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STATE INDUSTRIAL PROFILE OF SIKKIM

INTRODUCTION

The State Industrial Profile of Sikkim for the year 2009-10 is being presented covering a wide spectrum of human activities. The general objective of preparing the Industrial Profile of Sikkim is to portray the present state of industrial development against the backdrop of various socio-economic indicators prevailing in the State. Sikkim is one of the least industrially developed states of India. However, we are witnessing a good number of units being set up in the manufacturing and service sectors since 2006 onwards. The units that are engaged in manufacturing sector are mainly dealing with pharmaceuticals, chemicals, liquors, foam mattresses, food products, iron rods, etc. These units are small and medium enterprises. There are some small and medium enterprises engaged mainly in service activities like Hotels and Resorts because of development of tourism in the State. The present industrial scenario is quite encouraging though a lot needs to be done to exploit the full potential of the State.

While compiling the Profile, data has been collected from different secondary sources. We have asked various departments of the State & Central Govts. to supply us the requisite information. We have tried to give the latest facts & figures as far as possible. We have also relied upon the data provided by the Department of Commerce & Industries, District Industries Centres and, in particular, drew heavily on the "Sikkim- A Statistical Profile" published by the DESME, Govt. of Sikkim. Census data of 2001 has been used to get the demographic particulars of the State. **Suggestions or clarifications for further improvement are welcome.**

GENERAL CHARACTERISTICS OF THE STATE

Location:

Sikkim is one of the far flung States of India. The State is located of the foothills of Eastern Himalayas between latitude of 27degree 49” and 28 degree 10” north and the longitudes of 88 degree 28” and 88 degree 55” East. Sikkim is the 22nd state of India came into existence with effect from 16th May, 1975. Sikkim is a very small hilly state in the Eastern Himalayas, extending approximately 115 Kms from north to south and 65 Kms from east to west, surrounded by vast stretches of Tibetan Plateau in the North, Chumbi Valley of Tibet and the kingdom of Bhutan in the east, Darjeeling district of West Bengal in the south and the kingdom in Nepal in the west. The state being a part of inner ranges of the mountains of Himalayas has no open valley and no plains but carried elevations ranging from 300 to 8583 mtrs above mean sea level consisting of lower hill, middle and higher hills, alpine zones and snow bound land, the highest elevation 8583 mtrs, being the top of the Mt. Kangchendzonga itself. Sikkim has been divided into four districts and each district has further been bifurcated into two sub-divisions for administrative purpose except the East district which has four sub-divisions. Sikkim state being a part of inner mountain ranges of Himalayas, is hilly having varied elevation ranging from 300 to 8540 meters. But the habitable areas are only up to the altitude of 2100 mtrs. Constituting only 20% of the total area of the state. The highest portion of Sikkim lies in its north west direction. A large number of mountains having altitudes of about seven thousand meters stands here with - Kanchenjunga (8598 m.), The third highest peak in the world. The high serrated, snow capped spurs and peaks of Kanchenjunga look attractive consisting of Kumbha Karna (7711 m.), Pendem (6706 m.), Narsingh (5825 m.), Kabru Dome (6545 m.), etc. A number of glaciers descends from eastern slopes of Kanchenjunga into Sikkim where snow clad line is found above 5300 mtrs. The biggest of them is Zemu, from whose snout above Lachen monastery rises the river Teesta. Teesta is the main river and its main tributaries are Zemu,

Lachung, Rangyong, Dikchu, Rongli, Rangpo and Rangit which form the main channel of drainage from the north to the south. It boasts of the great mount Kanchendzonga as its crown. Ethnically Sikkim has mainly three groups of people viz. Nepalis, Bhutias, Lepchas. The local language is Nepali. English is the official language. This jewel-like mountain state of ethereal beauty with an area of 7096 sq. km, nestles in the heart of Himalayas. Cradled in the manifold splendours of nature deep within the snow clad Himalayas is Sikkim's capital Gangtok, wrapped in mists and clouds, a garden state with an incredible variety of rhododendrons & a host of other flowers.

Demographic Features of Sikkim:

Sikkim is a multi-ethnic state. Broadly, the population can be divided into tribal and non-tribal groups. Lepchas, Bhutias, Sherpas are categorized as Scheduled Tribes. The Lepchas are the original inhabitants of the state. Compared to other ethnic groups, the Lepchas still maintain many of their traditional ways. The Bhutias comprise, the Sikkimese Bhutia and Bhutia from Bhutan and Tibet. The Sherpas are a marginal ethnic group in the state. Over 70% population consists of Nepalese. They are dominant ethnic group in the state. The people from the plain, mostly involved in trade and services represent a marginal group. The total population of Sikkim as at 0:00 hours of 1st March 2001 stood at 540,493 as per the provisional results of the Census of India 2001. This accounts for barely 0.05 per cent of the total population of the country. The population of the State has grown by 32.98% between 1991-2001, as against 21.34% for the country as a whole. The sex ratio (i.e., the number of females per thousand males) of population was recorded as 875, which has declined from 878 in the previous census. Total literacy of the State rose to 69.68% in 2001 from 56.94% in 1991 Census.

Out of the total population of 5,40,493 there are 2,88,217 male and 2,52,276 females. The total population in the North District constitutes 7.6%, East District 45.3%, South District 24.33% and West District 22.78%. Similarly decimal growth rate (1991-2001) is 31.32% for North, 37.17% for East, 33.37% for South and 25.48%, West whereas for State it is 32.98%. The density of population is 10 in North, 257 in East, 175 in South and 106 in West as compared with State density of 76. The sex ratio is (females per thousand male) is 752 in North, 844 in East, 927 in South and 930 in West as compared to 875 for State. The literacy of State is 69.68% in 2001 as compared to 65.38% of the national level.

THE ECONOMIC CLASSIFICATION OF POPULATION OF SIKKIM (1971-2010)

The economic classification of population of Sikkim 1971-2010 is given below, where the workers are classified according to the volume of the work: -

Total workers are again divided under main workers, marginal workers. The main workers are sub-divided into cultivators, Agricultural labours, workers in household industry and other workers which can be depicted in the table below:

Economic Classification of Population of Sikkim - 1971-2001

Sl. No.	Item	1971	1981	1991	2001
1	Population	209843	316385	406457	540851
2	Main Workers	111609	147436	164392	212904
(a)	Cultivators	-	88610	97834	101200
(b)	Agricultural Labourers	-	4887	13793	9081
(c)	Worker in Household Industry	-	1586	1309	3168
(d)	Other workers	-	52353	55785	99455
3	Marginal Workers	-	5378	4329	50139
4	Non Workers	98236	163571	237736	277808
5	Increase in 2001 over 1991				
(i)	Main Workers				48512
(a)	Cultivators				3366
(b)	Agriculture Labourers				(-)4712
(c)	Household Industry Workers				1859
(d)	Other Workers				43670
(ii)	Marginal Workers				45810
(iii)	Non-Workers				40072

Source: A Statistical Profile 2006-07

Rural and Urban Population of Sikkim by Sex – 2001

State / District	Sector	Population		
		Persons	Male	Female
North	Rural	39782	22643	17139
	Urban	1248	771	477
	Total	41030	23414	17616
East	Rural	192188	104150	88038
	Urban	52852	28767	24085
	TOTAL	245040	132917	112123
South	Rural	127579	66069	61483
	Urban	3946	2145	1801
	Total	131525	68241	63284
West	Rural	121432	62885	58547
	Urban	1824	1027	797
	TOTAL	123256	63912	59344
Sikkim	Rural	480981	255774	225207
	Urban	59870	32710	27160
	Total	540851	288484	252367
India	Rural	741660293	381141184	360519109
	Urban	285354954	150135894	135219060
	Total	1027015247	531277078	495738169

Source –Sikkim: A Statistical Profile 2006-07

FIGURES AT A GLANCE

Figures at a Glance: SIKKIM VIS-À-VIS INDIA 2001)

Items	Sector/Year	Unit	Sikkim	India
Population 2001	Total	No	540851	1028737436
	Rural	No	480981	742490639
	Urban	No	59870	286119689
No. of Towns	2001	No	9	5161
Decennial Growth of Population	1991-2001*	Absolute	134394	182434748
		Percentage	33.06	21.14
Urban Population as a percentage to Total Population	2001	Percentage	11.07	27.81
Sex Ratio	2001*	Females per 1000 Males	875	933
Density of Population	2001	Per Sq. Km	76	325

<i>Literacy Rate</i>	<i>2001</i>	<i>Percentage</i>	<i>69.68</i>	<i>64.80</i>
<i>% of Main Workers to Total Population</i>	<i>2001</i>	<i>Percentage</i>	<i>39.31</i>	<i>30.40</i>

Comparative Population Figures at a Glance: 2001

<i>Sl. No</i>	<i>Item</i>	<i>Year</i>	<i>Unit</i>	<i>North</i>	<i>East</i>	<i>South</i>	<i>West</i>	<i>Sikkim</i>
1	<i>Population</i>	<i>2001</i>	<i>Persons</i>	<i>41030</i>	<i>245040</i>	<i>131525</i>	<i>123256</i>	<i>540851</i>
2	<i>Urban Population</i>	<i>2001</i>	<i>As a % of Population</i>	<i>3.04</i>	<i>21.57</i>	<i>3.00</i>	<i>1.48</i>	<i>11.07</i>
3	<i>Literacy Rates</i>	<i>2001</i>	<i>%</i>	<i>67.21</i>	<i>74.67</i>	<i>67.31</i>	<i>58.80</i>	<i>69.68</i>
4	<i>Decennial Growth</i>	<i>91-01</i>	<i>%</i>	<i>31.34</i>	<i>37.31</i>	<i>33.39</i>	<i>25.54</i>	<i>33.06</i>
5	<i>Density of Population</i>	<i>2001</i>	<i>Per Sq. Km.</i>	<i>10</i>	<i>257</i>	<i>175</i>	<i>106</i>	<i>76</i>
6	<i>Sex Ratio</i>	<i>2001</i>	<i>Females/1000 Males</i>	<i>752</i>	<i>844</i>	<i>927</i>	<i>929</i>	<i>875</i>
7	<i>Main Workers</i>	<i>2001</i>	<i>As a % of total population</i>	<i>42.78</i>	<i>37.78</i>	<i>43.62</i>	<i>36.54</i>	<i>39.36</i>
8	<i>Marginal workers</i>	<i>2001</i>	<i>-do-</i>	<i>14.60</i>	<i>9.77</i>	<i>9.37</i>	<i>3.39</i>	<i>9.27</i>
9	<i>Non workers</i>	<i>2001</i>	<i>-do-</i>	<i>42.62</i>	<i>52.44</i>	<i>47.01</i>	<i>56.77</i>	<i>51.36</i>
10	<i>Towns</i>	<i>2001</i>	<i>Numbers</i>	<i>1</i>	<i>4*</i>	<i>2</i>	<i>2</i>	<i>9</i>
11	<i>Cultivators</i>	<i>2001</i>	<i>% of Total Workers</i>	<i>38.99</i>	<i>32.55</i>	<i>69.42</i>	<i>67.12</i>	<i>49.51</i>
12	<i>Agriculture Labourers</i>	<i>2001</i>	<i>-do-</i>	<i>8.71</i>	<i>6.99</i>	<i>3.87</i>	<i>7.72</i>	<i>6.46</i>
16	<i>Area</i>	<i>2001</i>	<i>Sq.Km.</i>	<i>4226</i>	<i>954</i>	<i>750</i>	<i>1116</i>	<i>7096</i>
17	<i>Cultivated Area</i>	<i>2001</i>	<i>Hectare</i>	<i>15272</i>	<i>31707</i>	<i>29498</i>	<i>32591</i>	<i>109068</i>

*- Including one Census Town (Upper Tadong)

Source –Sikkim : A Statistical Profile 2002

FACTS & FIGURES ABOUT SIKKIM

<i>Location</i>	<i>Approx. 27 deg. North 88 Deg. East</i>	
<i>Capital</i>	<i>Gangtok</i>	
<i>District, Areas and District Capitals</i>	<i>East District (954 sq.km.) - Gangtok West District (1166 sq.km) - Gyalshing South District (750 sq.km) - Namchi North District (4226 sq.km.)- Mangan</i>	
<i>No. of Sub-Divisions</i>	<i>9 (Gangtok, Pakyong, Rongli, Namchi, Soreng, Gyalshing, Rabongla, Mangan, Chungthang)</i>	
<i>Climate</i>	<i>Tropical, Temperate and Alpine</i>	
<i>No. of Zilla Panchayat Ward</i>	<i>94</i>	
<i>No. of Gram Panchayat</i>	<i>163 Units;</i>	
<i>No. of Revenue Blocks</i>	<i>452</i>	
<i>Other Important towns</i>	<i>Jorethang, Singtam, Rangpo, Pakyong, Rhenock, Melli, Chungthang and Soreng</i>	
<i>Languages Spoken</i>	<i>Nepali, Bhutia, Lepcha, Limboo, Magar, Rai, Gurung, Sherpa, Tamang, Newari.</i>	
<i>Main occupations</i>	<i>Farmers, Cardamom Growers, Government Contractors and Government Employees.</i>	
<i>Per Capita Income</i>	<i>Rs. 34821/- (2006-07, at current prices)*</i>	
<i>Gross Domestic product</i>	<i>Rs.2040.49 Crores (2006-07, at current prices)*</i>	
<i>Religions</i>	<i>Hinduism, Buddhism and Christianity</i>	
<i>Distance from Siliguri</i>	<i>114 Km</i>	
<i>Distance from New Jalpaiguri</i>	<i>125 Km</i>	
<i>State Day (the Day Sikkim became a Part of India)</i>	<i>16th May 1975</i>	
<i>State Animal</i>	<i>Red Panda (Ailurus fulgens)</i>	
<i>State Bird</i>	<i>Blood Pheasant (Ithaginis cruentus)</i>	
<i>State Flower</i>	<i>Nobile Orchid (Dendrobium nobile)</i>	
<i>State Tree</i>	<i>Rhododendron (Rhododendron niveum)</i>	
<i>No. of Assembly seats</i>	<i>32</i>	
<i>No. of Lok Sabha seats</i>	<i>1</i>	
<i>No. of Rajya Sabha</i>	<i>1</i>	
<i>Educational Institutions in the State</i>	<i>a)Government Colleges</i> <i>b) Central University</i> <i>c)Medical College</i> <i>d)Engineering College</i> <i>e)Polytechnique Institutes</i> <i>f)Other Technical Institutes</i>	<i>8</i> <i>1</i> <i>1</i> <i>1</i> <i>2</i> <i>1</i>
<i>No. of Hospitals</i>	<i>6 including Sir Thutob Namgyal Memorial and Manipal Referral Hospitals</i>	
<i>No. of registered SSI as per 3rd Census up to 31st March, 2001</i>	<i>338</i>	
<i>No. of registered SSI up to 31st March, 2003</i>	<i>353</i>	
<i>Medium Scale Units</i>	<i>3</i>	
<i>Large Scale Units</i>	<i>Nil</i>	
<i>Central Public Sector Undertaking</i>	<i>2</i>	
<i>State Public Sector Undertaking</i>	<i>6</i>	

*Note-Advance Estimate

Source: 1)Sikkim-A Statistical Profile,2006-07; 2) Deptt. Of Commerce & Industries, Govt. of Sikkim.

Figures At A Glance: (STATE SOCIO-ECONOMIC CENSUS 2006)*

Items	Sector	Units	Sikkim
Population	State	No.	581546
Households	State	No.	11830
Density of Population	State	Persons per sq. km	82
Literacy	State	%	82
Workers	State	No.	211211
Non-workers	State	No.	370335
Sex Ratio	State	Female per 1000 males	920

* Based on State Socio- Economic Census Data of 2006

INDICATORS OF ECONOMY AT A GLANCE

Sl. No.	Particulars	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
1	GSDP* At current Prices (Rs in Lakhs)	89580	101369	113604	127591	142972	160217	180311	204049
2	GSDP At Constant Prices (Rs in Lakhs)	89580	96388	104029	111629	120383	129744	140088	151608
3	PCI**At Current Prices(in Rs)	17428	19054	20580	22989	25395	28108	31196	34821
4	PCI At Constant Prices) (in Rs)	17428	18118	18846	20113	21382	22762	24237	25872

Source: Sikkim A Statistical Profile,2006-2007.

***GSDP-Gross State Domestic Product**

****PCI-Per Capita Income**

Total Area Statement: The total geographical area of the state is 7096 sq. Kms. The state is divided into four districts for which detail is given below:

Details of the Districts in Sikkim

State/Districts	Headquarters	Area in Sq.Kms	Proportion to Total area of State
Sikkim	Gangtok	7,096	100.00
North District	Mangan	4,226	59.56
South District	Namchi	750	10.57
East District	Gangtok	954	13.44
West District	Gayzing	1,166	16.43

STATE ADMINISTRATIVE SET-UP

For administrative conveniences the state is further been divided into 453 Revenue Block, 32 Constituencies. Besides these divisions the state has 09 Sub divisions, 159 Panchayat, 8 towns and 2 Parliamentary seats each for Rajya Sabha and Lok Sabha.

District Wise Number Of Zilla Panchayat, Gram Panchayat, Panchayat Ward, Panchayat Ghar, Panchayat Member

District	No. of Zilla Panchayat Members	No. of Gram Panchayat	No. of Panchayat Ward	No. of Panchayat Ghar	No. of Panchayat Members
North	20	21	108	13	103
East	26	44	243	29	273
South	23	45	257	42	255
West	25	53	283	29	274
State	94	163	891	113	905

Source –Sikkim : A Statistical Profile 2006-07

District Wise Number of Administrative Set-up

District	Unit	N	S	E	W	State
Sub-Divn	No	2	2	3	2	09
Towns	No	1	2	4	2	09

Source –Sikkim : A Statistical Profile 2006-07

NATURAL RESOURCES OF THE STATE

1. Important Rivers of Sikkim and their Tributaries:

Sl.No.	RIVERS	TRIBUTARY
1	Rangit	Rangbhang, Relli, Rathong and Kalej
2	Teesta	Dikchu, Rangyong, Bakchachu, Rangpochu, Zemu Chu, Lachung Chu

Other smaller tributaries of the Teesta River are Zemuchu, Lenakchu, Lachungchu, Talungchu.

Source–Sikkim: A Statistical Profile 2006-07

2. Forest :

Sikkim is rich in forest resources. The total area under the Administrative Control of Forest, Environment & Wild life Department is 5765.10 Square Kilometer which accounts for 81.24 % of the total geographical area of the State which is depicted in the table below

Area Under Forest Cover In Sikkim1998-99

Sl. No.	Description	Area in Ha.	% of Total Geographical area under the Administrative Control of Forest Department
1	Recorded Forest Land with Tree cover		
	(i) Reserve Forest	2261.00	
	(ii) Khasmal Forest	285.00	
	(iii) Goucharan Forest	104.00	
	Total	2560.00	37.34
2	Alpine Pasture and Shrubs	1024.00	14.43
3	Perpetual Snow covered Area	2091.10	29.47
	Total(1+2+3)	5765.10	81.24

Source –Sikkim: A Statistical Profile 2002

From these forest several major products have been extracted the human need on account of revenue generation and for ecological balance. The major products are sand and stone, Timber, Charcoal, fuel wood and cocoon. In 2001-02 the revenue earned / outturn of forest product was as per table below.

