



BRIEF INDUSTRIAL PROFILE OF KINNAUR DISTRICT

2016-17



Micro, Small & Medium Enterprises Development Institute

Govt. of India, Ministry of MSME

Electronics Complex, Chambaghat, Solan -173 213

Ph: 01792-230265, Fax: 01792-230766

Website: w.w.w.msmedihimachal.nic.in e-mail: dcdi-solan@dcmsme.gov.in

Foreword

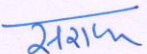
Brief Industrial Profile of District Kinnaur has been updated to analyse the different resources, infrastructure, and present status of the industrial set up and future prospects of industry. It contains information on different aspects related to MSMEs development of the area. The information will be valuable for policy makers, planners, developmental agencies involved in the development of industry and other economic activities in the district and state as well. The report shall also be of much use to prospective entrepreneurs, existing MSMEs, associations and the concerned organisations.

I appreciate the efforts put in by EI division of this Institute for preparing/updating this report.

I also express my gratitude to the General Manager, District Industries Centre, Kinnaur and other district level officers, who have extended their co-operation and assistance to the survey team in updating out this report.

I hope that this report will serve as brief guide to the entrepreneurs who are interested in investment opportunities and will also be useful to the agencies connected with the development of MSMEs in the district.

*Place: Solan
Date: 13/06/2016*


(C. V. Saraf)
Director

CONTENTS

S. No.	Topic	Page No.
1.	General characteristics of the District	4-6
1.1	Location & Geographical Area	
1.2	Topography	
1.3	Availability of Minerals	
1.4	Forest	
1.5	Administrative Setup	
2.	District at a Glance	7-9
3.	Industrial Scenario of District	10-14
3.1	Existing Status of Industrial Area in the District	
3.2	Industry at a Glance	
3.2.1	MSMEs registered under Entrepreneur Memorandum	
3.2.2	MSMEs registered under Udyog Aadhaar Memorandum	
3.3	Trend of Units Registered	
3.3.1	Existing MSEs in the District	
3.4	Large & Medium Scale Enterprises	
3.4.1	Major Exportable Items	
3.4.2	Growth Trends	
3.4.3	Vendorisation/Ancillarisation of the Industry	
3.5	Service Industries	
3.5.1	Existing service sector	
3.5.2	Potentials Areas for service sector	
3.6	Unregistered Sector	
3.6.1	Potential for New MSMEs	
4.	Existing Cluster of Micro & Small Enterprises	14
4.1	Details of major Cluster	
4.1.1	Manufacturing Sector	
4.1.2	Service Sector	
5.	General Issues raised by Industries Associations	14
6.	Institutional Support	15

1. General Characteristics of the District

The Kinnaur district is one of the twelve administrative districts of Himachal Pradesh. This district is given the special status of tribal district as schedule 5 area under the constitution of India. By 1960 the importance of reorganizing border area was realized and consequently in view of ethnic and cultural considerations the areas which were partly in Rampur tehsil were reorganized into a separate District forming the present Kinnaur district and the district came into existence on 1st May 1960. Earlier it was a part of Mahasu district. Presently, the district headquarter is located at Reckong Peo. As per population Census of 2011, the total population of the district is 84,124.

1.1 Location & Geographical Area

The Kinnaur is bound by Tibet and Uttaranchal on the east, Shimla district in south-west, Kullu and Lahaul-Spiti district in the north-west. Kinnaur district has a mountainous topography, ranging in altitude from 1,600 meter to 6,816 meter, having steep valleys carved by streams and rivulets having their origin in the glaciated ridges.

Most of the Kinnaur has a temperate climate due to its high elevation, with long winters from October to May and short summers from June to September. The lower parts of the Satluj valley and the Baspa valley receive monsoon rains. The upper areas of these valleys and lower reaches of Spiti valley in Kinnaur fall in the rain shadow area. These areas are considered to be arid regions, having climate similar to Tibet. In the lower reaches of Satluj and Baspa Valleys, the vegetation comprises trees like pine, oak, chestnut, birch, deodar, fir, grasses and shrubs giving a lush look to the area. The rain shadow area, having higher in general, has sparse vegetation comprising hardy grasses, dry alpine scrub, dwarf juniper scrub. The transition area between these two climatic and vegetation zones is home to chilgoza dry fruit. A unique feature of

Kinnaur is that the fruit trees like apple, apricot, almonds are cultivated by the farmers across these zones successfully.

