Government of Jammu & Kashmir

Health & Medical Education Department

Civil Secretariat – Jammu

***

Subject: Adoption of 'AYUSH-Care Investment Policy-2020' in the UT of Jammu and Kashmir.

Ref: Administrative Council Decision No. 49/6/2020 dated 18-03-2020.

Government Order No: 378 - HME of 2020
Dated: 20 -04-2020

Sanction is accorded to the adoption of the **'AYUSH Care Investment Policy-2020'**, as annexed at **'Annexure A'** to this Government Order, by the Health & Medical Education Department for its implementation in the Union Territory of Jammu & Kashmir with effect from the date of enforcement of New Industrial Policy, 2020.

By order of the Lieutenant Governor

Sd/-
(Atal Dulloo) IAS
Financial Commissioner

No: HD/Plan/06/2020 Dated: -04-2020

Copy for information to:

1. Financial Commissioner, Finance Department
2. Principal Secretary to Hon'ble Lieutenant Governor, J&K.
3. Joint Secretary (J&K), Ministry of Home Affairs, Government of India.
4. Commissioner/ Secretary to Govt., Industries & Commerce Department
5. Secretary to Govt., General Administration Department.
6. Mission Director, National Health Mission, J&K, Jammu.
7. OSD to Advisor (B)
8. Director, ISM, J&K, Jammu.
9. MD, J&K Medical Supplies Corporation Limited, Srinagar.
10. Commissioner, Food & Drugs Administration
11. I/c Website Section.
12. Govt. Order file (w4scs).
13. Concerned file.

(Madan Lal) 20.4.2020
Joint Director (Planning)

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Government of Jammu & Kashmir

AYUSH-CARE INVESTMENT POLICY - 2020

Health & Medical Education Department

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AYUSH-CARE INVESTMENT POLICY

1. Introduction

1.1. Traditional medicine has always maintained its popularity worldwide and the last decades have witnessed an increasing use of complementary and alternative medicines in many developed and developing countries. Popular traditional, complementary and alternative medicine practices include Ayurveda, Homoeopathy, Naturopathy, Yoga, Siddha, Unani, Acupuncture, Babylonian Medicine, Chiropractic, Osteopathy, Tai Chi and Traditional Thai Medicine. It has been researched that 80 per cent of the population of some Asian and African countries presently use herbal medicine for some aspect of primary healthcare[1].

1 WHO Global Strategy on Traditional and Alternative Medicine

1.2. Traditional medicine (TM) is an important and often underestimated part of health services. In some countries, traditional medicine or non-conventional medicine may be termed complementary medicine (CM). TM has a long history of use in health maintenance and in disease prevention and treatment, particularly for chronic disease.

1.3. India is known for its strong foundation in traditional medicinal systems like Ayurveda, Unani and Siddha. These medical systems have a long history as they are mentioned even in the ancient Vedas and other scriptures. The Ayurvedic medical system was developed around 3000 BC.

1.4. India is the world's second largest exporter of medicinal plants after China and both the countries together produce more than 70% of the total global demand for herbal products. India is the only country with codified system of traditional medicine like Ayurveda, Unani and Siddha wherein the use of medicinal plants for preventive and curative health care are described.

1.5. Jammu & Kashmir is a treasure trove of herbs and the Department is ensuring conservation, sustainability and development of these through J&K Medicinal Plants Board. Directorate of I.S.M acts as a Nodal agency for J&K Medicinal Plants Board which has been set up in 2001 with a view to ensure conservation, development and marketing of Medicinal plants and to coordinate, monitor and give directions in accordance with the policies of National Medicinal Plants Board (NMPB) Ministry of AYUSH, Government of India. Some of the medicinal plant species which can be cultivated in J&K are *Acorus calamus Linn.* (Vach), *Aloe vera*, (Ghritkumari), *Asparagus racemosus* (Shatavari), *Bacopa monnieri* (Brahmi), *Emblica officinalis* (Amla), *Ginkgo biloba* (Ginkgo), *Hyoscyamus niger* (Khurasani ajwane),