3. Out Turn of Forest Produce:

Sl. No.	ITEM	UNIT	2000-01		2001-02	
			Qty	Value (Rs.)	Qty	Value (Rs.)
1	Sand & Stone	C.ft	52103636	2,86,57,000	NA	NA
2	Timber	C.ft	171.45		11869.54	3042.00
3	Charcoal	Bags	245.00	17500.00	77.00	37190.00
4	Fuel Wood		168.00	82589.00	Qtl	92510.00
5	Cocoon*	Kg	1071.00	39.00	1092.00	34.00

* Value (Rs. in 000)

Source –Sikkim: A Statistical Profile 2002

The high incidence of soil instability, degeneration of agricultural land, shrinking of catchments areas and economic dependence over land has caused extensive deforestation of forest resources. This has been countered by afforestation programme and the social forestry, which is depicted in the table .

4. Afforestation and Social Forestry:

Sl. No.	ITEMS	UNIT	1997-98	1998-99	99-2000	2000-01	2001-02
1	Regeneration of Conifer areas	Hact	16.00	NIL	NIL	NIL	NIL
2	Rehabilitation of fire damage areas	Hact	240.00	100.00	75.00	100.0	105.00
3	Greening of Ecological areas	Hact	240.00	100.00	75.00	100.0	105.00
4	Fuel Wood Plantation	Hact	1113.50	1124.00	1078.00	919.17	1237.20
5	Land Use and Environment	Hact	460.75	422.00	364.00	1.00	NIL

Source –Sikkim : A Statistical Profile 2002

5. National Park, Sanctuary and Forest Park:

The State has a National Park, Sanctuary and Forest Park is depicted in the table below.

National Parks and Sanctuaries (As on 31ST March 2002)

Sl. No.	Name of National Park / Sanctuaries / Forest Park	Area (in Sq. Km.)
1	Khanchendzonga National Park	1784.00
2	Fambong Lho Wildlife Sanctuary	51.76
3	Smingba Rhododendron Sanctuary	43.00
4	Kyongnosla Alpine Sanctuary	31.00
5	Mainam Wildlife Sanctuary	34.35
6	Barsey Rhododendron Sanctuary	104.00
7	Kyongnosla Alpine W/L Sanctuary	31.00
8	Pangkhola W/L Sanctuary	128.00
9	Kitam Bird Sanctuary	6.00

6. Flora and Fauna:

Besides these, the State has discovered 144 species / sub-species of Mammals more than 550 species of Birds, Butterflies, Reptiles frogs, Medicinal / Restricted / Protected trees and plants as per table depicted below.

FAUNA				FLORA		
Sl no	Particulars of Fauna	No. of Species/Sub-species found in the State	Name of Principal Endangered Species	Sl. No.	Particulars of Flora	No. of Species /Found in the State
1	Mammals	144	Bharal, Clouded Leopard, Fishing Cat, Golden Cat, Himalayan Thar, Leopard Cat, Red Panda, Marbled Cat, Musk Deer, Nayan of Great Tibetan Sheep, Pangolin, Serow, Snow Leopard, Spotted Lingsang, Tibetan Antelope, Tibetan Fox, Tibetan Gazzelle, Tibetan Wild Ass, Tiger, Tibetan Wolf	1	Orchids	550 (95 General)
				2	Rhododendron	36(45 Varieties)
				3	Flowering Plants	Over 4000 species
				4	Ferns & Allies	300
				5	Conifers	9
				6	Medicinal Plants & Herbs	Plenty (Not enumerated)
2	Birds	550	Black necked Crane(Migratory), Blood Pheasant, Peafowl, Tibetan Snow Cock, Tragopan Pheasant, Snow Partridge, Siberian Crane (Migratory)			
3	Butterflies & Moths	650	--			
4	Reptiles	33	--			
5	Frogs	16	--			

Flora and Fauna Found in Temperate Zone

Sl. No.	Fauna	Sl. No.	Flora
1	Common Langur	1	Oak
2	Leopard Cats	2	Cherry
3	Red Panda	3	Alurel
4	Musk Deer	4	Chestnut
5	Himalayan Black Bear	5	Maple
6	Flying Squirrel	6	Birch
7	*Snow Leopard	7	*Rhododendron
8	*Wild Ass		

- Found in the Alpine Region

Most Popular Orchids in Sikkim

Sl. No.	Name of Orchids
1	Cymbidiums
2	Vanda
3	Cattaleya
4	Hookeriana
5	Farmeri
6	Dendrobiun Amoenum
7	Noble Orchid (Dendobium Nobile)

Rare Birds In Sikkim

Sl. No.	Particulars
1	Majestic Bearded Vulture – with a wing span of 10 ft.
2	Olive Ground Warbler – just a few inches in length
3	Emerald Dove
4	Fairy Blue Bird
5	King Fisher
6	Ashy Wood Pecker
7	Sultan Tit
8	Emerald Cuckoo
9	Suddy Shelduck – is a migratory bird which visits Sikkim
10	Pheasants – There are a wide variety of Pheasants in various colours and Blood Pheasant is the State Bird.

7. Irrigation:

The irrigation system in Sikkim is still under developing stage. In spite of some important rivers and springs the state has some minor irrigation systems. At the end of the 31st March 2002. It had 154 channels, which covered 2178.49 hect in C.C.A.

The following table shows minor irrigation channel achievements as on 31st March, 2002

Minor Irrigation Channel Achievement as on 31st March 2002

Sl.No.	Particulars	District				
		North	East	South	West	State
1	No. of Channel	20.00	60.00	25.00	49.00	154.00
2	Length of Channel (Km)	-	-	-	-	-
3	Area covered (C.C.A) in Hect.	210.00	508.99	327.00	1132.50	2178.49
4	Ultimate Target of Potential in Hect	Total 50,000.00 Hect. in whole of Sikkim				
5	Potential Achieved (Hect.)	Total 31,800.00 Hect.				
6	Potential Utilization up to 31-03-2002	208.04	425.00	430.00	861.50	1925.54

Source –Sikkim: A Statistical Profile 2002

8. Mines & Minerals:

The state of Sikkim is host to possible resources of ores and minerals. Despite efforts of Department of Mines and Geology, Government of Sikkim and Geological Survey of India, large areas of the state still remains unexplored. From the nineteen sixties into nineteen eighties, Geological Survey of India has conducted investigations for locating occurrences of base metal in Sikkim and Darjeeling Himalayas. Today, in the Himalayas of India, the only working mine producing copper ores is located at Rangpo, Sikkim. A total of 24 base metal occurrences are located in Sikkim.

Distribution pattern of the known occurrences shows that these are concentrated in three clusters, namely (i) Eastern Sector, (ii) Central Sector, (iii) Western Sector. The most important occurrences in the Eastern Sector are Rangpo, Pachekhani and Dikchu, located to the east of the river Teesta. These deposits are mainly stratabound, hosted by the low grade rocks of Gorubathan Formation. In the Central Sector lying between the Teesta river in the East and Little Rangit river in the West a number of occurrences are located to the East of Namchi. In the Western Sector a large number of occurrences are located in the Nayabazar area, many of which were explored in the early part of the century by Burn & Co. and in early 60's by GSI. Most of these occurrences are Quartz vein hosted now not of any economic significance.

Other Minerals:

Dolomite :

Both high grade massive and low grade flaggy type of dolomites have been located in Rishi area west of the Jorehtang Legship State highway. On the either banks of Rishi Khola. Four blocks of dolomite has been located and in one block a reserve of more than 1.10m down to a depth of 30 m has been estimated by GSI.

Limestone:

Grey limestone interbanded with green phyllitic has been located in Rishi Khola south of Namgaon. At places the band is about 38m thick.

Graphite:

Graphite, lumpy and flaky type with graphite schist, marble and limonitised pegmatite of Chungthang Formation of Darjeeling group has been located at Chitre and Dareli of West District.

Talc:

A small occurrence of talc associated with quartzite at and around Mausari village is of somewhat economic importance this mined by M/s.Sikkim Minerals Pvt. Ltd., The talc is lumpy and occurs along fractures in the host quartzite.

Marble:

Greyish white to creamy white coarse-grained marble bands is reported from 2 Km. Chungthang Formation at Chungthang, Lachung and Tsango.

Coal:

Regional Geological exploration by GSI in and around Namchi area of South District has established a reserve of 1.4 lakh tones of bituminous to semi-anthracite coal, analyzing 40 to 60% fixed carbon, 4% to 22% ash, 8 to 13 % Volatile matter and 3% moisture. Thin coal

seams (1m to 5m) are found to occur on the road linking Legship with Nayabazar and to the south of Put Khola.

The other achievements during the 9th five year plan 1997-2002 is below

- Preliminary works at Dikchu copper Zinc project has been started prior to actual exploration of the deposits commercially.
- As a part of modernization programme, amenability test on vertical column flotation plant has been carried out for improvement of both recovery and grade in the existing process plant at Rangpo.
- Exploratory mining works started in lower Pacheykhani mine.
- Detailed exploration works carried out by Mineral exploration Corporation to enhance ore reserve base for exploitation.

Sikkim Mining Corporation, Rangpo: Production of Minerals

S.No.	Items	Unit Tones/Kg	1997-98	1998-99	1999-00	2000-01	2001-02
1.	Copper Conc.	MT	791	1020	738	038	688
2.	Lead Conc.	MT	90	115	284	260	280
3.	Zinc. Conc.	MT	289	44	626	291	505

Source –Sikkim: A Statistical Profile 2002

AGRICULTURE AND HORTICULTURE

Eighty percent of the population lives in rural Sikkim and agriculture plays a dominant role in the state economy with the total cultivable land by around 68,000 hectares. Agriculture in the State of Sikkim is practiced under diverse conditions. The region is characterized by large variations in slopes (0-100%) altitudes (300-3000 m above msl) and rainfall (200-400 cm). The soil of entire state is acidic in nature. The above mentioned agro climate factors by and large affect the management and productivity of the crop either in multiple cropping or under mono-cropping system. Moreover, the choice of crop is mostly consumption oriented and system of cultivation has established in low input, low risk, low yield technology because the primitive forms of agriculture is still most dominant.

The principal crops of the state are maize, rice, large cardamom. Along with maize, soyabean is raised as intercrops initially. Wheat, mustard buck wheat are the important crops. Potato, radish, brinjal, tomato, bhindi, beans, cow peas, rai, pea, gourd and cucurbits are the important vegetables crops grown in the State.

In recent years wheat crop has been introduced successfully in the double corpping system of rice-wheat rotation in Sikkim.

Wide range of fruit crops are grown successfully in the State. The important fruit grown in the state are mandarin orange, banana, guava, papaya, mango peach, plum pears, apple, avocado etc. The state is also rich in genetic diversity of minor or wild fruits. Presently mandarin orange is an important commercial fruit crop of Sikkim. Sikkim produces 80% of India's large cardamom which enjoys a high value export market in Pakistan, Singapore and Middle-East. The Sikkimese ginger is also of a good quality and has export prospects. Fruits can be processed for value addition. Exotic flowers can be cultured for export. Honey and tea are other agro-based products that have high potential.

Sikkim also has a large variety of exotic flowers, which could earn handsome revenue in the export market. In particular, 550 species of orchids are found which are most beautiful in the world. There is a good market in the minor Forest produce of the state for example mushroom plantations also has a very good potential. The climate is also ideal for development of mulberry trees and hence the establishment of a sericulture industry.

In spite of all this, the absence of profitable marketing network and the lack of appropriate processing facilities for manufacturing quality finished products has resulted in most of the produce being sold at uncompetitive prices to other states as raw materials and their true potential has not been exploited. Therefore attention needs to be given for the development of agro-based, food processing and forest based units. The land holding, estimates of production, list of altitude-wise distribution of cultivated fruit crop, Important Fruits, their Area of Cultivation & varieties Grown in Sikkim is depicted in the table below.

Land Holding

Particulars	Unit	North	East	South	West	State
Operational holdings	No.	5124	20271	12854	14448	52697
Area Operated	Hect.	15444	34450	29336	32072	111302
Average Area per holding	Hect.	3.01	7.7	2.22	2.28	2.11

Revised Estimates of Area, Production and yield of Field crops of Sikkim during Year 2000-01

Sl. No.	Crop	Area in Hectares	Production in Tonnes	Average yield In Kg./Ha.
I.	CEREALS:			
1	Rice	15.2186	21.3583	1,403
2	Wheat	7.2150	10.1035	1,400
3	Maize	39.9030	59.6118	1,494
4	Finger-Millet	4.5630	4.2323	928
5	Barley	1.1400	1.2100	1,061
6	Buckwheat	1.9900	1.5301	769
	TOTAL CEREALS	70.0296	98.0460	1,400
II.	PULSES:			
1	Urd	3.7800	2.7486	727
2	Other Pulses	2.2500	2.4165	1,074
	TOTAL PULSES	6.0300	5.1651	857
	TOTAL FOOD GRAINS	76.0596	103.2111	1,357
III	OILSEEDS:			
1	Rapeseeds & Mustard	5.7600	3.9380	684
2	Soya bean	4.1500	3.4106	822
3	Other Oilseeds	0.0800	0.0340	425
	TOTAL OILSEEDS	9.9900	7.3826	739

**Decimal Mean Area, Production and Productivity under Different Common Crops
Cultivation in Sikkim (1995-96 & 2000-01)**

(Area in '000' Hactare, Production in '000' Tonnes, Productivity in Kg/Hactare)

CROP		1995-96	2000-01	Gain Loss in 25 Years(%)
Rice	Area	15.94	15.21	33.42
	Production	21.87	21.35	113.50
	Productivity (Yield per Hectare)	1372.00	1403.00	59.97
Wheat	Area	8.42	7.21	4706.67
	Production	15.30	10.10	6633.33
	Productivity (Yield per Hectare)	1817.00	1400.00	40.00
Maize	Area	39.94	39.90	40.00
	Production	56.56	59.61	261.27
	Productivity (Yield per Hectare)	1416.00	1494.00	158.03
Other Cereals (Barley, Millet, Buck Wheat)	Area	8.27	7.69	6.80
	Production	8.06	6.97	54.88
	Productivity (Yield per Hectare)	974.00	906.00	44.96
Total Cereals	Area	72.57	70.01	48.16
	Production	101.79	98.03	214.70
	Productivity (Yield per Hectare)	1402.00	1400.00	112.44
Pulses	Area	6.73	6.03	254.70
	Production	5.91	5.16	637.14
	Productivity (Yield per Hectare)	878.00	857.00	108.00
Oilseeds	Area	9.73	9.99	395.00
	Production	7.64	7.38	954.28
	Productivity (Yield per Hectare)	785.00	739.00	111.14
Other Fruits, Seasonal vegetables & tubers	Area	7.40	8.65	232.69
	Production	23.30	27.75	767.18
	Productivity (Yield per Hectare)	3290.00	3651.00	259.70
Total Common Crops	Area	96.43	94.68	76.80
	Production	138.64	138.32	286.90
	Productivity (Yield per Hectare)	2067.00	1460.00	118.89

**Decimal Mean Area, Production and Productivity under Different Cash & Commercial
Crop Cultivation in Sikkim**

(Area in '000' Hectare; Production: in '000' Tonnes & Productivity: Kg/Hectare)

Crop		2001-01	Gain Loss in 25 Years (%)
Mandarin Orange	Total Area	6.65	375.00
	Yielding Area	4.25	333.67
	Production	7.50	108.33
	Productivity	1764.00	(-) 52.00
Off Season- Vegetable	Area	2.02	-
	Production	9.55	-
	Productivity	4728.00	-
Potato	Area	6.20	158.33
	Production	25.50	410.00
	Productivity	4112.00	97.40
Ginger	Area	5.10	920.00
	Production	24.00	1100.00
	Productivity	4705.00	1762.00
Large Cardamom	Total Area	23.48	134.80
	Yielding Area	20.03	122.55
	Production	4.67	103.04
	Productivity	233.00	(-) 8.62
Total Cash Crops	Total Area	43.45	203.84
	Yielding Area	37.60	191.92
	Production	71.22	452.09
	Productivity	1894.00	89.21
Total Cropped Area	Total Area	138.13	103.58
	Yielding Area	132.28	99.12
	Production	209.54	330.70
	Productivity	1584.00	116.39

The list of altitude-wise distribution of cultivated fruit crop is given below.

Altitude	Crops
250-1000m msl	Banana, Mango, Papaya, Guava, Litchi, Sapota, Jack Fruit, Limes and Lemons, Mosambi
1000-1500 msl	Mandarin, Orange, Pomegranate, Avocado, Guava, Banana, Low Chilling Peach, Plum and Pear, Passion fruit and strawberries etc.
1500-2000 msl	Peach, Plum, Pear, Low chilling apple, Kiwi fruit, Passion fruit, Walnut etc.
2000-4000 msl	Apple, Apricot, Plum, Peanut, Walnut, Almong etc.

Important Fruits, their Area of Cultivation & varieties Grown in Sikkim

Crops	Location	Varieties	Technology needed
Apple	Lachung	King of Pippen, Coxy	Subject to management of apple scab
	Lachen	Jonathan, Delicious group	
Guava	Mazhitar & up to elevation of 909m	L – 49 Allahabad Safeda	Management of Cuava Canker
Mango	Lower/Foothills of Sikkim(Dry areas)	Mallika, Amrapali Desheri, Lungra	Management of Gall Mildge and Stone beevil
Banana	Foot hills and (Water source) 909 m up to	Cavendish group and Nepali kera	500g. urea, 750g ssp, 500 g MOP per clump/year
Peach	Sub-temperate	Cowford, Alexander	Area where no hailstorm in March-May
Plum	Sub-temperate areas	Santarosa Mariposa, Dufy early June, Doris, Kelsey, Beauty	Same as above
Strawberry	Sub-tropical & temperate areas	Tioga, Majestic, Phenomenon, North-West	Can be intercropped with French bean
Kiwi Fruit	Sub-tropical & temperate areas	Bruno, Allison	At 1333-1515m (Under Study)
Avocado	Mid hills up to 1333m	Mexican & Guatemalan types	Maturity to be standardized

Source: Sikkim: A Statistical Profile 2002 & Sikkim Perspective for planning and development.

The state agriculture is predominantly dependent upon rain fed cultivation and giving more priority to mixed cropping. Now since 2003 onward Sikkim has been branded as state heading towards organic farming. The state is basically an agrarian where approx 65% of the population depended upon agriculture for their livelihood. It has become a back bone of state economy representing about a third of state's gross domestic product

ANIMAL HUSBANDRY AND VETERINARY SERVICES

Crop and animal production systems occupy important positions in the food chain. Animal Husbandry provides the only source of supplement income to the families. Through this sector provides a secondary source of income to the local people get its role as a primary source of income assuming importance the livelihood to the rural poor. There are good prospects for setting up dairy and animal husbandry units on a commercial basis. Milk production offers opportunities for developing processed food products like cheese butter etc. The population being predominantly non-vegetarian, meat processing and packaging units offers promise in the state. It will be of interest to note that Angora Breeding, which was tried in Sikkim on an experimental basis some years back has proved highly successful with more entrepreneurs. Some even in the remote regions of North Sikkim getting drawn to the trade.