1.2 Topography

The Kinnaur is located between 77°45' and 79°00' East longitudes and between 31°05' and 32°05' north altitudes. The district is situated high in the Himalaya, where vegetation is sparse and consists primarily of hardy grasses. Alpine species such as juniper, pine, fir, cypress, and rhododendron can be found at elevations between 3,500 and 5,000 meters, primarily in middle Kinnaur. At lower altitudes, temperate-climate trees are found, including oak, chestnut, maple, birch, alder, magnolia, apple, and apricot. Yaks and dzos are reared by local farmers in the higher areas. Scattered populations of the Himalayan black bear and small ponies may also be found.

1.3 Availability of Minerals

The district Kinnaur is not having major mineral. At present few minerals viz. Gypsum & minor minerals like sand, stone & bajri etc. are commercial exploitable minerals found in the district but as yet no commercial exploitation of these minerals have been made. In the district there is very little scope for setting up minerals based MSEs in the district.

1.4 Forest

The Kinnaur district is spread over an area of 6,401 sq. Kms. out of which, approximately 5,093 sq. Kms. land is covered by forest as per the record of Forest department of the Govt. of H.P. The district is relatively thickly forested and the Pooh Sub-division of the district is sparsely covered by the vegetation and forms part of the 'Cold Desert'. There are 3 wild-life sanctuaries in the district namely Lipa-Asrang, Rakchham-Chhitkul and Rupi-Bhaba. The

major forest are available in the district is Deodar and Kail. The micro & small enterprises which may be suggested on the forest resources available from forest can be can making, wooden toys, bamboo sticks, wooden furniture and joinery items etc.

1.5 Administrative set up

Administratively the district has been divided into 3 sub divisions. There are 5 tehsils namely, Pooh, Maorang, Kalpa, Nichar & Sangla, 1 sub tehsils namely, Hangrang and 3 blocks namely, Pooh, Kalpa & Nichar in the district. There are 85 Panchayats and 241 inhabited villages in the district.

2 DISTRICT AT A GLANCE

S. No.	Particulars	Units	Statistics
1.	Geographical Features		
A)	Geographical Data		
i)	Latitude	North	31°05'-32°05'
ii)	Longitude	East	77°45'-79°00'
iii)	Geographical Area	Sq. K.M.	6,401
B)	Administrative Units		
i)	Sub-division	Nos.	3
ii)	Tehsils	Nos.	5
iii)	Sub-Tehsils	Nos.	2
iv)	Blocks	Nos.	3
v)	Gram Panchayats	Nos.	85
vi)	Inhabited Villages (31/03/2015)	Nos.	241
vii)	Assembly Area	Nos.	1
2.	Population (2011 Census)		
A)	Sex-wise		
i)	Male	Nos.	46,249
ii)	Female	Nos.	37,872
B)	Rural population		
i)	Male	Nos.	46,249
ii)	Female	Nos.	37,872
C)	Urban Population		
i)	Male	Nos.	00
ii)	Female	Nos.	00
3.	Agriculture (2011-12)		
A)	Land Utilization (by village paper)		
i)	Total Area	Hectares	6,24,216
ii)	Forest Area	Hectares	38,590
iii)	Barren and uncultivable land	Hectares	1,13,444
iv)	Non Agriculture uses	Hectares	1,17,878
v)	Permanent Pastures & other grazing land	Hectares	3,32,043

vi)	Culture able waste	Hectares	3,254
vii)	Current fallows	Hectares	1,513
viii)	Misc.	Hectares	184
ix)	Net area sown	Hectares	8,310
x)	Area Sown more than once	Hectares	2,336
xi)	Total Cropped Area	Hectares	10,646
4.	Livestock & Poultry (2012 Census)		
A.	Cattle		
i)	Cows	Nos.	17,824
ii)	Buffaloes	Nos.	0
B.	Other Livestock		
i)	Houses & Ponies	Nos.	582
ii)	Donkeys	Nos.	2918
iii)	Mules	Nos.	620
iv)	Sheeps	Nos.	66,607
v)	Goats	Nos.	33,229
vi)	pigs	Nos.	35
vii)	Camels	Nos.	12
viii)	Yaks	Nos.	225
ix)	Others	Nos.	72
C.	Poultry	Nos.	9,390
5.	Transport (2014-15)		
i)	Total Road Length	Kms.	1,040
ii)	Motor able Single Lane	Kms.	623
iii)	Motor able Double Lane	Kms.	177
iv)	Jeep able & Less than Jeep able	KMs.	240
6.	Public Health (2014-15)		
i)	Allopathic Hospitals	Nos.	2
ii)	Community Health Centre	Nos.	4
iii)	Primary Health Centre	Nos.	21
iv)	Dispensaries	Nos.	0
v)	Ayurvedic Institution	Nos.	166