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Ocimum sanctum (Tulsi), *Tinospora cordifolia* (Giloe), *Terminalia chebula* (Harad), *Withania somnifera* (Ashwagandha), *Inula racemosa*(Pushkarmool), *Rauwolfia serpentine* (Sarpgandha), *Rheum emodi* (Revand), *Viola Odorata* (Bunafsha),*Taxus wallichiana* (Talispatra), *Aconitum heterophyllum*(Atees), *Berberis aristata*(Daruhaldi),*Picrorhiza kurroa* (Kutki), *Podophyllum hexandrum* (Bankakri), *Saussurea costus* (Kuth), *Swertia chirata*(Chirata), *Colchicum leteum*(Suranjan), etc.

1.6. Known for the natural environment of the Himalayas, Jammu and Kashmir has abundant natural resources of hills and forests. Its agro-climatic conditions support horticulture-based industries and made J&K the home to more than 300 unique & high value Medicinal and Aromatic plants.

1.7. Jammu and Kashmir is one of the growing UT in India, thanks to the conducive industrial policy. The J&K has close proximity to the national capital Delhi, a leading market of the country and excellent connectivity with neighbouring states of Himachal Pradesh, Haryana, Punjab and Uttarakhand.

1.8. The J&K has a strong physical infrastructure, virtual connectivity with over 24,000 km of road network and two domestic airports. In terms of health infrastructure, the J&K has a good network of hospitals & health centres. The UT has 659 AYUSH healthcare units in Health sector.

1.9. Amongst the AYUSH systems Ayurveda, Yoga & Siddha originated in India, while the other systems Naturopathy, Unani & Homoeopathy emerged in the course of time. AYUSH systems are popular in large number of states and are widely accepted as a holistic, comprehensive, cost effective, bio- friendly and safe systems of medicine.

1.10. Ayurveda means science of life. It is practiced all over India, in neighbouring countries like Sri Lanka, UAE, Nepal and Bangladesh. In most of Indian states modern medicine is practiced along with Ayurveda. Ayurveda is one such traditional medical system which has been integrated into the daily life of J&K to yield unparalleled health benefits to the population due to its social and cultural practices.

1.11. Yoga is a discipline to improve or develop one's inherent power in a balanced manner. It offers the means to attain complete self-realization. The literal meaning of the Sanskrit word Yoga is 'Yog'. Yoga can therefore be defined as a means of uniting the individual spirit with the universal spirit of God. According to Maharishi Patanjali, Yoga is the suppression of modifications of the mind.

1.12. Unani is a form of traditional medicine widely practiced in South Asia. It is one of the eminent branches of alternative medical science in India. Unani is

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based on the Hippocratic theory of Humours and on the six factors that are responsible for prevention of disease and maintenance of health - atmospheric air, food, water, physical movements and repose, mental activities and repose and evacuation and retention

1.13. Siddha is a traditional Dravidian system of medicine mainly practiced in Tamil Nadu and Kerala. This system has a comprehensive approach on the body, mind and the soul in which their products or medicines are manufactured from herbal plants, processed metals, minerals and animal products and by products.

1.14. Homoeopathy has a history of 125 years in India and is classified as a system of complementary medicine in which ailments are treated by minute doses of natural substances.

2. Vision

The policy aims to realize the obligations of Union Territory of J&K for providing quality AYUSH care services to its citizens within a pluralistic system of Integrative AYUSH Healthcare, so as to ensure availability of AYUSH Healthcare at the doorsteps of the common masses. The Policy also aims to promote medicinal plants sector in J&K to conserve, market and process the medicinal plants for establishing herbal industries in J&K.

3. Objectives

The basic objectives of this Policy are:

3.1. To promote good health and expand the outreach of health care to our people, particularly those not provided health cover through preventive, promotive and curative interventions through AYUSH.

3.2. To improve the quality of teachers, clinicians and researchers by revising curricula to contemporary relevance, creating model institutions, Centres of Excellence and extending assistance for creating infrastructural facilities.