Due to mountainous terrain only 11% of the total area of 7096 sq. km. is available for livestock farming as 90% or 3.35 population are cattle, goat, pigs, sheep, poultry and yak in small numbers and utilize the forest for fodder. The present rural livelihood system is well balanced from ecological point of view however with the increase in population and the limited availability of land (as 70% of the land holding in Sikkim are less than 2 hectares) there is already great pressure. So to reduce the pressure on the cultivable land and to improve the fodder and grazing conditions the following activities are being taken:

- Development of pasture and grazing grounds.
- Introduction and implementation of extensive trials of temperate and tropical species of grasses and legumes.
- Conservation of surplus fodder.

Also in order to increase fodder production and at the same time to ensure that deforestation is prevented the Forest Deptt., Govt. of Sikkim has mooted a proposal for setting up of committees at the Village, District and at the state level consisting of representative of Forest, Animal Husbandry & Agriculture Department besides farmers. The main function of these committee would be to develop the wastelands for augmenting fodder production.

Farmers still follow old traditional practices. Scientific techniques have not been introduced to improve productivity and to prevent the spread of diseases. The lack of trained technical people in this sector continues to constrain the diffusion of the best practices.

Animal health services are inadequate. Out break of diseases like Suine Fever, rabies, anthrax are frequent. There are not enough health care services centers and no disease investigation laboratories in the district. Most polyclinic have inadequate facilities and there is shortage of technically trained manpower to run the centers.

The procurement and marketing of animal products is inadequate. Milk production is particular is extremely low and the Sikkim Milk Union would have to double the quantity of Milk processed to break even. Poor road conditions is also a constrain in the transportation of Milk from the producing to the processing and consuming centers.

The district wise number of Dairy Plant and their capacities, Fodder availability and its requirement, Total Numbers of Veterinary Institution – District Wise and Quinquennial Livestock and Poultry Census in Sikkim State is depicted in the table

The district wise number of Dairy Plant and their capacities in the State

Sl. No.	District	No. of Dairy Plant/Capacity	Chilling Plant
1.	East	1 10,000 L.P.D.	
2.	West	1, 2000 L.P.D.	
3.	South	1, 5000 L. P. D.	
4.	North	25,000 L. P. D. & 1,030 L. P. D.	Chilling Plant at Kabi

Fodder Availability and Its requirement

South of Grain / Dry	Fodder Availability (000 MT)	Requirement (000MT)
Forest	250	305
Natural Grass Land	475	850
Agricultural Holding	920	1645
Fodder Cultivation	480	1770
Total	2125	4070

Total Numbers of Veterinary Institution – District Wise

Sl. No.	Particulars	East	West	North	South	Total
1.	State Veterinary Hospital	1	-	-	-	1
2.	District Veterinary Hospital	1	1	1	1	4
3.	Sub-Division Veterinary Hospital	2	2	2	1	7
4.	Veterinary Dispensary	8	5	4	6	23
5.	Stockman Center	16	16	9	15	56
6.	a. A. I. Centre	11	18	-	6	35
	b. Bull Service Centre Natural Service	37	49	17	64	167
7.	Livestock Check Post	2	1	-	1	4
8.	D. I. Laboratory	1	1	1	1	4
9.	Cattle Breeding Farm	1	1	-	1	3
10.	Demonstration Poultry Farm-Layer	1	1	1	1	4
11.	Piggery Farm	1	1	1	2	5
12.	Sheep & Goat Farm	-	2	-	1	3
13.	Rabbit Farm	-	-	1	-	1
14.	Vocational Training Center	1	-	-	-	1
15.	L ₂ N Plant	1	-	-	1	2
16.	Milk Processing Plant	1	-	-	-	1
17.	Milk Chilling Plant	-	1	-	-	1
18.	Milk Collection Centre	31	10	10	54	105
19.	M. P. C. S.	31	10	10	54	105
20.	Cheese Plant	-	1	-	-	1

Quinquennial Livestock and Poultry Census in Sikkim State

Livestock	Male	Female	Total
Cattle (Crossed)		37806	52303
Cattle (Indigenous)	41407	49314	90721
Total Cattle	55904	87120	143024
Buffaloes	505	1465	1970
Yaks	1851	2930	4781
Total Bovine	58260	91515	149775
Rabbits	168	189	357
Sheep (Crossed)	358	372	730
Sheep (Indigenous)	2211	2082	4293
Total Sheep	2569	2454	5023
Goat	38567	44371	82938
Horses & Ponies	4494	942	5436
Mules			64
Donkeys	22	35	57
Total Mules & Donkeys			121
Pigs (Crossbred/Exotic)	9137	2863	12000
Pigs (Indigenous)	10055	4902	14975
Total Pigs	19192	7765	26975
Dogs	16568	6990	23558
Poultry	Desi	Improved	Total
Fowls	169043	50509	219552
Ducks	1517	289	1806
Turkey Quils			48
Total Poultry			221406

Source –Sikkim: A Statistical Profile 2002

HEALTH & FAMILY WELFARE

The department of Health and Family Welfare is instrumental and responsible for implementation of various national programmes in the areas of health and family welfare as well as prevention and control of communicable diseases. All schemes related to health and family welfare sector are continued to be implemented in the State through a network of 147 Primary Health Sub-Centers (PHSC), 24 Primary Health Centers (PHC), 4 Community Health Centers (CHC) and one 300 bedded Referral Hospital (STNM) at the State Capital, Gangtok. A 400 bedded Central Referral Hospital –cum – Medical College set up in collaboration with the Manipal Pai Foundation Group under private management has also been functioning in the State for the last few years.

The Department has made rapid progress in expanding overall health infrastructure as well as trained manpower in the State. The Department, headed by a Secretary to the Government is manned as on 31-03-2003, by 198 Doctors including Specialists in different medical science, 22 dentists, 669 Nursing personnel, 430 paramedical and 1753 numbers of Grade C & D staff. Besides, 29 non-Medical Officers of Grade A and Grade B from various service cadres have been posted in the Department. Out of the 198 numbers of doctors and dentists, 84 doctors including 29 consultants / specialists have been posted in the State Referral Hospital (STNM) Gangtok. The rest 37 doctors have been posted in 24 PHCs, 58 doctors in 4 CHCs and 19 Doctors have been made in charge of administration and programme Officers of various National Programmes. The infrastructure of Health Institutions is depicted in the table below

No. of Health Institutions In Sikkim

Sl. No.	Health Institutions	East	West	North	South	State
1	State Referral Hospital/ STNM Hospital	1	-	-	-	1
2	Community Health Center	1	1	1	1	4
3	Primary Health Center	8	7	3	6	24
4	Primary Health Sub-Center	48	41	19	39	147
5	Central Referral Hospital, (Manipal Tadong Private)	1	-	-	-	1
6	District Tuberculosis Centre, Namchi, S. Sikkim	-	-	-	1	1

Source: Annual Report 2008-09 of Health & Family Welfare Deptt. Govt. of Sikkim

The financial outlay under the Health Sector have been increasing over the successive Five Year Plans. While the investment which was just Rs.60.00 crores in the Ninth Plan (1997-2002) has been enhanced to Rs.80.00 crores in the Tenth Plan (2002-2006). During the year under report, an investment of Rs3500.49 lakhs under the State Plan and Rs.4735.28 lakhs under the Non-Plan were made as against the expenditure of Rs.3913.23 lakhs and Rs.2647.28 lakhs in 2007-08. In addition to this investment, Rs.754.45 lakhs was made under 100% Centrally Sponsored Scheme (CSS) as against Rs603.02 lakhs in 2007-08.

The Department has made rapid progress in expanding overall infrastructures as well as trained manpower in the state. The National Rural Health Mission (NRHM) has been under vigorous implementation in the State since April 2005. The impact of the Mission is being seen in terms of improved quality and coverage of health care which has resulted in a rapid fall in Crude Death Rate (CDR) from 7.5 in 1991 to 5.3 in 2007. There is considerable improvement in the Infant Mortality Rate.

POWER INFRASTRUCTURE

The state of Sikkim is blessed with tremendous hydroelectric power potential that has been worked out at 8000 MW Peak and a firm base of 3000 MW. Approximately seventy miles North East stretch of Sikkimese territory possesses a land gradient that lies roughly between 500 feet to 28,000 feet above mean sea level. Due to this amazing terrain Sikkim houses some of the most turbulent and swiftest rivulets in the world that is best suited for harnessing hydel power potential.

Hydro Power Plants are designed based on the water discharge in a river. During monsoon the discharge is very high and during the lean period the discharge is much less. At the same time the discharge of rivers keep changing over a series of years due to various reasons depending upon their source, nature of catchment area, soil and structure or riverbed and rains etc. Calculation of water power reserves is usually based on 95% or 50% dependable discharge. All hydel project in the state being run of the river ones, there is no room for spinning reserve, which means the generation capacity during the winter months cannot be raised more than half the generation capacity. Besides like the Diesel Engines, where the decompression due to wear and tear causes de-ration of capacity, hydro-turbines also follow the same rule and unless these machines are maintained as per set routine, they become sluggish affecting the generation capacity adversely. As such, it is very important that all the civil structures right from intake weir to tailrace including hydro-mechanical parts are maintained and re-strengthened periodically thereby giving them a new lease of life.

The state manages partially only to meet its base load demand from its run-of-the-river hydel power plants. Unlike other mode of generating stations like Thermal, Diesel, Gas or Nuclear, which run on fuel, the hydro generating stations run on availability of water. Quality and quantity of water running the turbines play an important role on its life and output of the machine respectively. As for example, a Diesel engine requires more fuel to run on higher load than at lesser load, the hydro generating sets also require more water to run the turbine at higher load profile.

But the department is not in a position to attend to the routine maintenance and periodical renovation on all the installations owned by the Department due to the reasons like unproductive expenses on wages and salaries and huge pending liabilities, which have been brought to the knowledge of the Government.

Peak Demand of Sikkim

Year	Peak Load (MW)	Energy Requirement (MU)
1999-2000	39	137
2000-2001	44	171
2001-2002	47	183
2002-2003	49	189
2003-2004	51	197
2004-2005	52	204

Source: Annual Report 1999-2000, Power Deptt, Govt. of Sikkim

Hydel Project at Teesta Region

The Teesta and Rangit valleys can offer a magnificent model to develop all resources under one comprehensive programme. We all believe in stable economy supported by strong self generating resources. Sikkim has a very good option to use waters of the Teesta, Rangit and their tributaries for generation of electricity and other uses. Sikkim is drained by a large number of perennial rivers, the prominent ones being the Teesta and the Rangit. The Teesta descends from an elevation of about 3600m to about 300m over a distance of 175km. The Teesta could be harnessed for power generation in six stages.

Hydro-power is renewable, economic, non-polluting and environmentally benign source of energy. It has inherent ability for instantaneous starting, stopping, load variations etc. and help in improving reliability of power system such as no fuel cost as it is a non consumptive use of water; best choice for meeting the peak demand; inflation free and cost of generation reduces with time.

The entire Teesta and Rangit river basins warrant a unified resource development programme. It could help to do more together than their efforts could possibly accomplish separately. Hydropower development in the plains involves construction of huge dams, displacement of habitats and submergence of land and properties. Whereas in the hills it is very simple and they are environment friendly. The projects in the Teesta cascade are all underground except the diversion dam, which hardly involve displacement and submergence. Rangit HE Project (60 MW) is in operation and Teesta HE Project Stage-V is being constructed by NHPC under central sector. Central Water Commission is engaged in investigation of Rangit Stage-II and IV.

Out of 226 hydroelectric projects identified in the Brahmaputra basin 30 projects lie in Teesta river basin with the probable installed capacity of 7046MW. of which 21 schemes have been given ranking after determining inter-se priority for their development. Out of above 21 schemes with total capacity of 3353 MW, 20 are run of the river schemes; of which 10 ranks in a grade and 11 in b grade. Ranking have been established after studying accessibility to site, status of the projects, status of upstream and down-stream hydel development involving technical / commercial / financial institutions / confederations / associations / utilities / experts bodies.

Teesta Stage-I (320 MW) has been identified but detailed investigation is yet to be taken up. Teesta Stage-II (330 MW) detailed investigation has been completed and DPR is under preparation with Central Water Commission. The state Government is negotiating the terms and conditions of the agreement with NHPC to award this project for implementation. In the mean time, the state is also exploring the possibility to take it up under private or joint sector. Teesta Stage – III (1200MW) detailed project report is available. The state Government is negotiating the terms and conditions of the agreement with NHPC to award this project for implementation. In the mean time, the state is also exploring the possibility to take it up under private or joint sector. Teesta Stage-IV (495 MW). Letter of Intent has been issued to IPP (a consortium of KPCL and ATPIL). Draft agreement is under scrutiny. Teesta Stage-V (510 MW). This project is under implementation with NHPC and the progress is ahead of schedule. This project is expected to be completed by Sept. 2006. Teesta Stage-VI (360 MW) Letter of Intent has been issued to IPP (a consortium of KPCL and ATPIL). Draft agreement is under scrutiny. Teesta Stage-III (1200MW) – DPR prepared by Central Water Commission is available. Negotiation for award of the project is underway. The project is anticipated to be completed by the middle of eleventh plan.

Teesta Stage-IV (495 MW) – DPR prepared by Central Water Commission is available. Letter of Intent has been issued to IPP. The project is anticipated to be completed by the middle of eleventh plan. Teesta Stage-VI (360 MW) – DPR prepared by Central Water Commission is available. Letter of Intent has been issued to IPP. The project is anticipated to be completed by the middle of eleventh plan. Small hydel projects (2ithin 25 to 10 MW) to be commenced during the tenth five year plan period.

Power Sector is the key input to the economic sustenance of any State. Sikkim is no exception in this, largely because here Power Industry, unlike other Industries, is not only the propelling instrument but in itself a revenue generating sector for this tiny state. The land locked hilly terrains marred with long rainy season may be inhibiting factors for the growth of industrial developments, but the same two natural features bestow the state a concentration of hydro potential.

Though the first generating unit was installed in the State as early as in 27th May, 1927, it was only in 1962 that the electricity was made available to the general public in Gangtok. In the meanwhile, the demand started growing at a rather slow pace and the State Government added some meager capacity by installing DG sets and micro hydel units progressively. In 1979-82, when 12 MW LLHP was commissioned, the state could take up Rural Electrification Schemes, thereby more villages were electrified and the demand started growing. At present the peak load during winter is of the order of 61 MW and it is expected to grow rapidly.

With the launching of liberalized power policy by the Government of India and the opening of the sector for private developers, Sikkim is poised to gain in a big way and is looking forward to earn significant revenue by exploiting its huge potential, which is assessed at 8000 MW seasonal with a firm base of 3000 MW.

EXISTING POWER SYSTEM:

Till very recent past, the Departmental set-up had an orientation towards social outlook. The primary objective of the department has been to make the electricity available to all the sections of people in the state

Today the installed capacity in Sikkim figures at 100.70 MW, including Rangit HEP being owned and operated by NHPC. The state has a share of 74 MW in the Central Sector Generating Station plus 9 MW from inter state Ramam Hydel Projects. Further keeping in pace with recent development in Power Sector in the country the state government has launched its ambitious plan of developing the hydro potential giving due diligence towards environmental safeguard. Based on their viability a number of mega, small, mini and micro Hydel projects have been identified and are being developed under state, public, private and joint sector in the state.

Of the total capacity of 40.70 MW installed on March 31, 2004, 35.70 MW is hydro and the balance 5 MW is a diesel generating plant. All the projects being run of the

river schemes, have no dam or major reservoir for generation of rated capacities during the lean period. In Sikkim, the peak demand occurs during the winter months when the hydro generation drops down to less than 50% of the installed capacity. In addition to the available capacity of 40.70 MW, the state also has a share of 77 MW in central sector generating stations and 10 MW seasonal in Raman HEP belonging to West Bengal State Electricity Board. This makes the total capacity availability of 127.70 MW.

Sl No	Name of the Power House	Installed capacity in MW
1	Lower Lagyap Hydroelectric Project	12.00
2	Jali Power House	2.10
3	Rimbi-I	0.6
4	Rongnichu-II	2.5
5	Chaten	0.1
6	Rimbi-II	1.0
7	Lachung	0.2
8	Meyonchu	4.0
9	Upper Rongnichu	8.0
10	Diesel Power House	5.0
11	Rothak	0.2
12	Kalez Khola	2.0
13	Rabomchu	3.0
	Total Under State Sector	40.7
14	Rangit- III under NHPC	60.0
	Total Installed capacity in the State	100.70

TRANSPORT AND COMMUNICATION

Road:

Transport and communication is one of the most important factors for industrial development and economic progress of s State especially in a hilly region like Sikkim. The absence of a rail network or commercial air services means that motor transport is the only means of getting around. And among the roads, there is heavy dependence on a single highway – National Highway – 31 A (NH-31(A)) of 40 Kms is Sikkim’s main transport link with rest of the country and the world for that matter. Any major disruption on NH-31 A cuts Sikkim’s only link with the world. Other than NH – 31 A, the entire road network of the State comprises of State highway major district road, other district roads and bridle roads which are maintained by BRO, Department of Roads and Bridges (SPWD), CPWD. The total Roads in Sikkim is 2624 Kms out of which B. R.O maintains 718 kms including 40 kms of National Highway (NH 31A) and State Govt. maintains 1906 kms. The total roads of 1906 kms maintained by the State Government includes 186 kms of State Highway, 464 kms of Major District Roads and 1256 kms of other District Roads.

Registration Of Motor Vehicles:

A total of 2164 nos. of vehicles has been registered between 01/04/2007 to 31/03/2008, as can be seen from the following table :

Sl. No.	Particulars	Numbers
1	Two Wheelers	222
2	Non commercial vehicles	1298
3	Goods Carrier	245
4	Contract/Stage carriage	396
5	Tractors/Trailers	03
	Total	2164

Transport in the state has been nationalized since 1954 and is being looked after by Sikkim Nationalized Transport (SNT). The booking facility are available of Siliguri and Gangtok, Jorethang, Namchi Gyalshing, Mangan. The SNT Deptt. Has appointed four commission agents to sell bus tickets at Kalimpong, Pelling, Dentam and Lingdok on payment of 10% commission on the cost of ticket. Over the years the fleet strength of SNT has dwindled considerably .During peak period of 1992-93, SNT had 148 buses and 189 trucks/tankers. This fleet strength has reduced to 75 buses and 83 trucks /tankers by 2007-08

which now stands at 80 buses and 94 trucks /tankers (2008-09). The operational aspects of SNT Deptt. During the year 2008-09 is shown in the table given below :

Operational Particulars of Sikkim Nationalized Transport: 2008-2009

Sl. No.	Particulars	Unit	2008-09
1	Division	Nos	4
2	Depots (Including Bus Stns)	Nos	10
3	Routes Operated (Bus)	Nos	43
4	Total Numbers of Trucks	Nos.	58
5	Total Numbers of Tankers	Nos.	36
6	Total Numbers of Buses	Nos.	80
7	Revenue Generated	Rs.(in Crores)	17.71

Source : Dept. of SNT, Govt. of Sikkim

The topography and climate of the region makes the terrain vulnerable to landslides and erosion hence the road are inconstant need of repair. While the climate and terrain make road maintenance on going and expensive exercise, timely maintenance can save a lot of work and money in the long run. In many places, the rubble has been cleared to the extent that traffic can squeeze through. This makes the journey into and out of the state time consuming, arduous and dangerous in places.

