

**GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
DEPARTMENT OF INDUSTRIAL POLICY & PROMOTION**

**LOK SABHA**

**UNSTARRED QUESTION NO. 2993.  
TO BE ANSWERED ON MONDAY, THE 5<sup>TH</sup> DECEMBER, 2016.**

**PROMOTION OF INDUSTRIES IN BORDER STATES**

**2993. SHRI RANJIT SINGH BRAHMPURA:**

Will the Minister of **COMMERCE AND INDUSTRY** be pleased to state:

**वाणिज्य एवं उद्योग मंत्री**

- (a) whether the Government proposes to extend certain fiscal and monetary benefits to entrepreneurs interested to set up their units in the bordering areas of Punjab, Rajasthan, Jammu & Kashmir and Himachal Pradesh;
- (b) if so, the details thereof, State-wise;
- (c) whether the Government has made an analysis for total number of industries, which have moved their base from normal category States to special category States due to such benefits extended; and
- (d) if so, the details thereof?

**ANSWER**

**वाणिज्य एवं उद्योग राज्यमंत्री (स्वतंत्र प्रभार)(श्रीमती निर्मला सीतारमण)  
THE MINISTER OF STATE (INDEPENDENT CHARGE)  
OF THE MINISTRY OF COMMERCE & INDUSTRY  
(SHRIMATI NIRMALA SITHARAMAN)**

- (a) & (b) :** No, Madam. There is no proposal to extend certain fiscal and monetary benefits to entrepreneurs interested to set up their units in the bordering areas of Punjab, Rajasthan, Jammu & Kashmir and Himachal Pradesh. However, to promote industrialization in industrially backward areas of the country, financial support has been extended to industrial units in the Special Category States of Himachal Pradesh, Uttarakhand and Jammu & Kashmir. Details of the nature of industrial incentives being provided in the aforesaid States is annexed.
- (c) & (d):** Establishment of industries is the responsibility of the respective State Governments. DIPP has not made any analysis of total number of industries which have moved their base from normal category States to special category States due to provision of such benefits.

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**ANNEXURE REFERRED TO IN REPLY TO PSRTS (a) & (b) OF THE LOK SABHA UNSTARRED QUESTION NO. 2993 FOR ANSWER ON 5<sup>TH</sup> DECEMBER, 2016.**

**Details of incentives under Special Package Scheme for the States of Jammu & Kashmir, Himachal Pradesh & Uttarakhand**

**Jammu & Kashmir**

New Industrial policy and other concessions for the State of J&K were introduced by the DIPP on 14<sup>th</sup> June, 2002 for a period of ten years. The package of incentives for the State of J&K expired on 14<sup>th</sup> June, 2012. However, the package has been extended for a further period of five years **w.e.f. 15.06.2012 to 14.06.2017** with certain modifications. The new package provides the following incentives:-

1. **Central Capital Investment Subsidy Scheme:** All new industrial units and existing industrial units on their substantial expansion, would be eligible for Capital Investment Subsidy @ 15% of the investment of Plant & Machinery, subject to a ceiling of Rs. 30 lakh. Micro, Small and Medium enterprises would be eligible for Capital Investment Subsidy of 30% of the investment of plant & machinery, subject to ceiling of Rs. 3.00 crore and Rs. 1.50 crore for manufacturing and service sector respectively.
2. **Central Interest Subsidy Scheme:** An interest subsidy of 3% on the average of daily working capital loan would be provided to all new industrial units for a period of five years from the date of commencement of commercial production.
3. **Central Comprehensive Insurance Subsidy Scheme:** Insurance subsidy to the extent of 100% would be admissible during the extended package to all new units and to the existing units on substantial expansion for a period of five years from the date of commencement of commercial production.

**Himachal Pradesh and Uttarakhand**

New Industrial policy and other concessions for the States of Himachal Pradesh and Uttarakhand were introduced by the DIPP on 7<sup>th</sup> January, 2003 for a period of ten years from 7.1.2003 to 6.1.2013. The scheme expired on 06.01.2013. However, Package has been extended during the 12<sup>th</sup> Plan period for a further period w.e.f. 07.01.2013 to 31.03.2017. The new package includes the following:-

**Central Capital Investment Subsidy Scheme 2013:** All new industrial units and existing industrial units on their substantial expansion, would be eligible for Capital Investment Subsidy @ 15% of the investment of Plant & Machinery subject to a ceiling of Rs. 30 lakh. Micro, Small and Medium enterprises would be eligible for Capital Investment Subsidy of 15% of the investment in plant & machinery subject to a ceiling of Rs. 50 lakh.

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