3.3. To ensure affordable AYUSH services & drugs which are safe and efficacious.

3.4. To facilitate availability of raw drugs which are authentic and contain essential components as required under pharmacopoeial standards to help improve the quality of drugs for domestic consumption and export.

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3.5. Integrate AYUSH in health care delivery system and National Programmes and ensure optimal use of the vast infrastructure of hospitals, dispensaries and physicians.

3.6. Re-orient and prioritize research in AYUSH to gradually validate therapy and drugs to address in particular the chronic and new life style related emerging diseases.

3.7. Create awareness about the strengths of these systems in India and abroad, to sensitize other stakeholders and providers of health.

3.8. To provide full opportunity for the growth and development of these systems and utilization of the potentiality, strength and revival of their glory.

3.9. To promote cultivation, conservation, marketing and processing of medicinal plants in the Union Territory of J&K.

Need & Justification:

- J&K among few UTs/States in India which has the potential to produce High Altitude Medicinal Plants, and that is the reason High Altitude Medicinal Plants are always on high demand in Herbal Industry.
- The J&K is rich in Indigenous knowledge and folklores regarding medicinal herbs in Unani, Ayurveda and Amchi systems of medicine.
- Being strategically located, J&K has potential for phyto-pharmaceuticals, alkaloids and raw medicinal herbs for the emerging world market.
- Establishing Marketing Mandies and Processing units of Medicinal Plants will encourage Cultivation of Medicinal Plants thereby generating employment generation in J&K.
- Potential of manufacturing Herbal drugs from the locally available Medicinal Herbs.
- J&K being world famous Tourist destination has the potential to develop a network of Herbal Tourist Villages where the tourists apart from enjoying the natural scenic beauties can be cured/soothed by traditional therapies (Panchkarma & Regimental therapies) of Ayurveda, Unani and Yoga thereby boosting Herbal Tourism in the Union Territory.

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4. Strategy

4.1. AYUSH is a competitive and capital investment sector, as the vision of AYUSH Healthcare is on high demand worldwide. It often requires various fiscal and non-fiscal incentives from Government to deliver quality services on sustainable basis.

4.2. AYUSH has huge potential to boost herbal tourism in the Union Territory of J&K on the same pattern as that of Kerala. Herbal tourism sector cannot be taken only in the Public sector and the private sector needs to be roped in for establishing specialized AYUSH centres providing facilities like Panchkarma, Spa, Regimenal/Aroma Therapies to the tourists on package basis. To facilitate the private investors in J&K, the Government needs to create suitable land bank at famous tourist places earmarked for these specialized centres.

4.3. Private investors (Growers/Traders/Entrepreneurs /Marketing agencies/ Industrialists) need to be encouraged for cultivation, processing, marketing and value addition of local high demand medicinal plants.

5. Definitions

5.1. **"Department"**- means Department of Health and Medical Education Department.

5.2. **"Electricity duty"**- means the electricity duty levied by Government of Jammu and Kashmir.

5.3. **"Policy"**- means AYUSH-Care Investment Policy of Jammu and Kashmir.

5.4. **"Power tariff"** means only the basic rate of electricity per unit charged for the consumption.

5.5. **"Plant and Machinery"** will include the cost of construction of building and all other durable physical assets basic to the running of that service industry or manufacturing enterprise but exclude cost of land and consumables etc.

5.6. **"Government"** means Government of Jammu and Kashmir.

5.7. **"Commencement of commercial operations/Production"**- means the date on which the AYUSH based enterprise actually commences commercial operation/production as certified by the concerned department.

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5.8. **"Mega Projects"** means AYUSH Medical Colleges, Integrated AYUSH Hospitals with a minimum of 100 beds, Marketing Mandies, Processing Units of Medicinal Plants and Herbal Manufacturing Units.

5.9. **"Paramedical Colleges"** shall mean the institutions that impart training the paramedical courses of AYUSH as specified and regulated by J&K Paramedical Council.

5.10. **"Capital Investment"** for the purpose of this policy may include project setting up costs. However, it will not include working capital and operative expenses. Cost of land will not be included in the project cost in such cases where Government land has been offered for the project. The cost of technical and management consultants engaged during the establishment of the unit will be however, considered as a part of the project cost.