Railway:

Presently, there is no rail facility in the State. The nearest railway stations are Siliguri for meter gauge and New Jalpaiguri for broad gauge in West Bengal which are 114 kms and 125 kms respectively. There is an out agency railway booking facility in Gangtok located at the SNT bus terminus. However, there is a plan to open a rail link from Rangpo in Sikkim to Siliguri in west Bengal thereby joining Sikkim to the rest of the national railway network. In fact, work has already been initiated to that effect when a foundation stone has been laid at Rangpo by Ms Mamta Banerjee, Hon'ble Minister of Railways.

Air Services:

Till date there is no airport in Sikkim but the construction of air port has started at Pakyong, East Sikkim. Also there is a regular 5-seater helicopter service from Gangtok to Bagdogra air port, which is 124 kms. The nearest airport is Bagdogra in North Bengal, which is approximately 4 hours drive from Gangtok. There is, however, a helicopter service operating between Gangtok to Bagdogra, in Siliguri. An airport is also being constructed at Pakyong, East Sikkim.

Communication:

The communication system in the State has gained in a rapid pace for the last few years. BSNL in Sikkim has taken appreciable efforts in making Sikkim as a model telecom state having the highest tele-density, widest coverage of telecom facilities, providing indirect employment to the youth through cyber cafe and STD/ISD booth, providing telecom facilities in remote corner of the State laying optical fiber cable in the most difficult terrain of the country against the minimum telecom facilities some years back. There has been induction of all the new technology equipment internet node in all the district headquarters at sufficient speed. Optical fiber in almost all the telephone exchanges coverage area of telecommunication to the remote villages, very less STD ISD rates, timely billing and customer care has really given an impetuous in development of business, education efficiency of the employees, convenience to people of Sikkim and it is really giving boost to the tourism in the state of Sikkim and it has really given boost to the tourism in the State of Sikkim. In addition to landlines BSNL has also provided mobile and WLL services.

Distribution of Telephone Exchange in the Four District of Sikkim

Particulars	North	South	East	West	Total
No. of Telephone Exchanges	4	9	20	13	46

Source: BSNL, Gangtok

Postal Services:

The Sikkim Postal Services was created on 11-02-1976. Till 31-03-2002, it has following distribution.

Distribution of Postal Services in Sikkim

1	HSG-I (HO) Higher Selection Grade-I Head Post Office at Gangtok	01
2	LSG-Lower Selection Grade (Sub-Office), Singtam	01
3	DSO – Delivery Sub-Office	16

4	NDSO-Non-Delivery Sub-Office	4
5	EDSO-Extra Departmental Sub-Office	4
6	EDBO-Extra Departmental Branch Office	181

Source: Director, Postal Services, Govt. of India, Gangtok

Mails throughout Sikkim are being conveyed by SNT buses and in the following routes.

- i) Gangtok - Gayzing
- ii) Gangtok – Rhenock – Rongli Bazar
- iii) Gangtok – Mangan - Chungthang
- iv) Melli Bazar – Naya Bazar
- v) Naya Bazar – Sombarey Bazar
- vi) Gaysing – Naya Bazar - Siliguri
- vii) Gangtok - Darjeeling
- viii) Gangtok - Kalimpong

The postal services has special facilities of speed post, multi-purpose counter machines, Head Post Office, Gangtok has a VSAT for quick transmission and payment of Money orders and electronic mail facilities of Western Union Money Transfer for international Money Payments.

EDUCATIONAL FACILITIES IN THE STATE

Education Department is a social sector unit which may not contribute directly to the economic development of the State but has a pivotal role to play in the development of human resource and skills leading to generation of active and productive citizens who are able to contribute to the socio-economic progress and lead to the improvement in the level of living standard of the people. Realizing this fact, the 86th Amendment to the Constitution of India guarantees Education as a fundamental right of every child in the country.

Sikkim too, has defined its role in development of educational system in the recent times with emphasis on delivery of quality education on its children.

In an all out effort to improve the quality of life of the people, the State Government has taken major steps to improve the quality of Education by making the Education setup more purposeful and relevant to the changing times. A school now exists within walking distance of a child. Free textbooks, free uniforms, free mid-day meals to children up to Class V, free boarding and special scholarships for those pursuing higher studies are some of the other educational facilities enjoyed by the children of the State. School have been better equipped with modern science equipments, qualified teachers, sports facilities, new technologies like radio-cum-cassette players, TV & VCR, film projectors and other corresponding educational software. Intensive efforts are being made to produce young men and women of character, ability and expertise committed to the service and development of community signifying quality education.

Sikkim today boasts of one Central University, one Medical College, one Engineering College, one Pharmacy Institute, three Polytechnique Institutes, and other colleges, computer institutes and schools.

Educational Institutions in Sikkim: Higher Education (Government Colleges)

Sl. No.	Name of the Institution
1	Sikkim Government College, Tadong, Gangtok
2	Rhenock Govt. College, Rhenock, East Sikkim
3	Sanskrit College, Gayzing , West Sikkim
4	Sikkim Government College, Namchi, South Sikkim
5	Sikkim Government Law College, Gangtok
6	Sheda (Buddhist Education) Institution of Tibetology, Deorali, Gangtok
6	Industrial Training Institute, Rangpo
7	District Institute of Education & Training (TTI) Tathangchen, Gangtok
8	Advance Technical Training Centre, Bardang, (Polytechnic)
9	Centre for Computers & Communications Technology (Polytechnic) Namchi
10	Institute of Hotel Management, Catering Technology & Applied Nutrition, Gangtok

Educational Institutions in Sikkim: Higher Education (Private Colleges)

Sl. No.	Name of the Institution
1	Research Institute of Tibetology, Deoroli, Gangtok
2	Loyola College of Education, Namchi (South Sikkim) (Missionary Institute)
3	Damber Singh College, 6 th Mile Tadong, Gangtok
4	Harkamaya college of Education, 6 th Mile Tadong, Gangtok
5	Sikkim Manipal University of Health, Medical & Technological Science, Tadong, Gangtok
6	Sikkim Manipal Institute of Technology, Majhitar, Rangpo
7	The Himalayan Pharmacy Institute, Rangpo
8	Institute of Chartered Financial Analysts of India, Gangtok
9	Palatine College, Pakyong, East Sikkim

Universities in Sikkim:

	Name of the University	Type of the University
1	Sikkim University, 6 th Mile Tadong, Gangtok	(Govt.) Central University
2	Sikkim Manipal University, Majhitar, Rangpo	Private
3	Vinayak Mission Sikkim University, Tadong, Gangtok	Private
4	ICFAI University, Gangtok	Private
5	EIILM University, Jorethang, South Sikkim	Private

Number of Schools (District Wise) as on 30-09-2003

District	Sr. Sec.	Secondary	Jr. H. S.	Primary	Lower Pri.	Pre-Primary
North	3	10	10	32	21	76
South	8	26	40	92	51	217
East	17	24	42	113	36	232
West	9	20	34	77	75	215
TOTAL	37	80	126	314	183	740

Source :Education Department, Govt. of Sikkim

Banking, Finance & Insurance

The involvement of 82 branches of 24 public and private sector Commercial banks in the developmental activities of the State has shown a steady growth. Growing presence of the Public Sector Commercial Banks especially in the rural areas, is expected to lead to a process of consideration and further growth, Axis Bank Ltd., a private Bank, also commenced business since March 2002 in the State with a single branch at Gangtok. It has also been allotted a Service Area under the Lead Bank scheme and would be participating in the developmental activities of the State. Besides these commercial banks there are 22 branches of State Bank of Sikkim and 04 branches of Sikkim Bank Ltd. functioning all over Sikkim. The Reserve Bank India has also opened an extension Counter at Gangtok In 2009.

The network of Nationalised Commercial Bank branches in the State

Sl. No.	Commercial Banks Operating in Sikkim	No. of Branches of the Bank		
		Total	Rural	Semi-urban
1	State Bank of India	29	25	4
2	Central Bank of India	14	13	1
3	UCO Bank	2	1	1
4	Canara Bank	1	-	1
5	Vijaya Bank	1	-	1
6	Bank of Baroda	1	-	1
7	Bank of India	1	-	1
8	Union Bank of India	7	6	1
9	Punjab National Bank	1	-	1
10	Oriental Bank of Commerce	2	1	1
11	AxisBank Ltd.,	3	2	1
12	Corporation Bank	1		1
13	HDFC Bank	2		2
14	IDBI Bank	2		2
15	Allahabad Bank	1		1
16	Andhra Bank	1		1

17	United Bank of India	2	1	1
18	IndusInd Bank	1		1
19	Indian Overseas Bank	1		1
20	Syndicate Bank	1		1
21	ICICI Bank	1		1
22	Indian Bank	1		1
23	Dena Bank	1		1
24	Sikkim State Coop. Bank Ltd.	6	5	1
	Total	82	54	28

ANNUAL CREDIT PLAN-2009-2010

Sector	Agriculture & Allied Activities	Industry Sector	Tertiary Sector
<u>Target</u>			
No.	3823	484	2796
Amount (Rs. in '000)	289578	100492	1651512
<u>Achievement</u>			
<u>No.</u>	<u>166</u>	67	2633
<u>Amount</u> (Rs. in '000)	<u>249443</u>	197165	1171886
<u>Achievement in %</u>			
No.	54.6%	13.8%	94.2%
Amount (Rs. in '000)	86.14%	196.2%	71.0%

**CREDIT: DEPOSIT RATIO/ CREDIT+INVESTMENT :DEPOSIT RATIO
AS ON 31.03.10**

(Amount of Rs .’ 000)

Banks:	Commercial Banks	S.S.C.O. Bank Ltd.	Total
C.D. Ratio As on 31.03.2010	47.21%	17.58%	45.25%
C.D. Ratio As on 31.03.2009	44.0%	39.5%	43.9%
C+I: D Ratio As on 31.03.2010	58.87%	22.73%	56.49%
C+I : D Ratio As on 31.03.2009	57.1%	39.5%	56.5%

Non Priority Sector

The overall performance under Annual Credit Plan is exclusive of performance under non-priority sector but credit disbursal under the sector contributes to the growth in credit-deposit ratio and is therefore being furnished below. As can be seen the overall performance under this sector is well above the performance for the priority sectors.

(As on 31/03/2010)

(Amount in ‘000)

Sector	Commercial Banks	SISCO Bank Ltd	Total
<u>Target</u> No.	5389	410	5799
Amount (Rs. in ‘000)	872318	53000	925318
<u>Achievement</u> No.	<u>3691</u>	227	3918
<u>Amount</u> (Rs. in ‘000)	<u>2927833</u>	42933	2970766
Achievement in % No.	68.5%	55.4%	67.6%
Amount (Rs. in ‘000)	335.6%	81.0%	321.1%

Refinance Agencies:

The Small Industries Development Bank of India (SIDBI), National Bank for Agriculture and Rural Development (NABARD) are functioning in the State to provide refinance facilities to the Commercial Banks for their priority sector advances through their office at Gangtok. SIDBI is not only refinancing the Commercial Banks but is also involved in financing Small Scale Industries (SSIs).

Insurance:

Insurance cover is being widely extended to shops, vehicles, industries, animals, buildings etc. by the General Insurance Corporation of India through its subsidiaries, the National Insurance Company Ltd., and the New India Assurance Company Ltd. The Deposit Insurance and Credit Guarantee Corporation (DI&CGC) Act, 1961 has also come into force in the State. Life Insurance Corporation of India has also been well established in the State.

INDUSTRIAL DEVELOPMENT AGENCIES

A. MSME – DI: Micro, Small & Medium Enterprises –Development Institute, Tadong, Gangtok and its functions in Brief:

Micro, Small And Medium Enterprises-Development Institute, under Ministry of MSME, Government of India, Tadong, Sikkim like has a store of information and provides guidance to an entrepreneur. It provides technical assistance to the prospective entrepreneurs. The institute is manned by technical officers, specialized in different trades. However, the main assistance programme of the institute is :-

- (i) For prospective entrepreneurs:**
 - (a) Assistance in product selection;

- (b) Dissemination of technical, economic, market information;
 - (c) Preparation of technical schemes as per specific needs of the party;
 - (d) Supply of information regarding sources of availability of plant and machinery, raw materials, know-how skills etc.
 - (e) Guidance regarding layout of the proposed enterprise as well as its implementation to the stage of manufacture of finished products;
 - (f) Taking up the case of the proposed enterprise with the concerned agencies for supply of necessary inputs, namely finance, power, sheds in the industrial estate, raw materials, scope of marketing the proposed products, etc. as and when the entrepreneurs face difficulty.
 - (g) Adequate information regarding various assistance programmes of the Central and the State Government in the areas of hire purchase of plant and machinery, Central Government Stores Purchase Programme, interest Subsidy Scheme, Schemes of modernization, ancillary development and similar schemes is given to the entrepreneurs. This is also done for beneficiaries under the scheme of self-employment to educated un-employed Youth.
 - (h) Training programme, viz. EDP/Motivation Programmes, are conducted involving all the concerned State Level agencies for the benefit of prospective entrepreneurs. This is also done for the beneficiaries under the scheme of Self-employment to educated un-employed Youth;
 - (i) Product-cum-process oriented training courses are conducted mainly for the target group with a view to imparting process know-how through practical demonstration for manufacture of certain products having local market potential;
 - (j) Arranges study visits enabling the entrepreneurs to get exposure;
 - (k) Conducts techno-economic feasibility surveys for identification of candidate industries in the small scale industries in the small scale sector.
 - (l) Supply of information through its technology Research Centre Cell
- (ii) For existing Unit / Entrepreneurs:**
- (a) Technical assistance in the areas of manufacturing process, product development and standardization selection of appropriate raw materials;

- (b) Organizes Vendor Development program cum Exhibition.
- (c) Organizing ISO-9000, Total Quality Management program.
- (d) Efforts are made to arrange market tie up with State Government purchasing Departments / Corporations / Large Industries.
- (e) Techno-economic feasibility studies are conducted to identify potential items of consumer organizations for off-loading a portion to small scale units.
- (f) Joint capacity assessment is undertaken for allotment of scarce raw materials to SSIs;
- (g) Displaying of products of SSI units in exhibition in Foreign Countries
- (h) Programmes on modernization in respect of quality improvements etc. are organized by involving experts in the line;
- (i) National Award to SSI Units.
- (j) Arranges study tours for enabling the entrepreneurs to get an exposure;
- (k) Arrange testing of raw materials and finished products;
- (l) Conducts management courses for educating managers of SSIs in various aspects of modern management enabling them to efficiently run their units.
- (m) Awareness on IPR: The Building Awareness on IPR scheme has been launched to enable Indian MSMEs to attain global leadership position and to empower them in using effectively tools of IPR of innovative projects. The main features of the scheme are Awareness Programme on IPR; Pilot Studies for selected clusters/group of industries; Seminar/ Workshop; Short term/ Long term training; Assistance for grant of Patent/ GI registration; Setting up of IP Facilitation Centre.

B. Directorate of Industries:

The basic objectives of the Department of Industries & Commerce, Government of Sikkim, has been to bring about rapid industrialization of the State in order to contain the growing unemployment and for economic development. All industrial activities come under its ambit. According to the directives of the Government of India, an industrial unit whose capital

investment (i.e. the cost of plant and machineries only) does not exceed 25 lakhs is a micro sector unit. Units whose capital investment does not exceed Rs.1 crores is considered to be a small scale unit. The main functions of the Industries Department with the above objectives are as follows:

- Registering small scale industries and regulation of development of industries in the State;
- Development of Industrial Estates
- Giving technical guidance, plant location, etc.
- Undertaking industrial surveys and collection of market information and examination of viability;
- Development of infrastructure;
- Arrangement for land, water, power etc. and
- Providing concessions and incentives.

C. District Industries Center:

For convenience of the entrepreneurs and to bring the concept of industrialization nearer to the people, District Industries Center have been set up one at Jorethang for south and West Districts and the other at Gangtok for East and North districts the function of the District Industries Centers are as follows.

- To provide information on feasible / viable items.
- To offer investment guidance and help prepare viable project profiles.
- To guide on the available credit schemes to entrepreneurs and help in credit appraisal.
- Ascertaining raw material requirement.
- To provide available shed in the Industrial Estate.
- Arrangement for power connection.
- To provide marketing assistance to artisans.
- To conduct motivational and Training program.
- To liaise with the State Khadi & Village Industries board and allied agencies.
- To organize industrial exhibition, seminars, study tours and inplant trainings etc.

D. Activities of Handicrafts Marketing and Service Extension Centre:

Functions:

- To identify the crafts and crafts persons and preparing their list for circulating to the public / exporters / buyers etc.
- To provide training for increasing production base and export of Handicrafts products.
- To help in providing raw-material, financial assistance for regular marketing of the products.
- To organize Marketing Workshops, clinic analysis in order to give better shapes of the products and marketing.
- Recommending suitable artisans for advance training courses.
- To organize various developmental programmes for increasing base.

Services:

- Compilation of list of manufacturers and supplying it to the buyers, exporters.
- To attend trade enquiries from manufacturers and buyers.
- To organize various Crafts Bazars, Expos, Marketing Programmes for increasing marketability of handicrafts products.
- To provide design assistance through Regional Design and Technical Development Centers.
- To help in providing raw-material, financial assistance through nationalized banks / financial institutions.
- To provide assistance in export procedures.
- To recommend in aid to various organizations for regular marketing and establishment of Craft Development Centers, opening of Emporia's Common Facility Centers etc.
- To provide State Award/National Award for encouragement and development of crafts persons.
- To help in constructions of workshed-cum-housing facilities to NGOs/Corporations / Societies.
- To conduct technical and design workshop at various crafts concentration places.
- To organize special design display programmes.
- To given wide publicity of products at national and international level.

- Providing facility of sample display at important places.

E. Directorate of Handicraft and Handlooms :

DHH since its inception on 9th March 1957 has been actively involved in the promotion and development of the State of Sikkim. Handicrafts and Handloom have been identified as a thrust area for industrial acceleration in the State of Sikkim and DHH is actively involved in performing its role and function.

“The main aim of this center is to preserve and keep alive the age old arts and crafts of Sikkim.

F. Spices Board:

Spices Board is an organization coming under the Ministry of Commerce and Industry, Government of India with head office at Cochin (Kerala State). According to Spices Board Act, 1986, 52 spices are coming under the purview of Spices Board. The Spices Board is concentrating on Research and Development Programmes on small and large cardamom and export promotional activities on pepper, chilly, ginger, garlic, turmeric, coriander, cumin, celery, funnel and fenugreek.

Spices Board is having six divisions viz. 1. Development, 2 Marketing, 3. Research, 4. Publicity, 5. Statistics and 6. Quality up-gradation Lab to look into the different aspects of spices industry.

The spices Board (erstwhile Cardamom Board) started its activities in Sikkim in 1979 with setting up a Regional Office in Gangtok headed by Deputy Director (Dev.) and 4 Zonal offices one each at Mangan for North District, Gangtok for East District and Jorethang for West and South District of Sikkim and another in Kalimpong for Darjeeling District of West Bengal headed by Assistant Directors for the development of Large Cardamom in Sikkim and West Bengal.

In its effort to improve the overall performances of the large cardamom industry, Board is presently implementing the following development programs.