7.	Post Officers (2014-15)		
i)	Head Post Office	Nos.	1
ii)	Sub Post Offices	Nos.	12
iii)	Branch Post Offices	Nos.	59
iv)	Total Post Offices	Nos.	72
8.	Percentage of Total Workers (Census 2011)		
i)	Total Workers	%	66.90
ii)	Main Workers	%	55.61
iii)	Marginal Workers	%	11.28
iv)	Non-Workers	%	33.10
9.	Education (2014-15)		
i)	Primary Schools	Nos.	182
ii)	Middle Schools	Nos.	36
iii)	High/Sr. Sec. Schools	Nos.	50
iv)	Govt. Degree Colleges	Nos.	1
v)	Pvt. Degree Colleges	Nos.	0

3 Industrial Scenario of District Kinnaur

3.1 Existing Status of Industrial Area in the District Kinnaur

As on 31/03/2016

S. No.	Name of Ind. Area	Constructed/Covered			Allotted			Vacant			Closed		
		Plots	Sheds	Shop	Plots	Sheds	Shop	Plots	Sheds	Shop	Plots	Sheds	Shop
1.	Ind. Area, Reckong Peo	42	4	13	40	3	11	2	1	2	0	0	0
Total		42	4	13	40	3	11	2	1	2	0	0	0

Source: Directorate of Industries, Govt. of H.P.

3.2 Industry at a Glance

3.2.1 MSMEs registered under Entrepreneur Memorandum

As on 31/08/2015

S. No.	Head	Unit	Particulars
1.	Registered (MSEs) Industrial Units	Nos.	598
2.	Registered Medium Scale Units	Nos.	00
3.	Registered Large Scale Units	Nos.	00
4.	Employment MSEs Sector	Nos.	1,890
5.	Employment Medium Sector	Nos.	00
6.	Employment Large Sector	Nos.	00
7.	No. of Industrial Areas	Nos.	01

Source: Directorate of Industries, Govt. of H.P.

3.2.2 MSMEs registered under Udyog Aadhaar Memorandum (UAM)

As on 08/07/2016

Udyog Aadhaar Regd.	Micro	Small	Medium
18	16	01	01

3.3 Trend of Units Registered

As on 31/08/2015

YEAR	NUMBER OF REGISTERED UNITS	EMPLOYMENT	INVESTMENT (lakh Rs.)
Up to 1984-85	34	90	17.68
1985-86	38	92	20.90
1986-87	44	97	24.20
1987-88	38	75	20.52
1988-89	38	73	19.57
1989-90	29	87	15.95
1990-91	21	42	11.34
1991-92	27	39	4.99
1992-93	14	29	2.34
1993-94	16	29	10.99
1994-95	15	28	6.30
1995-96	7	14	2.32
1996-97	10	30	7.60
1997-98	6	11	6.05
1998-99	9	24	18.24
1999-00	8	24	7.57
2000-01	6	21	12.77
2001-02	6	16	14.00
2002-03	5	25	3.85
2003-04	9	38	13.61
2004-05	7	39	21.69
2005-06	5	16	11.64
2006-07	5	20	13.85
2007-08	7	29	18.96
2008-09	9	34	31.39
2009-10	9	33	30.62
2010-11	9	24	24.39
2011-12 to 2015-16 (up to 31/08/2015)	167	811	347.67
Total	598	1890	741.00

Source: Directorate of Industries, Govt. of H.P.

In the district total numbers of 598 Micro, Small Enterprises have been set up in the district as on 31/08/2015.

3.3.1 Existing Micro & Small Enterprises in the District

As per total registered units in the district till 31/08/2015, it may be observed that the largest numbers of units were set up under the enterprises woolen, silk & artificial thread based clothes then followed by wood & agro based enterprises, wood & wooden based furniture, steel fabrication and repairing services respectively in the district.

3.4 Large & Medium Scale/Public Sector Undertakings

Due to topographic reasons there is no large & medium scale an enterprise has come up in the district as on 31/08/2015.

3.4.1 Major Exportable Items:-

There is no major exportable item produced in district.