5.11. **"Interest Subsidy"** means back ended interest subsidy on term loans availed by the investor for development of AYUSH Healthcare and Capital investment from any bank or financial institution.

5.12. **"Industrial Policy, 2020"** means Industrial Promotion Policy 2020 of the Government of Jammu & Kashmir.

5.13. **"Nodal Agency for allotment of land on lease"** means the J&K SIDCO, J&K SICOP and Department of Tourism which will facilitate allotment of Government land or acquired proprietary land, on lease basis with approval of Apex Level Investment Promotion Empowered Committee.

5.14. **"Apex Level Investment Promotion Empowered Committee"** means the Committee constituted in terms of **clause 12** of this policy under the Chairmanship of the Chief Secretary for accord of approval to propose investment projects and with powers to amend the Policy from time to time as per felt need.

5.15. **"National Policy on ISM&H"** means policy by Ministry of AYUSH Indian Systems of Medicine & Homoeopathy-2002.

5.16. **"AYUSH"** means Ayurveda, Yoga& Naturopathy, Unani, Siddha and Homoeopathy.

5.17. **"JKDISM"** means Jammu and Kashmir Directorate of Indian Systems of Medicine which is Nodal agency for AYUSH in J&K.

5.18. **"JKMPB"** Jammu & Kashmir Medicinal Plants Board.

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6. Incentives

Government of Jammu and Kashmir shall provide financial assistance (capital incentives, interest subsidies, stamp duty exemptions) through Jammu and Kashmir Industrial Policy 2016 and J&K AYUSH-Care Investment Policy 2020.

6.1. Capital Subsidy

30% Capital Subsidy for setting up of 50-Bedded AYUSH Integrated Hospitals, AYUSH Medical Colleges and AYUSH Paramedical Colleges, Marketing Mandies, Processing Units of Medicinal Plants maximum up to Rs 3 Cr in cities with population < 10 lakhs and Rs 5 Cr in cities with a population > 10 lakhs. The incentives from Government of Jammu & Kashmir will not debar the units to avail any incentives provided by Government of India.

6.2. Interest Subsidy

5% of interest subsidy per annum will be given to the eligible ventures subject to ceiling of Rs 15 lakhs per year for 5 years.

6.3. Freight Subsidy:

100% subsidy will be given on Freight charges maximum upto Rs 30.00 Lakhs per year to AYUSH drugs manufacturing units for transportation of material within the country.

6.4. Subsidy on Quality control and Certification:

30% subsidy will be given on Quality control of AYUSH Drugs maximum upto Rs 2.00 Crores and 100% subsidy for quality certification of AYUSH Drugs maximum upto Rs 5.00 Lakhs.

6.5. Land Rebate

6.5.1. The land allotted shall be on lease basis for a period of 90 years (initially for a period of 40 years, renewable at the option of lessor for a further period of 40 years at a time) on a premium and as per the condition applicable in the J&K Industrial policy 2016.

6.5.2. The promotor/Investor setting up the project shall be free to establish the unit on their own propriety/acquired land subject to eligibility of the same as per the defined land use. Government land will also be identified through

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JKSIDCO, SICOP and Department of Tourism to be provided to investors as per industrial policy 2016.

6.5.3. AYUSH Medical Colleges to be set up outside Municipal Corporation limit will be provided land upto 25 acres premium at ₹1 per Kanal. The Minimum Capital Investment shall be₹100 Cr to be made within 5 years.

6.5.4. Integrated AYUSH Hospitals being set up outside municipal Corporation limits, will be provided land up to 2 acres subject to the availability of land. Minimum Capital Investment required will be INR 30 crore for 50 bedded hospitals to be made within a period of 5 years.

6.5.5. Marketing Mandies and Processing Units of Medicinal Plants being set up outside municipal Corporation limits, will be provided land up to 04 acre subject to the availability of land. Minimum Capital Investment required will be INR 8 crore to be made within a period of 3 years.