1. Extension Advisory Service:

An important activity of the Board for large cardamom is the Extension Advisory Service, wherein the technical personnel of the Board undertakes regular visits to the plantations, nurseries and render necessary advises to the growers on all aspects of the crop i.e. from sowing to marketing. Apart from these field visits, group discussions and quality improvement trainings are arranged frequently in the growing areas.

2. Cardamom Replanting Scheme:

The scheme was launched during 1986-87 and it is being continued. Considering the high cost involved in the re-plantation and loss of crop during gestation period growers are given subsidy @ 25% of the cost of replantation which at present is Rs.6,000/- per ha. as an inventive. Since the inception of the scheme, more than 3000 ha. have been brought under replantation which has benefited about 5000 cardamom growers.

3. Cardamom Certified Nursery Scheme:

In order to encourage the farmers to raise their own seedling sin the nursery, 25% of the cost of production of 12,000 seedlings is given as subsidy. Every year 50-60 nurseries are opened with a production of 6-7 lakhs seedlings.

4. Cardamom Sucker Nursery Scheme:

In order to multiply high yielding suckers for large scale cultivation and thereby to increase the yield to higher levels, the Board has started sucker nursery scheme during 2001-02 season. Under the scheme, for the production of 5000 suckers, a subsidy of Rs.7,500/- is given in two installments.

5. Scheme for supply or irrigation equipments:

Under the scheme alkathene hose with sprinkler equipments for irrigation purpose are supplied at 50% subsidized cost to the growers. The scheme launched during 1992-93 and is being continued. The present rate of subsidy per Ha is Rs.2000/- per unit.

6. Setting up of low cost drier

Traditionally large cardamom is cured by direct heating in Bhatties, where capsules lose their natural colour and flavour. The Indian Cardamom Research Institute, Tadong had fabricated the existing Bhatties, which is cost economical. Capsules cured retain the natural colour and unique flavour. To start with, last year the Board had fabricated 11 Bhatties in farmers field at 50% cost (Rs.4000/- each). Now it is proposed to continue the scheme in 50 farmers field.

7. Farmers Training

Under the scheme every year five farmers of each NE States nominated by Director of Horticulture / Agriculture Department are sent for training on cultivation of Spices to South India at Board's cost.

8. Area Expansion Programme

The climate condition prevailing in other NE States are congenial for large cardamom cultivation. Hence, the Board had decided to supply 5 lakh suckers during 2003 to NE States, under area expansion programme.

9. Distribution of 50% Agri Shade net to nursery owners.

Large cardamom seedling comes up well under 50% Agro shade net. To encourage farmers to produce seedlings under 50% Agro shade net during 2002-03 season, 120 farmers were given (150 sq. m each) Agro shade net at 50% cost sanctioned by National Horticulture Board. At present the 50% cost is Rs.1,158.75 per unit.

G. SIDICO:

Sikkim Industrial Development and Investment Corporation Ltd., (SIDICO) set up in the year 1977 is a State level principal financial institution engaged in promotion, financing and development of industries in tiny, cottage, small and medium sector in the State of Sikkim. Besides, the Corporation has also been providing soft loan / seed capital assistance,

participating in the share capital its selective venture projects and has been engaged in activities like procuring and distributing raw materials for selective industries / activities.

Financial assistance is made available by the Corporation for fixed assets such as land, building, plant and machinery etc. with an ultimate objective of setting up of industries in the State. The upper limit for grant of loan is Rs.90 lakhs for individual units. Term loan are extended to new industrial units as also to existing units for expansion, diversification, modernization and rehabilitation programmes.

H. NABARD:

Nationalized Bank for Agriculture and Rural development has been providing refinance support to Cooperative and Regional Rural Banks for short term (agriculture) and short term (other than agriculture) activities by the banks. Besides NABARD has been providing refinance support to Co-operative Banks, RRB's and Commercial Banks for investment credit including Government sponsored programs e.g. SGYS, SC/ST Action plan etc. NABARD total financial support extended to Sikkim during the year 2002-03 has been Rs. 848 Lacs.

I. SIMFED:

The cooperative movement in India was officially adopted in the year 1904 by enacting Cooperative credit societies act 1904. Then the Government dedicated to establish other types of societies such as consumer, marketing etc. on par with credit societies, by modifying the earlier act of 1904 and enacted as cooperative societies act 1912 (deleted credit word). The theory and concept of cooperative movement was extended in the state of Sikkim by official enactment of "Sikkim cooperative societies act 1955".

After Sikkim joining the mainstream of Indian union, a comprehensive "Sikkim Cooperative Societies act of 1978, Sikkim Cooperative Societies rule of 1981' was enforced.

As per the provisions of act and rules, the Government of Sikkim evolved the idea of establishing the first state level cooperative business organization" Sikkim state cooperative

supply and marketing federation ltd. (SIMFED) with multipurpose cooperative societies at grass root level, in the two-tier structure of cooperative society. SIMFED finally got established in the year 1983 with the main intension to undertake wholesale supply of consumer goods requirement of mpcs & ccs and arrange for bulk marketing of farm surplus including important cash crops in the state.

Achievement/Activities of SIMFED:

Ever since it was commissioned to action in later part of 1984, SIMFED has been able to achieve the following trade of business:-

- Stabilized and diversified marketing of principal cash of the state namely large cardamom, ginger, seed potato, cabbage, apple etc.
- Collection and marketing of medicinal herbs.
- Distribution of edible oil viz. P. oil, rapeseed oil, mustard oil under PDS.
- Marketing supply of exercise book, computers, furniture and other office equipments.
- Procurement and supply of agricultural inputs such as seed, fertilizer, pesticides etc. to Agricultural Department and animal feeds to AHVS department.
- Marketing and distribution superior quality consumer cloths and controlled cloths through cooperatives and other outlets.
- Supply of uniforms to Class-IV employees of the state Government.
- Procurement supply of construction materials such as cement, steel etc. and other miscellaneous items required by the various Government Departments.
- Marketing of almost all types of consumer item required by its affiliated societies at reasonable price i.e. Siliguri wholesale price.

J. Small Industries Development Bank of India (SIDBI):

SIDBI, Gangtok Branch Office (GTBO) is operational since April, 02 1990 and is engaged actively in Financing and promotional and developmental activities in the Small Scale Industries sector. A brief summary of the activities of the BO is as follows:-

a. Refinance :

The BO has been engaged in extending refinance to Banks and also to Sikkim Industrial Development and Investment Corporation Ltd.,(SIDICO), the twin function IDC, against the loan given by PLIs to Small scale Units, Service sector units (mainly Hotels) and small road transport Operators (SRTO). The BO has assisted SIDICO, SBI, UCO Bank, CBI

and Vijaya Bank in the last three financial years and before that period also. prior to FY 2001, refinance were availed by Bank of Baroda, Bank of India and Canara Bank also.

b. Direct Finance :

The BO has been trying to extend direct financial assistance to SSI units, service sector projects, etc. but it has not picked up because of lack of SSI projects in the state, insufficient infrastructure (land, power etc.) etc.

c. Promotion and Development (P&D):

The BO has been engaged in promotional and developmental activities mainly through Sikkim Consultancy Centre (SICON), a division of West Bengal Organization Ltd. (Promoted by FIs and Banks) and a few other NGOs. SICON has been entrusted the job of implementation of Rural Industrial Programme (RIP) in East District (Headquarters: Gangtok) and South District (Headquarters : Namchi) out of a total of 4 districts in the state. In the last three financial years, SICON has been successful in promoting 131 units in the above 2 districts. Besides, the BO has sponsored Rural Entrepreneurship Development Programme (REDP) conducted by SICON at Gangtok, Mangan (Headquarters of North district), Namchi, Jorethang and REDP on bee-keeping conducted at Rongli by another NGO Sahata Sangh. The BO has extended soft loans (coupled with Grant) under P&D to 4 units in the past.

The BOI has been engaged in extending financial assistance (directly to SSI units / service sector units and indirectly through Banks / SIDICO) on one hand and is also engaged actively in Promotional and Developmental activities (Rural Industries Programme / EDPs, through NGOs, etc. resulting in small enterprises creation). The Bank has also, on its offer, schemes for Infrastructure development, Micro Credit among various ones.

K. SKVIB (Sikkim Khadi & Village Industries Board):

The Sikkim Khadi and Village Industries Board is an autonomous body established by an Act No.4 of 1996. Various provisions of the Act to go to show that Khadi & village Industries play a key role in the eradication of poverty by way of generating employment to the educated un-employed youth and people living in the grass root level and to uplift the down trodden people above the poverty line. Sikkim Khadi & Village Industries Board is a limb and an implementing agency of the State Government and Khadi and Village Industries Commission. There is no escape from saying that only those scheme can be implemented by

the Board which bears the approval of the Govt. Khadi and Village Industries are very important in such a boiling situation of unemployment. The employment has attended the alarming stage of saturation in and in such a situation Khadi and Village Industries can play a vital role for providing the livelihood to the people of the state with the implementation of these schemes by the entrepreneur themselves.

Keeping in view the above mission and motto the Khadi and Village Industries Commission is extending financial assistance to individuals in rural areas for setting up Village Industries Units costing up to Rs.25.00 lakhs in each case through margin Money Scheme. Therefore, this is necessary that the unit is to be set up should be economically viable so that sustainable employment may be provided in rural areas. At the same time the unit should be able to generate sufficient surplus from the activity to enable it to replay the loan along with interest. It puts enormous responsibility on field agency to see that prospective beneficiaries should get proper guidance for preparation and execution of viable projects.

Sikkim Khadi and Village Industries Board has been running Bhavan and Bhandars for sale of Khadi and Village Industries Products. The following sales centers cater the need of the people.

1. Khadi Bhavan, Deorali, Gangtok
2. Khadi Bhandar, Singtam
3. Khadi Bhandar, Namchi
4. Khadi Bhandar, Gyalsing
5. Khadi Bhandar, Jorethang
6. Khadi Bhandar, Supermarket Khadi Emporium, Gangtok.

L. Sikkim State Council of Science & Technology, Govt. of Sikkim:

After India joined the World Trade Organisation in 1995 it has committed itself to the WTO agreements and the Intellectual Property Rights. The IPR issues have far reaching consequences on the competitive and efficient functioning of the MSMEs. The Govt. of Sikkim has initiated to tackle the IPR issues by formulating a Draft Proposal on Sikkim Intellectual Property Policy in 2010. It has employed the services of IPR Juris, a Law Firm based in New Delhi for formulating the said policy. A Patent Information Centre is also functioning at Sikkim Science Centre, Marchak, East Sikkim. The PIC is functioning under the Sikkim State Council of Science & Technology, Govt. of Sikkim. It is learned that the PIC has filed application for registration of Geographical Indications in respect of four items. It is also in the process of setting up a Patent Facilitation Centre with the assistance from Ministry

of MSME, Govt. of India. The Ministry of MSME, Govt. of India has introduced a number of schemes for the benefit of the MSMEs such as organizing Awareness Programme on IPR, Workshop/Seminar, Assistance for setting up Patent Facility Centre, Assistance for conducting Pilot Studies in respect of IPR, reimbursement of expenditures incurred for obtaining Patent and Geographical Indications Registration, Assistance for conducting Short Term/Long Term Courses on IPR.

M. Prime Minister Employment Guarantee Programme(PMEGP):

The Ministry of MSME has launched a new credit linked subsidy programme called PMEGP on 15th August 2008 for generation of employment opportunities through setting up of micro enterprises both in rural & urban areas. This is a central sector scheme administered by Ministry of MSME. The scheme is implemented through State KVIC Directorates, State KVIB and District Industries Centres and banks. The Govt. subsidy under the scheme is being routed by KVIC through the identified Banks for eventual distribution to the beneficiaries/entrepreneurs in their Bank accounts. The objective of the scheme is to generate employment opportunities both in rural and urban areas through setting up of new self employment micro enterprises.

Quantum and Nature of financial assistance: KVIC will provide margin money(subsidy) through the banking system as given below:

Categories of Beneficiaries under PMEGP	Beneficiaries' contribution (of Project cost)	Rate of Subsidy (of Project Cost)	
Area/Location of Project/Unit		Urban	Rural
General Category	10%	15%	25%
Special(including SC/ST/OBC/Minorities/Women,Ex servicemen, Physically handicapped, Hill & Border areas,etc	5%	25%	35%
All categories of beneficiaries of States of North Eastern region	5%	25%	35%
Ceiling Limit of Project Cost	Rs 25 Lakh for Manufacturing Unit	Rs 10 Lakh for Service Unit	

Districtwise No of Applications received and approved in 201002011(From 01/04/2010 to 28/02/2011) under PMEGP:

District	No of Applications Received	No of Projects Approved
East	127	71
North	7	7
South	51	38
West	37	37
Total	222	153

Disbursal of Funds under PMEGP

Sponsoring Agency	Target		Spon No	Sanctioned		Disbursed		Rejected No	Pending Amount
	No	Amount		No	Amount	No	Amount		
DIC	80	16800	62	31	3461	31	3394	31	0
KVIC	60	12600	57	37	9467	37	9467	20	0
KVIB	60	12600	34	19	3579	19	2923	15	0
Total	120	42000	153	87	16507	87	15784	66	0

INDUSTRIAL SCENARIO IN THE STATE

Sikkim is one of the least industrially developed state in India, heavily dependent on Central Government grants, and needs to undertake an all around development effort to be at par with the other states of the country. It is, hence, necessary to identify the priorities and emphasize the significance the objectives of speedy industrial development and generation of adequate employment opportunities. Keeping these objectives in mind, the industrial policy attempts to satisfy the aspirations of the people, through economic and industrial development of the state.

80 percent of the population lives in rural Sikkim and agriculture plays a dominant role in the State economy with the total cultivable land of around 70,000 hectares, the per capita availability of land is a meager 0.18 hectares. The rugged mountainous terrain, fragmentation of land erosion of the hilly tracts, geographical seclusion of Sikkim from mainland India, bottlenecks transportation, dependence on traditional methods of cultivation, etc. have contributed to the low productivity of agricultural crops and difficulties in undertaking large scale farming. Consequently, there has been very limited improvement in the methods of agriculture over the years.

The main crops produced are rice, wheat, maize, large cardamom and ginger, with potential for the commercialization of large cardamom, ginger, fruits, tea, medicinal herbs and exportable flowers. There are large areas of fallow land available which can be converted into productive farms for cash crops. Sikkim produces 80 percent of India's large cardamom, which enjoys a high value export market in Pakistan, Singapore and the Middle-East. The ginger is also of a good quality and has export prospects. The large cardamom and ginger can hence be converted into value added products. Fruits can be processed for value addition. Exotic flowers can be cultured for export. Honey and tea are other agro-based products that have high potential. There is a good market for the minor forest produce of the State.

The varied altitude is ideal for the cultivation of a variety of herbs, which can be used in the manufacture of medicines, cosmetics and aromatic products. The climate is ideal for the development of mulberry plantation and hence, the establishment of a sericulture industry. The absence of profitable marketing network and the lack of appropriate processing facilities for manufacturing quality finished products has resulted in most of the produce being sold at uncompetitive prices to other states as raw materials, and their true potential has not been exploited. Therefore, due attention needs to be given for the development of agro-based, food processing and forest based units.

There are good prospects for setting up dairy and animals husbandry units on a commercial basis. The milk production offers opportunities for developing processed food products like cheese, butter, etc. The population being predominantly non-vegetarian, meat-processing and packaging units offer promise in the state

The state has a good resource base of minerals like zinc, lead, copper, dolomite, coal, quartzite, graphite, talc etc., Commercial exploitation of some of these minerals is being carried out by the Sikkim Mining Corporation. The traditional, cottage industries and specially handicrafts enjoy a good national and international market but more needs to be done on upgrading quality and design, as well as production and also improvement in the marketing network.

The abundant natural beauty of Sikkim offers a good potential to attract foreign and domestic tourists, and is conducive to the setting up of tourist spots, holiday resorts leisure camps of trekking and adventure sports activities. However, to develop and sustain the tourism industry, adequate travel and tourism related infrastructure needs to be created. Conference Tourism can also be promoted. The state is dependently only on a network of roadways for transportation. At present, no air or water transport facilities are available. During the monsoon period transportation is hampered due to landslides etc. Therefore there is an urgent case for upgrading the road transportation network to and from Sikkim to other parts of India.

Accommodation facilities are at present only adequate for tourists and must thereafter be enhanced. The overall power situation though comfortable must be suitably enhanced to induce more power intensive industries to the state. Human resources need to be developed with the ultimate objective of creating the necessary skills commensurate with the future industry and market requirements.

Status of functioning registered industries in Sikkim:

- The total no. of registered enterprises in Sikkim was 353 as on 31st March,2003.
- The no of Medium Scale units was only 3.
- The no of State PSUs was 6 and Central PSUs was only 2.
- As per the data received from the Department of Commerce and Industries the total no. of registered enterprises since 1975 to February,2011 are 649 out of which 314 are not functioning while 335 units are functioning.
- No. of enterprises issued permanent registration for the years 2007-08, 2008-09, 2009-10 & 2010-2011 was 14, 71, 18 & 49 respectively after the implementation of MSMED Act,2006

- Sectorwise Distribution of EM Part II issued to Enterprises for the period 2007-08 to 2009-10 :-
 - Manufacturing : 18
 - Service : 85
- Sectorwise Distribution of EM Part II issued to Enterprises for the period 2010-2011 stood at
 - Manufacturing : 7
 - Service : 42

- Categoriwise Distribution of EM Part II issued to Enterprises for the period 2007-08 to 2009-10
 - Micro : 14
 - Small : 71
 - Medium : 18

- Categoriwise Distribution of EM Part II issued to Enterprises for the period 2010-2011
 - Micro : 8
 - Small : 40
 - Medium : 1

- Districtwise Distribution of EM Part II issued to Enterprises for the period 2007-08 to 2009-10

▪ East	: 60
▪ West	: 30
▪ North	: 5
▪ South	: 8

- Districtwise Distribution of EM Part II issued to Enterprises for the period 2010-2011 stood at

East	: 22
West	: 23
North	: 00
South	: 04

A tabular presentation with the associated graphical depiction of the status of the registered enterprises over the years is given in tables 1 to 6 below.

Table-1
List of industries existing as on March, 2003

No. of registered SSI up to 31 st March, 2003	353
Medium Scale Units	3
Large Scale Units	Nil
Central Public Sector Undertaking	2
State Public Sector Undertaking	6

Source: www.Sikkimgovt.org & Directorate of Industries

Table-2

No. of registered SSI up to 28/02/2011	649
Non Functioning Units	314
Functioning Units	335
Central Public Sector Undertaking	2
State Public Sector Undertaking	6

As per the Entrepreneur Memorandum Part I & Part II received from the Directorate of Industries for the year 2007-2008, 2008-2009 & 2009-2010, the no. of units that were issued EM Part I & EM Part II is shown in Table 2 Table-3 below:

Table-3
Districtwise No. of Entrepreneurs Memorandum Part I issued during 2007-08 & 2008-09:

	01.04.2007 to 31.03.2008				01.04.2008 to 31.03.2009			
District	Micro	Small	Medium	Total	Micro	Small	Medium	Total
North	1	Nil	Nil	1	9	Nil	Nil	9
West	12	Nil	Nil	12	24	Nil	1	25
South	57	3	Nil	60	47	Nil	Nil	47
East	86	10	Nil	96	163	2	Nil	165
State Total	156	13	Nil	169	243	2	1	246

Source: Deptt. of Commerce & Industries.

