oil, De-Oiled Cake.
17.	M/S Carewell Glass Ampulos,I.A. KKR.	Glass Ampulos.
18.	M/S Vishal Pharma, I.A.Kurukshetra	Allopathic Medicines.
19.	M/S Kurukshetra Gases (P), I.A.Kurukshetra	Oxygen Gas.
20.	M/S Modern Feed Inds.I.A.Kurukshetra	Cattle Feed.

TABLE-II
Loan distributed by the Haryana Financial Corporation
in Kurukshetra district.

Year	No. of Units	Amount (Rs.in lakhs)
1994-95	29	207.97
1995-96	21	191.92
1996-97	14	95
1997-98	16	235.72
1998-99	14	163.50
1999-2000	16	336.85
2000-2001	23	399.32
2001-2002	14	290.36
2002-2003	13	184.45
2003-2004	5	36.52