6.5.6. AYUSH Drug manufacturing units being set up outside municipal corporation limits will be provided land upto 04 acres. Minimum Capital investment required will be INR 2.00 Crores to be made within a period of 03 Years.

7. Power Tariff

7.1.1. The subsidized power tariff rates shall apply as applicable to industries sector. 100% subsidy on purchase & installation of DG sets from 10kw to 2000 KW Capacity with upper ceiling of 45 lakhs.

7.1.2. The subsidy shall be available to the project unit after it has been verified that the DG set has been actually installed and after fulfilment of the following conditions or as may be prescribed:

7.1.2.1. The amount of subsidy on purchase of one (01) DG set shall be paid to the supplier only through a bank (or the concerned financing agency if any) even if the investor may not have taken any loan for purchase of DG set.

7.1.2.2. 50% of the amount of subsidy on DG set shall be paid on verification of installation and the remaining 50% shall be paid after 6 months of installation or date commercial production of the unit whichever is later.

8. Subsidy on Training Cost

8.1. Onetime subsidy upto 25% of the cost incurred on induction training of Paramedical Staff will be provided by the J&K Government.

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8.2. This subsidy will be capped at a maximum of INR 12,000 per person. However, such Paramedical staff will be provided employment for at least 1 year before the subsidy is claimed.

9. Expansion

9.1. An existing hospital which is upgraded into Integrated AYUSH Hospital with 100 beds or more or into a AYUSH Medical College and all existing AYUSH Medical Colleges which expand their capacity will be eligible to avail all such incentives available for setting up new AYUSH Hospitals/Medical Colleges in this policy, provided additional capital investment of at least 50% of original capital expenditure is made to increase existing capacity by at least 50%.

10. Mega Projects

AYUSH Medical Colleges, Integrated AYUSH Hospitals with a minimum of 100 beds, Marketing Mandies, Processing Units of Medicinal Plants and Herbal Manufacturing Units will be treated as Mega projects and will be considered for sanction of special economic and other packages as provided under JK Industrial policy 2016.

11. Amendments to the Policy

Any amendments to this policy shall be made with the prior approval of the Apex Level Investment Promotion Empowered Committee (APLCC).

12. Approval of proposed projects.

All Project Proposals received under this policy will be put up before Apex Level Project Clearance Committee (ALPCC) headed by the Financial Commissioner, Health & Medical Education Department, J&K for approval. The composition of Apex Level Project Clearance Committee (ALPCC) shall be as under:

1.	Financial Commissioner, Health & Medical Education Department	Chairman
2.	Administrative Secretary, Finance Department	Member
3.	Administrative Secretary, Industries and Commerce Department	Member
4.	Administrative Secretary, Revenue Department	Member

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5.	Administrative Secretary, Forest Department	Member
6.	Administrative Secretary, Power Development Department	Member
7.	Administrative Secretary, Tourism Department	Member
8.	Principal Chief Conservator Forests, J&K	Member
9.	Chairman Pollution Control Board, J&K	Member
10.	Principal Govt. Ayurvedic/Unani Medical College, Srinagar/Jammu	Members
11.	Director, Indian Systems of Medicine, J&K	Member
12.	Chief Executive Officer, J&K Medicinal Plants Board	Member
13.	Managing Director, SIDCO, J&K	Member
14.	Managing Director, SICOP, J&K	Member

The Convenor/Member Secretary for serving the committee shall be nominated once the Institutional Mechanism is drawn and finalized.

13. Single Window Clearance:

The Institutional Mechanism will indicate the Single Window Clearance mechanism for processing of the project proposals based on this policy with final approval to be accorded by the APLCC.

14. AYUSH Villages:

The UT Government may declare a well-defined geographical area having potential and being conducive for Promotion of Herbal Tourism as a AYUSH Village and provide infrastructure, support services and higher incentives to attract investment for establishment of multi units of AYUSH Healthcare Sector at one place to promote herbal tourism in J&K.

15. Legal Aspect:

The Courts in the UT of Jammu and Kashmir shall have exclusive jurisdiction to try any case arising out of this policy.

16. The Institutional Mechanism and operational guidelines shall form Annexure B of this Policy.

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