Table-4

Year	District	MICRO		SMALL		MEDIUM		Total
		<i>Manufacturing</i>	<i>Service</i>	<i>Manufacturing</i>	<i>Service</i>	<i>Manufacturing</i>	<i>Service</i>	
2007-2008	North							0
	West				1			1
	South	2		1				3
	East		4	1	4	1		10
2008-2009	North				4			4
	West	1			21		1	23
	South	1		1	2			4
	East	2	7	2	26	1	2	40
2009-2010	North						1	1
	West	2			3		1	6
	South	1						1
	East		3	2	5			10
2010-2011	North	0	0	0	0	0	0	0
	West	0	0	0	23	0	0	23
	South	2	0	1	1	0	0	4
	East	3	3	1	14	0	1	22
Total		14	17	9	104	2	6	152

Source: Directorate of Commerce & Industries

Table-5
Districtwise No. of Enterprises with EM Part II

Year	North	West	South	East
2007-08	0	1	3	10
2008-09	4	23	4	40
2009-10	1	6	1	10
2010-11	0	23	4	22
Total	5	53	12	82

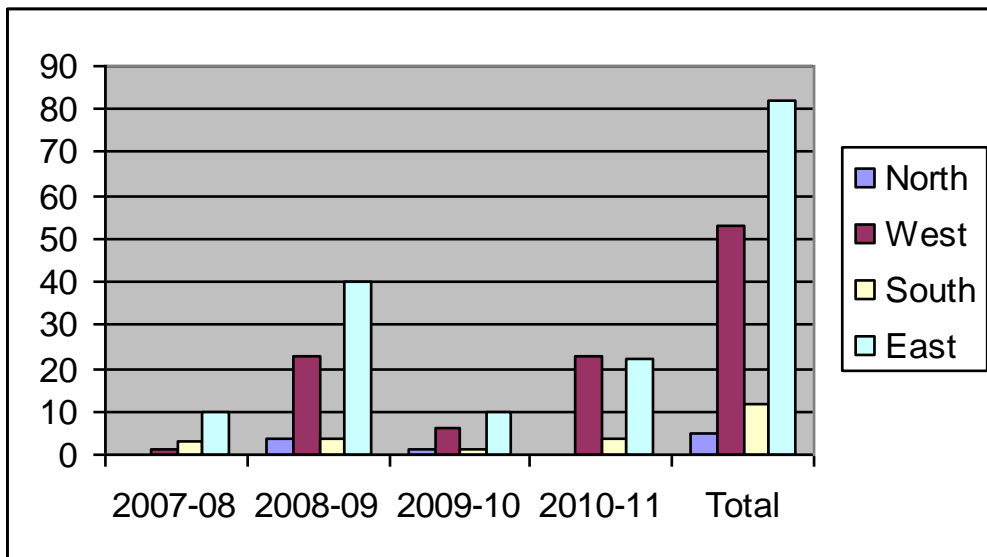
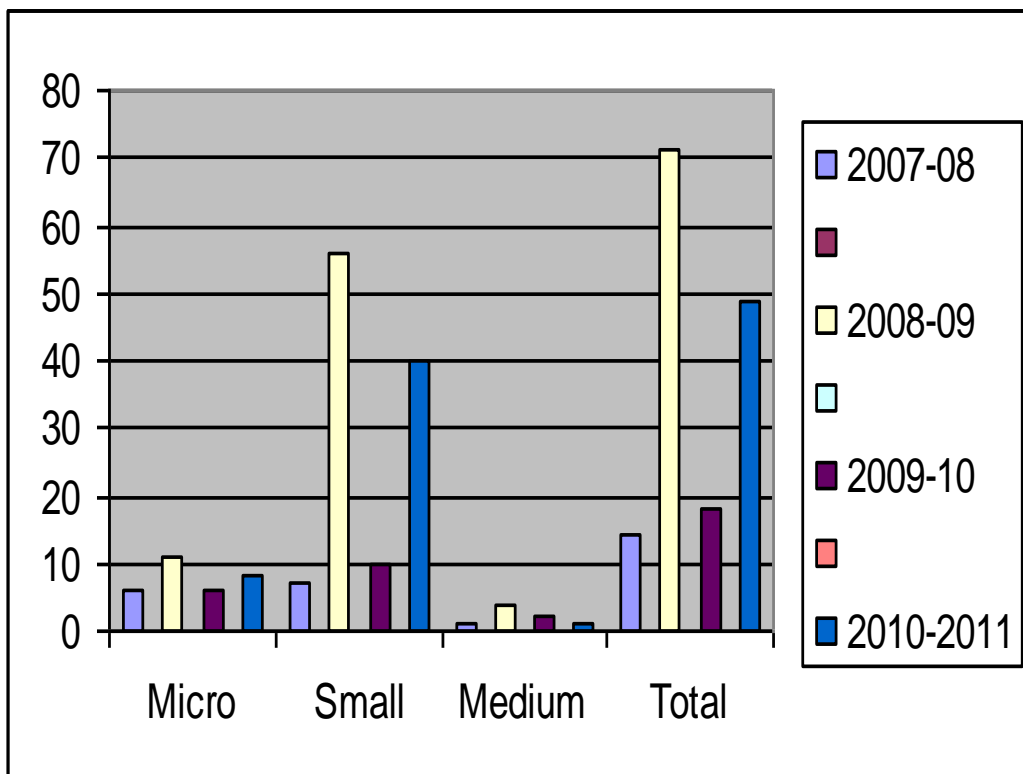
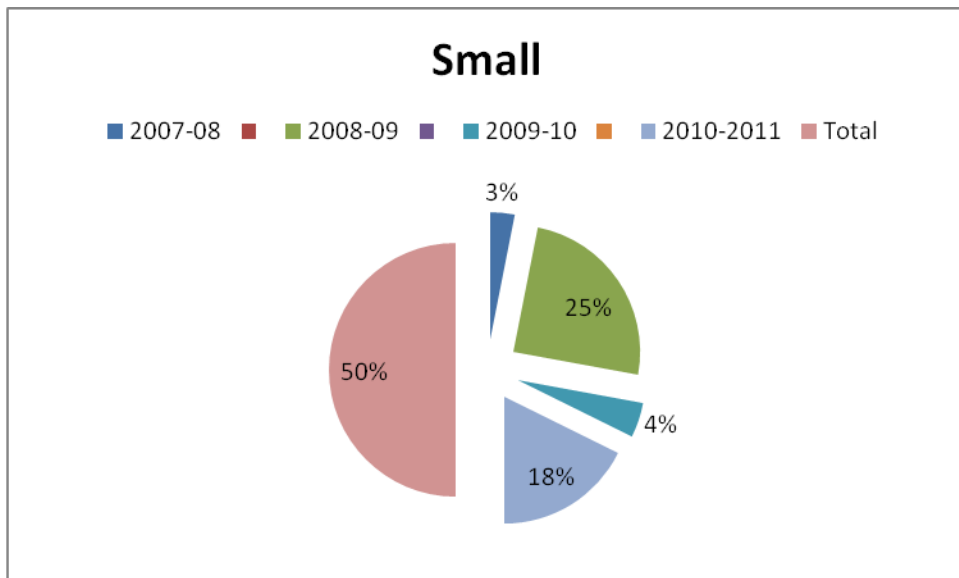
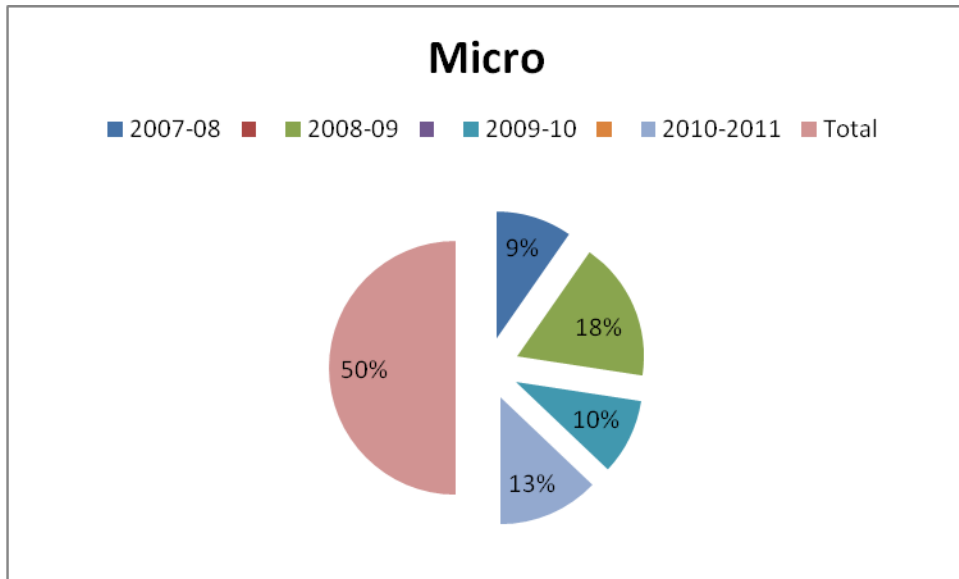


Table-6
Categoriwise No of Enterprises with EM Part II

Year	Micro	Small	Medium	Total
2007-08	6	7	1	14
2008-09	11	56	4	71
2009-10	6	10	2	18
2010-2011	8	40	1	49
Total	31	113	8	152





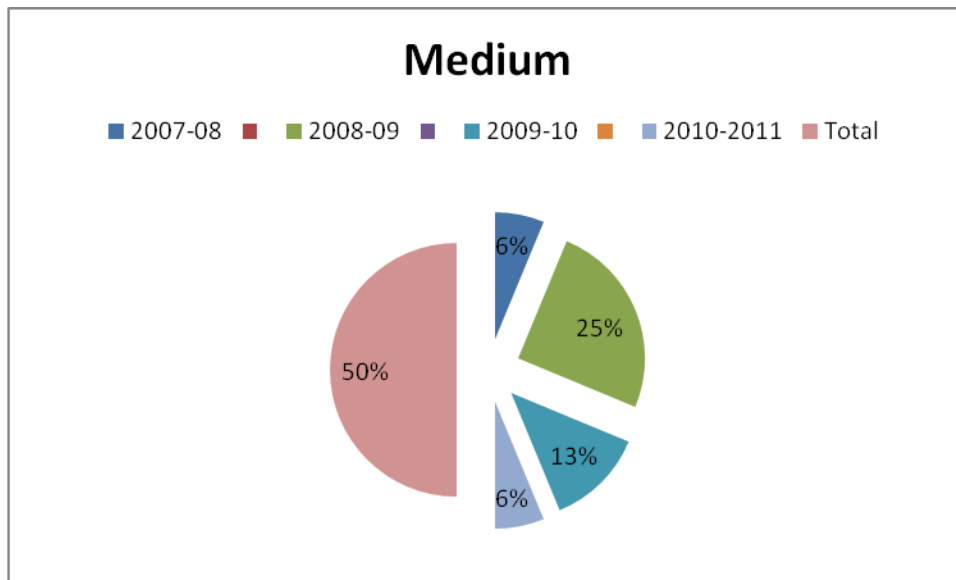


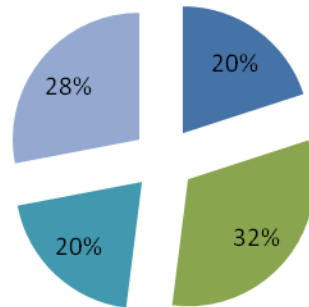
Table-7

Sectorwise No. of Enterprises granted EM- Part II between 2007-08 to 2010-2011.

Year	Manufacturing	Service
2007-08	5	9
2008-09	8	63
2009-10	5	13
2010-11	7	43

Manufacturing

■ 2007-08 ■ 2008-09 ■ 2009-10 ■ 2010-11



Service

■ 2007-08 ■ 2008-09 ■ 2009-10 ■ 2010-11

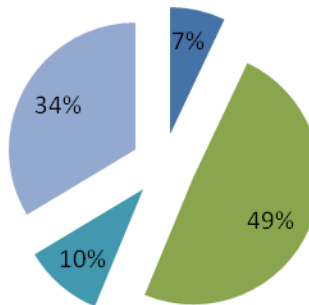


Table-8
List Of Some Prominent Manufacturing Industries In Sikkim

Sl. No	Name	Location	Main Activity Manufacturing
1	Ms Sheela Foam	Bagey Khola, East Sikkim	Foam Mattresses
2	Sicpa India Ltd.	Mamring, South Sikkim	Printing Ink
3	Ms Yuksom Breweries (P) Ltd.	Melli, South Sikkim	Beer
4	Ms. CG Food India (P) Ltd.	Rangpo, East Sikkim	Food Products
5	Ms.Alkem (P) Ltd.	Kumrek,East Sikkim	Pharmceuticals
6	Ms. Godrej	Mamring, South Sikkim	Toiletries & Cosmetics
7	Ms. Zydus Health Care	Majitar, East Sikkim	Pharmaceuticals
8	Ms. Indichem Pharma (P) Ltd.	Kumrek,East Sikkim	Pharmaceuticals
9	Cipla Pharmaceuticals	Kumrek. East Sikkim	Pharmaceuticals
10	Intas Pharmaceuticals	Bagey Khola,East Sikkim	Pharmaceuticals
11	Sun Pharma (P) Ltd,	Aho East Sikkim	Pharmaceuticals
12	Golden Cross Pharma (P) Ltd.	Rorathang ,East Sikkim	Pharmaceuticals
13	Epitome Petrochemical (P) Ltd.	Tumlabong Namli,E. Sikkim	Pet Perform
14	R.K. Industry (Labott)	Manpur, South Sikkim	Bottles
15	JNRT Commercial (P) Ltd.	Manpur, South Sikkim	Pet Bottles & Perform
16	Sikkim Organic	Manpur South Sikkim	Industrial Thinner
17	Lama & Co.(P) Ltd.	Melli,South Sikkim	Paper Carton
18	Sikkim Snacks Food (P) Ltd	Rollu, South Sikkim	Food Products
19	Abinash Industries	Manpur, South Sikkim	S.O.dyes (colour)
20	Ads Industries	Manpur, South Sikkim	Pasper Carton
21	Promising Exports Ltd.	Manpur, South Sikkim	Copper enameled wire
22	Ugen Aggregates & Dolomites	Bagey Khola, East Sikkim	Stone chips
23	Agape Drugs & Pharma (P) Ltd.	Majitar, East Sikkim	Pharmaceuticals
24	Ms.Sikkim Agro Chemical(P) Ltd	Majitar, East Sikkim	M.S.Ingot Iron
25	STP Pharmaceuticals (P) Ltd	Sangkhola, East Sikkim	Pharmaceuticals
26	TS Packers & Provisions(P) Ltd.	Sangkhola,East Sikkim	Pharmaceutical
27	Pristine Life Sciences	Singtam, East Sikkim	Pharmaceuticals
28	Sikkim Ispat Udyog (P) Ltd.	Majitar, East Sikkim	Iron Rods
29	Mount Distelleries Ltd	Majitar, East Sikkim	Liquors
30	Himalayan Distilleries Ltd.	Majitar, East Sikkim	Liquors
31	Tripti's Enterprises	Deorali, East Sikkim	Bakery Products
32	Mayell & Frasers (P) Ltd.	Bagey Khola, East Sikkim	Liquors

The State public Sector Enterprises are:

- **SITCO – Sikkim Time Corporation at Deorali, Gangtok, East Sikkim :**
- **SJL- Sikkim Jewels Limited, Tadong, Gangtok, East Sikkim :**
- **SPIL- Sikkim Precision Industries Ltd., Boomtar – Namchi, South Sikkim:**
- **SIDICO – Sikkim Industrial Development and Investment Corporation Ltd., Bhanu Path, Tashiling, Gangtok, East Sikkim :**
- **GFPF- Governemnt Food Preservation Factory, Singtham, East Sikkim**
- **Temi Tea Estate, Temi South Sikkim**

However, three of the State Public Sector undertakings are being closed or privatized very shortly because they have been incurring huge losses over the years. These three units are SITCO, Sikkim Jewels and SPIL.

PROSPECTIVE LIST OF INDUSTRIES IN SIKKIM

1. Potato Wafers.
2. Spice & Curry Powder.
3. Pickles & Condiments.
4. Popcorn
5. Mini Bakery
6. Wax Candle
7. Detergent (Cake/Liquid)
8. Screen Painting
9. Automobile Servicing
10. Laundry
11. Beauty Parlor
12. Readymade Garments
13. School Bags & Uniform Fabrication.
14. G.I. Wire Netting for Boulder Binding
15. Steel wooden furniture fabrication/repair
16. Carpentry Shop
17. Watch repairing and servicing
18. Leaf Plate Making
19. Vermicomposting
20. Mini Printing Press
21. Tourist Information service centre
22. Poultry
23. Piggery
24. Herbal Medicine
25. Repairing of Electrical and Electronics Household items
26. Internet Cafe
27. Cut flower preservation
28. Umbrella Assembly
29. Video & Audio Cassette Recording
30. PCO & Xerox
31. X-Ray
32. Orchid & Exotic Plant nursery
33. Medicinal Plant cultivation
34. Milk & milk products like Churpi, curd, cheese, ghee etc.
35. Squash, Jam & Jelly etc.
36. Wool Knitting both by hand and machine operated
37. Packaging unit of food products and other items
38. Incense stick from local forest based products
39. Spectacle lens grinding
40. Tea Packaging
41. Sanitary Napkins
42. Sugar Candy.
43. Dehydrated leaf/flower/plants
44. Stone chips crushing (Mobile stationery)
45. Aluminum Fabricated Door & Windows
46. M.S. Rolling & collapsible Shutters

47. Wrought Iron furniture
48. M.S. Building Hardware
49. Umbrella assembling unit
50. Automobile garage
51. Two & three wheeler repairing & servicing
52. Broom Bindings
53. Pump & Generator set repairing & servicing
54. Paper plates/Sal leaf, thali, plates etc.
55. Distribution Boxes
56. Heater/Geysers
57. Automatic switcher of Electrical gadgets.

Future Prospect: The future prospect of the development of the enterprises in the state is very encouraging. A good number of small and medium manufacturing industries have also been set up in the state. These units are providing employment opportunities not only to the unemployed youths of the state but also to those from outside the state. These industries are mainly engaged in the manufacturing of pharmaceutical products, chemicals, pet bottles, food products, iron rods, liquors, paper cartons, etc. Further, with the development of tourism in the state many small and medium service units have been set up. These units are mainly engaged in Hotels & Resorts, Home Stays, etc.

Reason Why You Should Consider Investment in Sikkim:

- Most peaceful state in the country
- Availability of quality power supplies
- Abundant water
- Harmonious Labour relationship
- All four districts are ‘No Industry District’
- Availability of technical / skilled man power
- Investors’ friendly atmosphere
- Superb transportation and communication network
- Attractive packages of incentives

For development of Industries in the State of Sikkim Ministry of Commerce and Industry, Department of Industrial Policy and Promotion, Govt. of India vide no. 14(2)/2002-SPS Dated 23rd December 2002 approved a special package of Incentives.

THE POLICY INITIATIVES UNDERTAKEN BY THE CENTRAL & STATE GOVT.