3.4.2 Growth Trends:-

Due to the some topographical conditions prevailing in the district, there is no one Large and Medium scale enterprises in the district. However, slow & steady growth has been witnessed by the Micro and Small Enterprises in the district over years. From the table on year wise trend of registered units in the district it is evident that the district has witnessed per year registration of new micro small enterprises as far as the type of industrial units that have come up in the district is concerned, it can be observed that the largest number of enterprises in this district are woolen, silk & artificial thread based clothes. As far as other industries in the district are concerned, it is evident from the table on Industrial Areas (I.A.) that I.A. Reckong Peo has 40 industrial plots are in production.

3.4.3 Vendorisation/Ancillarisation of the Industry:-

Presently, there is little scope for vendorisation/ancillarisation as there is a negligible large/Public sector undertaking in the district.

3.5 Service Enterprises

The major service enterprises registered in the district are Atta Chakki, Restaurants, Auto Repair, Electrical Appliances Repair, Colour Lab, Cyber Cafe, PCO/Photostat, Mobile repairing, Computer repairing, Beauty parlour, Boutique, etc. There is still good scope of setting up service enterprises in the district particularly on the line of tourism potential available in the district provided proper awareness is created among the educated unemployed youths.

3.5.1 Existing Service Sector:

The service industry of Kinnaur district mainly includes entertainment services, cable/ DTH services, photocopy services, motor binding, computer repairing, mobile repairing, motor cycle repairing, skin and hair care, shoe repairing, repair & servicing of electrical appliances etc.

3.5.2 Potentials areas for service industry

In the district, there is good scope of setting up of service enterprises in district. The Kinnaur district there is broad opportunity to set up need based service enterprises in the district. The following service enterprises can be set up in the district.

- Repairing of Electrical/Electronic goods
- Repairing of Agriculture Implements
- Designer Boutique
- Beauty & Health Care
- Transportation/Taxi services
- Mobile Repairing
- IT Service Centre/providers
- TV/Cable/DTH Services
- Repair & servicing of refrigerators/electronics goods
- Electrician
- Plumber

3.6 Unregistered Sector

The data on unregistered sector in Kinnaur district was not readily available with Department of Industries, Govt. of Himachal Pradesh. However, it is informed that the unregistered MSME sector in the district, which has majority of repair & maintenance of house hold items. Repair of Computer/Electrical/Electronic related enterprises, Beauty Parlor, Computer educations, coaching centers, health care centers, repair & maintenance of auto sector etc.

3.6.1 Potential for New MSMEs

The potential areas for new MSME are woolen, silk & artificial thread based clothes, wooden furniture & fixtures, food processing, tyre retarding, agriculture implements, general engineering workshop, fruits & dry fruits products etc.

4.0 Existing Clusters of Micro & Small Enterprises

4.1 Details of Major Cluster

4.1.1 Manufacturing Sector

The district has no identified cluster

4.1.2 Service Sector

The district has no identified cluster

5 General issues raised by MSEs of district Kinnaur

- a) Industrial area should have proper facilities.
- b) The branch level officers of banks should have proper awareness about the schemes being implemented by central and state government for the benefit of MSE sector.

6 Institutional Support

S. No.	Name of Agencies	Type of Assistance
1.	Filling online of Registration of MSMEs www.udyogaadhaar.gov.in	The filling of EM-I & EM-II with DIC for such registration has now been replaced with filling of Udyog Aadhaar Memorandum (UAM). The UAM can be filled on udyogaadhaar.gov.in
2.	District industries Centre, MSME- Development Institute	Identification of Project Profiles, techno-economic and managerial consultancy services, market survey and economic survey reports.
3.	Himachal Pradesh Small Industries & Export Corporation (HPSIEC)	Land and Industrial shed
4.	Banks, DIC, KVIB, SIDBI	Financial Assistance
5.	National Small Industries Corporation (NSIC) & Himachal Pradesh Small Industries & Export Corporation (HPSIEC)	For raw materials under Govt. supply
6.	National Small Industries Corporation (NSIC)	Plant and Machinery on hire/purchase basis
7.	Himachal Pradesh State Electricity Board	Power/Electricity
8.	DIC & MSME-DI	Technical Know-how
9.	Bureau of Indian Standards (BIS)	Quality & Standard
10.	National Small Industries Corporation (NSIC), District Industries Centre (DIC), Director General of Foreign Trade (DGFT) & MSME-Development Institute	Marketing/Export Assistance