

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE**

RAJYA SABHA

**STARRED QUESTION NO. 222.
TO BE ANSWERED ON FRIDAY, THE 17TH DECEMBER, 2021.**

INDUSTRIAL DEVELOPMENT IN HIMACHAL PRADESH AND UTTARAKHAND

***222. SHRI NARESH BANSAL :**

Will the Minister of **Commerce and Industry** be pleased to state:

- (a) whether Government proposes to promote industrial development in the hill States of Himachal Pradesh and Uttarakhand;
- (b) if so, the details thereof and the details of sanctioned funds along with the targets set in this regard, State-wise; and
- (c) the other steps taken by Government to promote industrial development in said States?

**ANSWER
THE MINISTER OF COMMERCE & INDUSTRY
(SHRI PIYUSH GOYAL)**

(a) to (c) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO RAJYA SABHA STARRED QUESTION NO. 222 FOR ANSWER ON 17TH DECEMBER, 2021.

(a) & (b): Yes Sir, Government of India has been implementing following schemes for providing incentives to promote industrial development in hilly States of Himachal Pradesh and Uttarakhand. Since under these Schemes benefits are provided to industrial units as per their eligibility, no targets are fixed:-

1) The Industrial Development Scheme (IDS) 2017 for Himachal Pradesh & Uttarakhand covers manufacturing & services sector which provides (i) Central Capital Investment Incentive (30% of the investment in plant & machinery with an upper limit of Rs. 5 crore) (ii) Central Comprehensive Insurance Incentive (Reimbursement of 100% insurance premium for 5 years). The scheme is in force from 01.04.2017 to 31.03.2022 with total financial outlay Rs. 131.90 crore. Under the scheme Rs. 35.34 crore to Uttarakhand and Rs. 54.66 crore to Himachal Pradesh has been released during the current financial year 2021-22 up to 14.12.2021.

2) Scheme of Budgetary Support under GST Regime to the Units located in the States/UTs of Jammu & Kashmir, Himachal Pradesh, Uttarakhand and North Eastern Regions including Sikkim. The Scheme of Budgetary Support was notified on 5th Oct, 2017 by Department for Promotion of Industry and Internal Trade. Under the scheme year-wise details of fund disbursement to Himachal Pradesh and Uttarakhand is as under:

(Rs. in crore)

F.Y./State	F.Y. 2021-22 'till 08.12.2021)	F.Y. 2020-21	F.Y. 2019-20	F.Y. 2018-19	F.Y. 2017- 18
Himachal Pradesh	251.91	418.75	273.29	271.80	71.45
Uttarakhand	627.53	857.53	975.30	721.30	0.00

3) Transport Subsidy Scheme 1971 (TSS)/FREIGHT SUBSIDY SCHEME 2013 (FSS)- In order to facilitate the process of industrialization in hilly, remote and inaccessible areas, including Himachal Pradesh and Uttarakhand in terms of subsidizing industrial units for transportation of their finished product and raw material, FSS was introduced in 2013 by replacing Transport Subsidy Scheme, 1971. The Freight Subsidy Scheme (FSS), 2013 has been discontinued, with effect from 22.11.2016. However, industrial units registered under the scheme prior to the date of issue of DIPP's notification dated 22.11.2016 are eligible for the benefits of the scheme for committed number of years post-commencement of commercial production up to 21.11.2021.

STATUS OF THE FUNDS SANCTIONED		
S.No.	Name of the State/UT	Subsidy Released (since inception) (amount in Rs. crore)
1	Himachal Pradesh	560.73
2	Uttarakhand	20.33

(c) : Government of India to promote industrial development in the country including Himachal Pradesh and Uttarakhand has taken the following initiatives:

i) '**Modified Industrial Infrastructure Up-gradation Scheme (MIUS)**' to upgrade common industrial infrastructure in Industrial Parks/Estates/Areas in the country. Under the scheme, the following three projects were sanctioned in the State of Himachal Pradesh.

(Rs. in crore)

Name and location of the project	Date of approval	Total cost	Approved central grant	Released central grant	Status
Baddi Infrastructure, Baddi, HP	19.11.10	88.43	59.95	58.15	Project completed on 31.03.2015
Industrial Area, Kandrori, HP	05.03.15	58.51	18.96	18.96	Project Under Implementation Physical Progress – 99% Financial Progress - 96%
Industrial Area, Pandoga, HP	05.03.15	74.95	20.79	20.79	Project Under Implementation Physical Progress – 98% Financial Progress – 98%

ii) Indian Footwear, Leather & Accessories Development Programme (IFLADP)

Under the Umbrella IFLADP scheme, State of Uttarakhand and Himachal Pradesh have availed the benefits under the “Integrated Development of Leather Sector (IDLS)” sub-scheme. IDLS sub-scheme incentivizes @ 30% of the cost of new Plant and Machinery to Micro, Small & Medium Enterprises (MSMEs) and @ 20% of the cost of Plant and Machinery to other units for Modernization /technology upgradation in existing units and also for setting up of new units. From 2014 to 2021, Rs.2.19 cr. and Rs. 32.00 lakh have been provided for technology upgradation of 4 units of Uttarakhand and 1 unit of Himachal Pradesh, respectively.

iii) Industrial Corridors

Industrial Corridor nodes are being developed as sustainable, smart and resilient manufacturing hubs. Under the Industrial Corridor Programme, as part of Amritsar Kolkata Industrial Corridor (AKIC), Integrated Manufacturing Clusters (IMCs) is under assessment for state of Uttarakhand and current status is furnished as below:-

a. IMC at Khurpia in Uttarakhand:

Govt. of Uttarakhand had confirmed the availability of 1,000 acres for establishment of Integrated Manufacturing Cluster (IMC) at Khurpia in August, 2020. Consultant has been appointed for preparation of detailed master planning & preliminary engineering of IMC, Khurpia in January, 2021. Project development activities viz. Market demand assessment, Site survey, preparation of base map, technical assessment & land suitability, Master Plan have been completed.

b. IMC at Baddi Barotiwala Nalagarh (BBN) area in Himachal Pradesh:

The process/selection of consultant for preparation of detailed master planning & preliminary engineering has been initiated.