The State Govt. of Sikkim has embarked upon the rapid industrialization of the state. It has enacted a no of policy measures to assist the investors for setting up industries in Sikkim. These measures include among others investment subsidy on total investment; subsidy on captive power generating sets; special incentive to the pioneer unit; special incentives for women entrepreneurs; stipendiary support for EDP; allotment of land; subsidy on state transport; power subsidy, etc. Ministry of Commerce and Industry, Department of Industrial Policy and Promotion, Govt. of India has approved a package of fiscal incentives and other concessions for the North East Region which include among others excise duty exemption; income tax exemption; capital investment subsidy; interest subsidy; comprehensive insurance; incentives for service/ other sector industries; incentives for bio-technology industry; incentives for power generating industries; transport subsidy, etc. The Policy Initiatives undertaken by the State And Central Govt. towards industrialization of the state is given below:

EXTRAORDINARY

PUBLISHED BY AUTHORITY

Gangtok

Friday, 7th July, 2000

No. 232

**GOVERNMENT OF SIKKIM
LAW DEPARTMENT
GANGTOK**

**No. 18/LD/2000
NOTIFICATION**

Dated 6.7.2000

The following Act of the Sikkim Legislative Assembly having received the assent of the Governor of 3rd day of July,2000 is hereby published for general information.

**THE SIKKIM INDUSTRIAL PROMOTION AND INCENTIVE
ACT,2000
(ACT NO. 18 OF 2000)
AN
ACT**

to make provisions for incentives for tiny, small scale, medium scale and large scale industries set up within the State of Sikkim.

Whereas it is expedient to make provisions for incentives for tiny, small scale, medium scale and large scale industries set up within the state of Sikkim.

Be it enacted by the Legislature of Sikkim in the Fifty first Year of the Republic of India as follows:-

Short title and commencement

1. (1) This Act may be called The Sikkim Industrial Promotion and Incentive Act,2000
- (2) It shall come into force at once.

Application

2. This Act shall be applicable to all industrial units existing on the date of commencement of this Act and also the industrial unit as may be set up after the commencement of this Act. Notwithstanding anything contained herein the industries set up prior to commencement of this Act and enjoyed benefits, concessions, incentives or some other package of subsidies etc. for a period of five years under any Notification or Rules or Orders of Schemes etc. shall not be eligible for any benefits under this act.

Definitions

1. In this Act unless the context otherwise required:-
 - (a) "Artisan and tiny units, small Scale Units and Medium/Large scale Units" mean an Industrial Unit as defined by the government of India from time to time and includes co-operative industrial units.
 - (b) "Capital" means the total investment of money on tangible assets like building, etc. and intangible assets like good will,
 - (c) "Company" means a unit registered under the provision of the law relating to registration of Companies for the time being in force in the State;
 - (d) "Co-operative Society" means any co-operative industrial unit registered under the Sikkim Co-operative Society Act, 1978;

- (e) "Fixed Investment" means investment made in land building, plant and machineries and other capital goods;
- (f) "Partnership Firm" means a unit formed by two or more persons;
- (g) "Proprietorship" means a unit owned by a single person'
- (h) "Small Scale Industry" means where the investment in fixed assets in plant and machineries, (i.e. excluding the cost of land, building, etc.) whether held on ownership terms or on lease or on hire purchase, not exceeding 100 lakhs;
- (i) "Working Capital" means that component of fund loan which is required for meeting up the expenditure on day to day operation of a unit including cost of inventories, raw materials, component works in progress and operative expenses like wages, salaries, power charges and other recurring expenses;
- (j) "Working Capital Loan" means a loan required for acquisition current assets for meeting day to day requirements of an industrial unit for completing the operation cycle and include cash credit and over draft facilities and any other short term loan required by the industrial unit;
- (k) "Year" means the financial year commencing on the first day of April and ending on the 31st day of March next following.

Disqualification

2. Where an industrial unit falls to furnish any information or material particulars or record or document or having received the benefits available under the act is found to have resorted to malpractice or misused benefits of concessions or suppresses or furnishes wrong information or is otherwise found to have not acted bonafide shall be disqualified from availing any benefits or concession or incentive under the Act.

Sanctioning, recovery, Reimbursement etc.

3. Sanctioning authority for benefits/incentives under this Act shall be such as would be notified by the State Government from time to time who shall also be the authority to receive all applications for such incentives or benefits and also shall deal with any issue of recovery, reimbursement or adjustment.

Subsidy of Interest on Working Capital

4. Where an industry has received or is eligible to receive subsidy on interest, such subsidy will be for interest in excess of 14% of the interest payable by the industrial unit on the working capital loan and will be available for a period of five years in the following manner to different categories of industries from the date of obtaining the loan.

Artisan and Tiny Scale Units	Small Scale Units	Medium/Large Scale Units
Rs.10,000.00 (Rupees Ten thousand) or actual Difference in interest Whichever is less,	Rs. 50,000.00 (Rupees fifty thousand) or actual difference interest, whichever is less	Rs. 1,00,000.00 (Rupees one lakh) or actual, difference in interest whichever Is less.

Price Preference

5. Industrial units either small or large set up within the territory of State of Sikkim shall enjoy a price preference to the extent of 15% over the rates of price quoted for same product having same or equivalent quality brought from outside the state.

Subsidy on power

6. An industrial unit consuming power upto Rs.50,000.00 per annum shall be eligible for 50% reimbursement.

Exemption on security deposit and/or earnest money.

7. Industrial unit shall be exempted from payment of security deposit and or earnest money in respect of lenders or quotations for purchase of stores by Government Department.

International Standard Organisation/Indian Standard Institute Certification.

8. The industrial unit shall obtain Indian Standard Institute/International Standard Organisation Certificate in respect of their products to compete at the state and national level and to ensure product quality and for such the State Government shall reimburse 100% of the expenditure incurred on the registration fees, testing fees, annual license fees, purchase of testing equipment provided the maximum amount payable by way of reimbursement shall not exceed Rs.25,000.00.

Subsidy on Registration Fee of Promotion council, Indian Standard Institution, Commodity Board, Chamber of Commerce.

9. The amount spent by an industrial unit in obtaining a registration with Promotion Council. Indian standard institution, Commodity Board, Chamber of Commerce, etc. shall be reimbursed to the unit, subject to a maximum of rs.10,000.00 (Rupees ten thousand) or the actual registration fee, whichever is less.

Taxation matter

10. Exemption under Notification No.2/TIC dated the 16th February,1974 will continue.

Periods of exemption

13. (1) The benefits, concessions or exemptions as conferred under this Act shall be for such period as may be notified by the sanctioning authority.
- (2) The sanctioning authority may with the approval of the Government from time to time, notify such additional benefits, concessions or exemptions applicable to industrial units as may be considered desirable.

Power to Remove Difficulties

14. If any difficulty arises in given effect to the provisions of this Act, the Government may be order not in consistent with the provisions of this Act, remove such difficulties.

Repeal

All the notifications, orders, instructions, circulars, schemes etc. issued from time to time for the purpose of extending benefits/incentives/concessions to industry both tiny, small scale or medium/large scale industry are hereby repealed.

By Order of the Governor.

T.D. Rinzing,
Secretary to the Govt. of Sikkim,
Law Department

SIKKIM

GOVERNMENT

GAZETTE

EXTRAORDINARY
PUBLISHED BY AUTHORITY

Gangtok

Monday 18th August, 2003

No. 264

PUBLISHED BY AUTHORITY

Gangtok

Monday 18th August, 2003

No. 264

GOVERNMENT OF SIKKIM
LAW DEPARTMENT
GANGTOK

No. 11/LD/RC/2003

Dated 13th August, 2003**NOTIFICATION**

The following Act of the Sikkim Legislative Assembly having received the assent of the Governor on 4th day of August, 2003 is published for general information:-

**THE SIKKIM INDUSTRIAL PROMOTION AND INCENTIVE (AMENDMENT) ACT, 2003
(ACT NO. 11 OF 2003)**

AN
ACT

To amend the Sikkim Industrial Promotion and Incentives Act, 2002.

BE it enacted by the Legislature of Sikkim in the Fifty-Fourth Year of the Republic of India as follows:-

- | | | | |
|-------------------------------------|----|-----|---|
| Short title and commencement | 1. | (1) | This Act may be called the Sikkim Industrial Promotion and incentive (Amendment) Act, 2003 |
| | | (2) | It shall come into force at once. |
| Amendment of Section 2. | 2. | | In the Sikkim Industrial Promotion and incentive Act 2000, (hereinafter referred to as the said Act), section 2 shall be Renumbered as sub-section (1) of that section and in sub-section (1) as so renumbered, for the work "five" the work "ten" shall be substituted and after sub-section (1) as so renumbered, the following sub-sections shall be inserted, namely:-
“(2) The scheme will also be applicable to existing units in case of diversification, modernization and expansion.” |
| Amendment of | 3. | | diversification modernization and expansion should entail enhancement in the existing capacity by at least 25% and the package of incentive admissible to the unit shall relate to the expanded portion only. For the purpose of this calculation un-depreciated value of the capital investment made on land, building, plant and machinery of the unit will be taken into consideration. |
| Amendment of | 3. | | In the said Act, in section 3, |

Section 3

i) After clause (d) following clauses shall be inserted, namely:-

“(dd) diversification” means separately identifiable investment made by an existing Industrial unit in the fixed capital assets to set up a project for manufacturing of new product(s) provided that the additional investment in the fixed assets is not less than 25% of the gross fixed capital and increase of additional employment is at least by 10%.

“Expansion” of an industrial units means additional fixed unit. For the purpose of calculation, gross value of all the capital investment made on land, building and plant machinery of the existing unit will be taken into consideration. Expansion shall also imply an increase of at least 25% in the existing installed capacity as well as increase of additional employment of at least by 10%. Prior to going for expansion, the units should be operating at least at a minimum of 80% capacity during the three previous years.”

(ii) after clause (e), the following clause shall be inserted, namely:-

“(ee) “Modernization” means separately identifiable investment made by an existing industrial unit in the fixed capital technology having a definite advantage in reduction of cost of production provided that the additional investment in the fixed assets should not be less than 25% of the gross fixed capital.

The incentive available to the unit undergoing expansion/diversification/modernization shall be for the additional investment made and/or the increase in production over the average of three previous years prior to the year when the unit goes for expansion/diversification as applicable. The year for this purpose shall mean a financial year. The units which have taken up expansion/diversification/modernization plan prior to coming into force of this policy should intimate the concerned agency within three months from the date of implementation of the policy”.

Amendment of 4. In the said Act, for the existing section 5, the following **Section 5.** section shall be substituted, namely:-

“Sanctioning Authority 5

For the benefits/incentives under this Act, the following authorities shall have the power of sanctioning namely:-

- (1) General Manager of District Industries Centres up to Rs.10,000/- (Rupees ten thousand).
- (2) Director of industries upto rs.1,00,000/- (Rupees one lakh)
- (3) Secretary Industries up to rs.1,50,000/- (Rupees one lakh and fifty thousand).
- (4) Minister-in-charge, Industries – all cases above Rs.1.5 lakhs to rs. 5 lakhs (Rupees five lakhs)
- (5) There shall be a Committee constituted under the Scheme consisting of the Minister Industries with secretary, Industries, secretary, Finance and director Industries as members who shall sanction subsidies incentive between rs. 5 to 8 lakhs (Rupees five to eight lakhs).
- (6) All cases above Rs. 8 lakhs (Rupees eight lakhs) will be placed in the Cabinet.”

Insertion of

5. In the said Act, after section 6, the following sections shall

New section

be inserted, namely:-

6A. An investment subsidy on the total investment shall be “Subsidy on State provided on a graded level to the industry. It will be Capital Investment available to both new as well as those carrying out expansion, diversification or modernization activities.

Artisan and Tiny Scale Unit	SmallScaleIndustries Scale Unit	Medium/Large Scale Unit
<p>a) 15 percent of total capital investment in plant and machinery subject to a maximum of rs.30,000/- (Rupees thirty thousand).</p> <p>b) 30 percent of total capital investment in plant and machinery subject to a maximum of rs.60,000/- (Rupees sixty thousand), for units set up by local entrepreneurs.</p> <p>c) For units set up in the thrust areas 20 percent of total capital investment in plant and machinery subject to a maximum of Rs.40,000/- (Rs. Forty thousand).</p> <p>d) For units set up in the thrust areas by local entrepreneurs 20 percent of total capital investment in plant and machinery subject to a maximum of rs.80,000/- (Rupees eighty thousand).</p>	<p>a) 10 percent of total capital investment in plant and machinery subject to a maximum of Rs.5 lacs. (Rs. Five lakhs)</p> <p>b) For units set up by local entrepreneurs 10 percent of total capital investment in plant and machinery subject to a maximum of Rs. 10 lakhs (Rs. Ten lakhs).</p> <p>c) For units set up in the thrust areas 15 percent of total capital investment in plant and machinery subject to a maximum of Rs. 7 lakhs (Rs. Seven lakhs)</p> <p>d) For units set up in the thrust areas by local entrepreneurs 15 percent of total capital investment in plant and machinery subject to a maximum of Rs.14 lakhs (Rupees fourteen lakhs)..</p>	<p>a) 5 percent of total capital investment in plant and machinery subject to a maximum of Rs.10 lakhs (Rupees ten lakhs)).</p> <p>b) For units set up by local entrepreneurs 10 percent of total capital investment in plant and machinery subject to a maximum of Rs.15 lakhs (Rupees fifteen lakhs).</p> <p>c) For units set up in the thrust area 10 percent of total capital investment in plant and machinery, subject to a maximum of Rs.15 lakhs (Rupees fifteen lakhs)</p> <p>d) for units set up in the thrust areas by local entrepreneurs 20 % of total capital investment in plant and machinery, subject to a maximum of Rs. 30 lakhs (Rupees thirty lakhs).</p>

**Subsidy on
Captive power
Generating sets.**

6B (1) In order to encourage and assist industrial units to be self sufficient in their requirements of powers, the State Government shall subsidize upto 20 percent of the cost of purchase of captive power generating sets subject to a maximum of Rs. 1 lakh (Rupees one lakh). And in case of units set up by local entrepreneurs subsidy will be 50 percent subject to a maximum of rs.2 lakhs.

(2) Industries set up in the thrust area shall get a 30 percent subsidy subject to a maximum of rs.1.25 lakhs (Rupees one lakh and twenty five thousand). In case of units set up by local entrepreneurs in the thrust area subsidy will be 60 percent subject to a maximum of rs.2.50 lakhs.

**Special incentive
To the Pioneer Unit**

6C. a new unit with fixed capital investment exceeding As. 3 crores set up in a district where there are no medium or large Scale Industries will be given pioneer status. Such unit will be eligible for additional state Capital Investment Subsidy of 5% of fixed capital investment subject to a ceiling of rs.1.0 lakhs. Such units will also be given Power subsidy for an additional period of 2 years.

**Special incentive
for women
entrepreneurs.**

6D. Special incentives as detailed below shall be granted to Women entrepreneurs namely:-

(1) Additional state Capital Investment subsidy of 5% subject to a ceiling of Rs.5 lakhs which constitute more than 50% of the workforce in the industry.

(2) additional Interest Subsidy on working capital of 2% subject to a ceiling of 1 lakh for a period of three years from the date of commencement of commercial production.

(3) Built up factory sheds shall be allotted to the women entrepreneur on priority basis and the rent will be subsidized @ 75% of the economic rent for a period of five years from the date of commencement of commercial production.

**Stipendiary
Support for EDP**

6E. Stipend at the rate of Rs.500/- (Rupees five hundred) per month trainee shall be provided for training of 100 youth annually for special entrepreneurship development Programme (EDP) to be conducted by Government approved/recognized institutions subject to the condition that the training period shall not be less than 3 (three) month duration.

**Reimbursement of
Stamp Duty and
Registration Fee**

6F. Small Scale, Village and cottage Industrial Units will be reimbursed in full for the amount paid towards stamp duty and registration fee for securing loans and other incentives from Financial Institutions including mortgage of fixed assets. The reimbursement will be admissible after disbursement of loan by financial Institutions/Banks and will be subject to the condition that the assets mortgaged would not be transferred for a period of 5 years.

- Local employment Promotion grant** **6G.**(1) The state Government will reimburse annually upto 30% (thirty percent) of the realistic wage bill for local employees. This would be for three years from the date of entertainment. The maximum limit of such subsidy is Rs.1 lakh (Rupees one lakh)
(2) Fifty percent of the cost incurred on the training of local employees will be reimbursed subject to the following conditions namely:-
(a) Such trained person shall be absorbed in the unit failing which the unit will refund the subsidy amount paid for the same.
(b) Training shall be conducted in an Institute approved by the State Government.
- Subsidy on cost Incurred on quality Control measures** **6H** (1) Cost of Laboratory Equipment for the purpose of quality control and ISI certification subject to a maximum of Rs. 10,000/- (Rupees ten thousand) per unit will be reimbursed in cases where it does not form part of the project cost. For local entrepreneurs rs.20,000/- (Rupees twenty thousand) per unit will be reimbursed.
(2) Export oriented units committing to export at least 50% (fifty percent) of the value of the turnover will be eligible for an additional reimbursement of rs.1,00,000/- (Rupees one lakh) against such quality control measures. For local entrepreneurs Rs.2,00,000/- (Rupees two lakhs) will be reimbursed.
- Subsidy on Consultancy Service** **6I** An industrial unit shall receive a one time subsidy on consultancy charge paid to an approved consultant as per the scale noted below:-
- | | |
|--|--|
| (1) For project upto Rs. 10 lakhs ten lakhs) | 3% subject to maximum (Rupees of Rs.20,000/- (Rupees twenty thousand). For local entrepreneurs 6% subject to maximum of Rs.40,000/- (Rupees forty thousand). |
| (2) For project above Rs.1.0 lakhs | 3% subject to a maximum of Rs.1,00,000/- (Rupees one lakh). For local entrepreneurs 6% subject to maximum of Rs.2,00,000/- (Rs. Two lakhs) |
- Subsidy on study tours and inplant Training.** **6J** Entrepreneurs sent out side Sikkim with the approval of the Director of Industries for study tours and in plant Training shall be eligible for reimbursement of the return journey expenses of second class train fare and an allowance of Rs.1,000/- (Rupees one thousand) per monism per entrepreneur; Provided that the period of such a study tour/inplant training should not exceed three months and the entrepreneur shall give an

undertaking in writing to the Department of Industries that he/she shall start an industrial unit after obtaining the necessary technical know how of the industry concerned.

The study tour and in plant training for a period not exceeding three months may also be made available for workers who are sent outside the state.

Provided that the industrial unit sending such workers shall obtain and undertaking from them that they shall work in the unit at least for a period of three years from the date they complete training. The reimbursement of expenditure on return journey of second class by train and allowance of rs.500/- (Rs. Five hundred) per workers shall be eligible to the industrial unit concerned in such cases.

Allotment of land **6K** The state Government shall endeavour to provide a developed land with all infrastructure facilities at Growth Centres to all new units except those in the “Services” and Village Industries Sector” in the following manner, namely:-

- 1) The developed land will be allotted on lease basis for a period of 30 (thirty) years.
- 2) The State Government will subsidize the cost of land development at the rates given below:
 - a) Small Scale Industries – 25%
 - b) Export Oriented Unit and Units owned and managed by local Entrepreneurs – 30%
 - c) Large and medium Units (as per definition) – 15%
- 3) The cost of land development will be recovered from the allottee or Industrial units after framing allotment rules, which shall be notified.

Subsidy on State Transport **6L** The State Government shall provide transport subsidy of 50% for transportation of plant and machineries from any part of India to the location of unit in Sikkim at maximum limit of Rs. 1 lakh (Rupees one lakh). For local entrepreneurs the maximum limit will be Rs. 2 lakhs (Rupees two lakhs)

Subsidy for Technical knowhow **6M** A subsidy of 50% shall be admissible to meet the cost of technical know-how obtained from organizations approved in advance by Government of Sikkim on a case to case basis. The subsidy will be released only on commencement of commercial production. The subsidy will be 60% for Small Scale Industrial Units set up in thrust areas and Export Oriented Unit.

Special Incentives For Agro & Food Processing Industries

6N Special incentives shall be granted to the Agro and Food processing industries as detailed below:

1. Additional state capital Investment Subsidy of 5% subject to a ceiling of rs. 5 lakhs for agro and food processing industries.
2. 50% of the cost payable for getting Food Product Order (FPO) license/AGMARK/Trade Mark for the products for food processing industries subject to a maximum ceiling of Rs. 1 lakh (Rs. One lakh)

Amendment of section 6 In the said Act, for the existing section 8, the following section shall be substituted namely:-

Power Subsidy

- 8** (1) There shall be 100% reimbursement of power bill for an industrial unit consuming up to Rs. 50,000/- (Rupees fifty thousand) per annum. The reimbursement above Rs.50,000/- (Rupees fifty thousand) shall be to the extent of Rs. 50,000/- (Rupees fifty thousand) plus 25 percent of the balance of actual payment subject to a maximum of Rs. 2 lakhs. (Rupees two lakhs)
- (2) The state government shall grant a subsidy of 30 percent power tariff to industrial units coming up in Growth Centre in Thrust Areas.
- (3) 50% of the cost incurred on linking of power from the main line to the factory shed subject to a maximum ceiling of Rs.50,000/- (Rupees fifty thousand)

(4) Power tariff to the Industries shall be levied at the cost of production as and when available.

Insertion of new section

7 In the said Act, after section 12, the following section shall be inserted, namely:-

Concession on state And Central Sales Tax

- 12A** (1) the State Sales Taxes shall be exempted for a period of 10 (ten) years from the date of commencement of actual Commercial Production. However, for the units set up in the thrust areas, the exemption period will be 12 (twelve) years.
- (2) The levy of State excise duty and sales tax on units manufacturing alcoholic products will continue as per notification 6/CGO/90/DI/95-96/784 dated 03/10/2000.
- (3) Exemption of Central Sales Taxes and Central Excise Duties will be governed by various Notifications/Orders issued by Government of India in this regard.

**By Order
Rinzing,**

T.D.

Secretary to the Govt. of Sikkim
Law department
F.No.16(82)LD/2003

SIKKIM

GOVERNMENT

GAZETTE

**EXTRAODDINARY
PUBLISHED BY AUTHORITY**

Gangtok

Monday, 17th February, 2003

No.32

**GOVERNMENT OF SIKKIM
DEPARTMENT OF INDUSTRIES**

No. GO/2/DI/2002-2003/901

Dated 17/2/2003

NOTIFICATION

The Notification/Memorandum issued by Ministry of Commerce and Industry, Department of Industrial Policy and Promotion, Govt. of India vide No.14(2)/2002-SPS, dated 23rd December, 2002 approving a special package of incentives for development of Industries in the State of Sikkim, is hereby reproduced for general information of the public and the entrepreneurs as under:

No. 14(2)/2002-SPS
Government of India,
Ministry of Commerce and Industry,
(Department of Industrial Policy and Promotion)
New Delhi, Dated 23rd Dec., 2002.

OFFICE MEMORANDUM

Subject: New Industrial Policy and other concessions for the State of Sikkim.

The Government of Sikkim has requested for a special package for development of industries in the state on the lines for the North East Industrial Policy notified by the Central Government vide Ministry of Industry's OM No. EA/1/2/96-IPD dated 24th Dec., 1997. Discussions on strategy and Action Plan for development of Industries and generation of employment in the State of Sikkim were held with the various related Ministries on the issues inter alia, infrastructure development, financial concessions and easy market access.

2. Keeping in view the fact that the state of Sikkim lags behind in industrial development, a need has been felt for structured interventionist strategies to accelerate industrial development of the State and boost investor confidence. The new initiatives would provide the required incentives as well as an enabling environment for industrial development, improve availability of capital and increase market access to provide a fillip to the private investment in the state.

3. The matter has been carefully considered by the Government and it has been decided to provide the following package of incentives for the State of Sikkim.

- 3.1 Fiscal Incentives to new Industrial Units and substantial expansion of existing units:
- i) New industrial units and existing industrial units on their substantial expansion as defined, set up in Growth Centre, Industrial Infrastructure Development Centers (IIDC) and other locations like industrial Estates, Export Processing Zones, Food Parks, IT Parks, etc., as notified by the Central Government are entitled to 100% (hundred percent) income tax and excise duty exemption for a period of 10 years from the date of commencement of commercial production. Thrust Sector Industries as mentioned in Annexure - II are entitled to similar concessions in the entire State of Sikkim without area restrictions.
 - ii) All New industries in the notified location would be eligible for capital investment subsidy @ 15% of their investment in plant and machinery, subject to a ceiling of As 30 lakhs. The existing units will be entitled to this subsidy on substantial expansion, as defined.
 - iii) An interest subsidy of 3% on the working capital loan would be provided to all new industrial units in notified locations for a period of 10 years after the commencement of commercial production. This benefit would also be extended to existing units in notified locations on expansion as defined, as well as to Thrust Industries shown in Annexure – II.
 - iv) The insurance premium to the extent of hundred percent on capital investment for a period of 10 years would be extended by the Central Government to all new units and to existing units on their substantial expansion, as defined.
- 3.2 Development of Industrial Infrastructure:
- i) The funding pattern under the Growth Centre Scheme currently envisaging a Central assistance of As 10 crore for each centre is raised to As 15 crore per centre.
 - ii) The financing pattern of Integrated Infrastructure Development Centres (IIDC) between Government of India and SIDBI will change from 2:3 to 4:1, and the GOI funds would be in the nature of a grant, so as to provide the required infrastructures support.
- 3.3 The above concessions/subsidies shall be available to all new units and to the existing industrial units on their substantial expansion as defined, in the industrial areas notified by the central Government (Annexure-I) and Thrust Industries (Annexure-II) irrespective of location.
- 3.4 Ineligible industries under the policy:
- Tobacco and tobacco products including cigarettes/cigars/gutka, etc. Aerated branded beverages, and Pollution causing paper and paper products.
- 3.5 Nodal Agency:

North Eastern Development Finance Corporation Limited (NEDFI) would be designated as the Nodal Agency for routing the subsidies/incentives under various schemes notified under this policy.

Explanation:

- (i) The eligible areas for above concessions and thrust industries are as identified in Annex-I & Annex-II respectively.
 - (ii) The notification regarding definition of substantial expansion of the existing units shall be issued separately.
4. Government reach, yes the right to modify any part of the policy in public interest.
 5. The Ministry of Finance, Department of Revenue, Department of Development of North Eastern Region, etc. are requested to amend Act/rules/notifications, etc. and issue necessary instructions for giving affect to these decisions.

**Secretary Industries
Govt. of Sikkim**

Annexure – I

Identified locations for notification under the new industrial Policy for the State of Sikkim.

1. EAST DISTRICT

Gangtok Sub-Division in East District
Rangpo-Mazitar-Bardang-Singtam-Topachani-Martam-32 Mile-West Namli
(Radong)-Samlik-Marchak-Ranipool-Tadong-Deorali-Gangtok-Burtuk-
Bhojogari-Panthang-Pen long-Adam Pool-Rumatek.
Pakyong Sub-Division in East District
Ranipool-Saramsa-Aho-Chota Singtam-Namchey Boong-Lal Turning-
Pakyong.

2. SOUTH DISTRICT

Namchi Sub-Division in South District
Melli-Lower Kitam-Manpur-Mazitar-Jorethang-(Along the state Highway)
Jorethand-Karfektar-Chisopant-Nandugaon-Namchi-Boomtar-Mamring

3. WEST DISTRICT

Soreng Sub-Division in west District
Rohtak-Piplay-Baiguney-Reshi-Legship-Naya Bazar-Cudang-Soreng

4. NORTH DISTRICT

Mangan Sub-Division in North District
Chungthang
Chungthang Sub-Division in North District
Lachen-Lachung

Annexure – II**THRUST INDUSTRIES**

Sl.No.	Activity
1.	Agro-based industries- Floriculture & Horticulture.
2.	Animal Husbandry & Dairy Products.
3.	Minor Forest Based Products.
4.	Handloom, Handicraft & Village Industries.
5.	Tourism/ Hospitality.
6.	Precision Oriented, High Value, Low Volume Products.
7.	Hydel Power.
8.	Tea.
9.	Education.
10.	Pharma Products
11.	Biotechnology

File No. 10(3)/2007-DBA-II/NER

Government of India

Ministry of Commerce and Industry

Department of Industrial Policy and Promotion

New Delhi dated the 1st April, 2007

OFFICE MEMORANDUM

Subject: North East Industrial and Investment Promotion Policy (NEIIPP), 2007

The Government has approved a package of fiscal incentives and other concessions for the North East Region namely 'The **North East Industrial and Investment Promotion Policy (NEIIPP), 2007**', effective from 1.4.2007, which, inter-alia, envisages the following:

(i) Coverage :

The North East Industrial Policy (NEIP), 1997 announced on 24/12/1997 covered the States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura. Under NEIIPP, 2007, Sikkim will also be included. Consequently, the 'New Industrial Policy and other concessions for the State of Sikkim' announced vide O.M. No. 14(2)/2002-SPS dated 23/12/2002 and the Schemes there under i.e. Central Capital Investment Subsidy Scheme, 2002, Central Interest Subsidy Scheme, 2002 and Central Comprehensive Insurance Scheme, 2002, notified vide Notifications No. F. No. 14(2)/2002-SPS dated the 24.12.2002 will be discontinued from 1.4.2007.

(ii) Duration

All new units as well as existing units which go in for substantial expansion, unless otherwise specified and which commence commercial production within the 10 year period from the date of notification of NEIIPP, 2007 will be eligible for incentives for a period of ten years from the date of commencement of commercial production.

(iii) Neutrality of location :

Incentives will be available to all industrial units, new as well as existing units on their substantial expansion, located anywhere in the North Eastern Region. Consequently, the distinction between 'thrust' and 'non-thrust' industries made in NEIP, 1997 will be discontinued from 1.4.2007.

(iv) Substantial Expansion :

Incentives on substantial expansion will be given to units effecting 'an increase by not less than 25% in the value of fixed capital investment in plant and machinery for the purpose of expansion of capacity/modernization and diversification', as against an increase by 33 ½ % which was prescribed in NEIP, 1997.

(v) Excise Duty Exemption :

100% Excise Duty exemption will be continued, on finished products made in the North Eastern Region, as was available under NEIP, 1997. However, in cases, where the CENVAT paid on the raw materials and intermediate products going into the production of finished products (other than the products which are otherwise exempt or subject to nil rate of duty) is higher than the excise duties payable on the finished products, ways and means to refund such overflow of CENVAT credit will be separately notified by the Ministry of Finance.

(vi) Income Tax Exemption :

100% Income Tax Exemption will continue under NEIIPP, 2007 as was available under NEIP, 1997.

(vii) Capital Investment Subsidy:

Capital Investment Subsidy will be enhanced from 15% of the investment in plant and machinery to 30% and the limit for automatic approval of subsidy at this rate will be Rs. 1.5 crores per unit, as against Rs. 30 lakhs as was available under NEIP, 1997. Such subsidy will be applicable to units in the private sector, joint sector, cooperative sector as well as the units set up by the State Governments of the North Eastern Region. For grant of Capital Investment Subsidy higher than Rs. 1.5 crore but upto a maximum of Rs. 30 crores, there will be an Empowered Committee Chaired by Secretary, Department of Industrial Policy & Promotion with Secretaries of Department of Development of North Eastern Region (DONER), Expenditure, Representative of Planning Commission and Secretary of the concerned Ministries of the Government of India dealing with the subject matter of that industry as its members are also the

concerned Chief Secretary/Secretary(Industry) of the North Eastern State where the claiming unit is to be located.

Proposals which are eligible for a subsidy higher than Rs. 30 crores, will be placed by Department of Industrial Policy and Promotion before the Union Cabinet for its consideration and approval.

(viii) **Interest Subsidy :**

Interest Subsidy will be made available @ 3% on working capital loan under NEIIPP, 2007 as was available under NEIP, 1997.

(ix) **Comprehensive Insurance :**

New industrial units as well as the existing units on their substantial expansion will be eligible for reimbursement of 100% insurance premium

The following industries will not be eligible for benefits under NEIIPP, 2007:-

(x) **Negative List :**

- (i) All goods falling under Chapter 24 of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) which pertains to tobacco and manufactured tobacco substitutes.
- (ii) Pan Masala as covered under Chapter 21 of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986).
- (iii) Plastic carry bags of less than 20 microns as specified by Ministry of Environment and Forests Notification No. S.O. 705(E) dated 02.09.1999 and S.O. 698 (E) 17.06.2003.
- (iv) Goods falling under Chapter 27 of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) produced by petroleum oil or gas refineries.

(xi) **Incentives for Service/Other Sector Industries**

Incentives under NEIIPP, 2007 will be applicable to the following service sector activities/industries:

I. Service Sector :

- (i) Hotels (not below Two Star category), adventure and leisure sports including ropeways;
- (ii) Medical and health services in the nature of nursing homes with a minimum capacity of 25 beds and old age homes;
- (iii) Vocational training institutes such as institutes for hotel management, catering and food crafts, entrepreneurship development, nursing and para-medical, civil aviation related training, fashion, design and industrial training.

A number of tax concessions under the existing provisions of Section 10A and 10AA of the Income Tax Act are already available to the IT sector. However, one of the important impediments to the development of Software Technology Parks or IT related SEZs in the North Eastern Region is the non-availability of trained human resources in the North Eastern Region. Accordingly, tax benefits as is availed under Section 80 IC of the Income Tax Act would be extended to IT related training centres and IT hardware units.

II. Incentives for Bio-technology industry :

The biotechnology industry will be eligible for benefits under NEIIPP, 2007 as applicable to other industries.

III. Incentives for Power Generating Industries :

Power Generating Plants will continue to get incentives as governed by the provisions of Section 81 A of the Income Tax Act. In addition, Power Generating Plants upto 10 MW based on both conventional and non-conventional sources will also be eligible for Capital Investment Subsidy, Interest Subsidy and Comprehensive Insurance as applicable under NEIIPP, 2007.

- (xii) **Establishment of monitoring mechanism for implementation of the NEIIPP, 2007:**

In order to establish a monitoring mechanism for implementation of NEIIPP, 2007, a 'High Level Committee'/an 'Advisory Committee' under the Chairmanship of Secretary, Department of Industrial Policy and Promotion and comprising Secretaries of the Ministries/Departments of Revenue, Department of Development of North Eastern Region (DONER), Banking and Insurance, Representative of Planning Commission, CMD, NEDFI as well as major stakeholders including the industry associations of the North Eastern region would be constituted. In addition, an 'Oversight Committee' will be constituted under the Chairmanship of the Union Commerce and Industry Minister with Industry Ministers of NE States as its members.

(xiii) Value Addition

In order to ensure genuine industrial activities in the North Eastern Region, benefits under NEIIPP, 2007 will not be admissible to goods in respect of which only peripheral activities like preservation during storage, cleaning operations, packing, re-packing, labeling or re-labeling, sorting, alteration or retail sale price etc take place.

(xiv) Transport Subsidy Scheme

The Transport Subsidy Scheme would continue beyond 31.3.2007, on the same terms and conditions. However, an early evaluation of the Scheme will be carried out with a view to introducing necessary safeguards to prevent possible leakages and misuse.

(xv) Nodal agency.

1. The North East Industrial Development Finance Corporation (NEDFI) will continue to act as the nodal agency for disbursement of subsidies under NEIIPP, 2007.
2. The 'New Industrial Policy and other concession in the North Eastern Region' announced vide O.M. No. EA/1/2/96-IPD, dated 24.12.1997 (NEIP, 1997) will cease to operate with effect from 1.4.2007. Industrial Units which have commenced commercial production on or before 31.3.2007 will continue to get benefits/incentives under NEIP, 1997.
3. Government reserves the right to modify any part of the Policy in public interest.

4. All concerned Ministers/ Departments of the Government of India are requested to amend their respective Acts/rules/notifications etc. and issue necessary instructions for giving effect to these decisions.

(N.N. Prasad)

Joint Secretary to the Government of India

SIKKIM

GOVERNMENT

GAZETTE

EXTRAORDINARY

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No.165

LAW DEPARTMENT

GOVERNMENT OF SIKKIM

GANGTOK

No.11/LD/P/07

Date: 01.05.2007

NOTIFICATION

The following Act passed by the Sikkim Legislative Assembly and having received the assent of the Governor on the 16th day of April, 2007 is hereby published for general information:

THE SIKKIM INDUSTRIAL PROMOTION AND INCENTIVE (AMENDMENT) ACT, 2007 (Act No.11 of 2007)

AN ACT

Further to amend the Sikkim Industrial Promotion and Incentive Act 2000

BE it enacted by the Legislature of Sikkim in the Fifty-eight Year of the Republic of India as follows:

- | | |
|--------------------------------------|--|
| Short title and Commencement. | <p>1. (1) This Act may be called the Sikkim Industrial Promotion and Incentive (Amendment) Act, 2007.</p> <p>(2) It shall come into force at once.</p> |
| Amendment of Section 6A | <p>2. In the Sikkim Industrial Promotion and Incentive Act 2000 (hereinafter referred to as the said Act) Section 6 A shall be renumbered as sub-section (1) of that section and after that sub-section (1) as so renumbered, the following sub-section shall be inserted, namely:-</p> <p>(2) “Where an Industrial unit already enjoying a Central Investment Subsidy” shall not be eligible to claim State Investment Subsidy under the Act.</p> |

**Amendment of
Section 8**

3. In the said Act, in sub-section (2) of Section 8, after the words “Thrust Areas”, the words and figure “subject to maximum of Rs.2 lakhs (Rupees two lakhs) shall be inserted.

**Amendment of
Section 12(A)**

4. In the said Act, for the existing Section 12 A the following section shall be substituted, namely:

“12A (1) “The Value Added Tax (VAT) payable by an Industrial Unit shall be deferred for a period of 10(ten) years and for a period of 12(twelve) years for notified thrust industries from the date commencement of actual commercial production. These industrial units will be permitted to collect VAT and roll it back as working capital for the entire period of deferment as the case may be. At the end of the deferment period, the VAT collected will have to be remitted to the Government Account in four half yearly installments. In case of those units which are already enjoying the sales tax exemption the same will be converted into VAT deferral scheme as above for the remaining periods of their exemption as the case may be.”

- (2) The levy of State Excise Duty and Sales Tax on units manufacturing alcoholic/beer products shall be governed by such notification as may be issued by the State Government

from time to time.

(3) Central Sales Tax shall not be exempted.

By Order.

R.K.Purkayashta (SSJS)

LR-cum-Secretary,

Law Department