



BRIEF INDUSTRIAL PROFILE OF SHIMLA DISTRICT

2016-17



Micro, Small & Medium Enterprises Development Institute

Govt. of India, Ministry of MSME

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Foreword

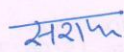
Brief Industrial Profile of District Shimla has been updated to analyse the different resources, infrastructure, and present status of the industrial set up and future prospects of industry. It contains information on different aspects related to industrial development of the area. The information will 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 industries, associations and the concerned organisations.

I appreciate the efforts put in by Sh. Rajiv Kumar, Asstt. Director (EI) for preparing this report.

I also express my gratitude to the General Manager, District Industries Centre, Shimla 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 guide to the entrepreneurs who are interested in investment opportunities and will also be useful to the agencies connected with the development of industry in the district.

*Place: Solan
Date: 15/06/2016*


(C. V. Saraf)
Director

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1. General Characteristics of the District

Shimla district is a totally hilly district of Himachal Pradesh. This district became part of Himachal Pradesh on 1st November, 1966 after the reorganization of Punjab state. It came into its present form on 1st September, 1972 when district Mahasu and Shimla were reorganized. The head quarter of this district is at Shimla which once used to be the summer capital of Britishers. As per population census of 2011, the total population of this hilly district is 8,14,010. The people of this district are honest and peace loving.

Agriculture and horticulture are the prime economic activities of this district. Most of the area under agriculture in the district is rain fed. The productivity for most of the agriculture crops is low because of the small size of land holdings and uneven landscape. However during the last few years, poly houses are being set up in the rural areas growing vegetables and flowers which have increased the economic condition of the inhabitants of this district to some extent. Horticulture and off-season vegetables has proved to be a major source of cash crop in the district. The district has given a pride place to the state of Himachal Pradesh in the production of apples as a result of which the state is known as the Apple State of India. Tourism industry has also developed substantially in the district because of the topography and scenic beauty it contains. Places like Shimla, Kufri, Narkanda, Naldehra, Fagu, Tatapani etc. attract a large number of tourists to this district creating huge market for developing hotels, restaurants, cyber café, handicrafts items etc. in the district.

1.1 Location & Geographical Area

Shimla district is situated in the south east of Himachal Pradesh. It is bordered by district Kullu in the north, district Kinnaur in the north east, district Sirmour in the south, district, district Dehradun of Utranchal in the east, district Solan in the west and district Mandi in the north west. The total

geographical area of the district is 5131 Sq. Kms. which constitutes 9.2% of the total geographical area of the state.

1.2 Topography

The topography of the district is entirely hilly. The altitude of the district ranges from 600 meters at Tata Pani to 5760 meters at Gushu Pishu in Pandrabis area. The district has many mountains and deep ravines. Sutluj is the biggest river of the district. The other rivers in the district are Tons, Pabbar and Giri Ganga.

1.3 Availability of Minerals

The district Shimla is not having any major mineral. Sand and Building stone are the two minor minerals which are being commercially exploited in the district. These minerals are used in construction activities in the district.

1.4 Forest

Forest also plays an important role in the economy of the district. Forest occupies an area of 3,418 Sq. K.M. out of the total geographical area of 5131 Sq. K.M. as per the record of Forest department of the Govt. of H.P. Major forest produce available in the district are Timber and Charcoal. Beside major forest produce, there are also minor forest produce like resin, grass, medicinal herbs, bamboo etc. in the district. The major medicinal herbs found in the district are Dhoop, Kaur, Kuth, Guchhie, Kakar Singi, Bhojpatra etc.

1.5 Administrative set up

Administratively the district has been divided into 7 sub divisions, viz. Shimla Urban, Shimla Rural, Theog, Rampur, Chopal, Rohru and Dodra Kwar. There are 12 Tehsils, 5 Sub Tehsils and 10 Blocks in the district. There are 363 Panchayats and 3231 inhabited villages in the district.

2 DISTRICT AT A GLANCE

| S. No. | Particulars | Units | Statistics |
|-----------|---|----------|----------------|
| 1. | Geographical Features | | |
| A) | Geographical Data | | |
| i) | Latitude | North | 30°45'-30°43' |
| ii) | Longitude | East | 76°59''-78°18' |
| iii) | Geographical Area | Sq. K.M. | 5,131 |
| B) | Administrative Units | | |
| i) | Sub-division | Nos. | 7 |
| ii) | Tehsils | Nos. | 12 |
| iii) | Sub-Tehsils | Nos. | 5 |
| iv) | Blocks | Nos. | 10 |
| v) | Gram Panchayats | Nos. | 363 |
| vi) | Inhabited Villages (31/03/2015) | Nos. | 2705 |
| vii) | Assembly Area | Nos. | 7 |
| 2. | Population (2011 Census) | | |
| A) | Sex-wise | | |
| i) | Male | Nos. | 4,25,039 |
| ii) | Female | Nos. | 3,88,971 |
| B) | Rural population | | |
| i) | Male | Nos. | 3,14,295 |
| ii) | Female | Nos. | 2,98,364 |
| C) | Urban Population | | |
| i) | Male | Nos. | 1,10,744 |
| ii) | Female | Nos. | 90,607 |
| 3. | Agriculture (2011-12) | | |
| A) | Land Utilization (by village paper) | | |
| i) | Total Area | Hectares | 5,25,386 |
| ii) | Forest Area | Hectares | 1,49,692 |
| iii) | Barren and uncultivable land | Hectares | 11,521 |
| iv) | Non Agriculture uses | Hectares | 19,867 |
| v) | Permanent Pastures & other grazing land | Hectares | 2,35,206 |

| | | | |
|-----------|--|----------|----------|
| vi) | Culture able waste | Hectares | 13,078 |
| vii) | Current fallows | Hectares | 16,089 |
| viii) | Misc. | Hectares | 13,989 |
| ix) | Net area sown | Hectares | 65,944 |
| x) | Area Sown more than once | Hectares | 20,524 |
| xi) | Total Cropped Area | Hectares | 86,468 |
| 4. | Livestock & Poultry (2012 Census) | | |
| A. | Cattle | | |
| i) | Cows | Nos. | 2,08,291 |
| ii) | Buffaloes | Nos. | 9,189 |
| B. | Other Livestock | | |
| i) | Houses & Ponies | Nos. | 1,959 |
| ii) | Donkeys | Nos. | 747 |
| iii) | Mules | Nos. | 2,786 |
| iv) | Sheeps | Nos. | 1,01,574 |
| v) | Goats | Nos. | 1,03,089 |
| vi) | pigs | Nos. | 545 |
| vii) | Camels | Nos. | 16 |
| viii) | Yaks | Nos. | 13 |
| ix) | Others | Nos. | 28 |
| C. | Poultry | Nos. | 4,96,729 |
| 5. | Transport (2014-15) | | |
| i) | Total Road Length | Kms. | 5,327 |
| ii) | Motor able Single Lane | Kms. | 4,981 |
| iii) | Motor able Double Lane | Kms. | 339 |
| iv) | Jeep able & Less than Jeep able | KMs. | 07 |
| 6. | Public Health (2014-15) | | |
| i) | Allopathic Hospitals | Nos. | 14 |
| ii) | Community Health Centre | Nos. | 9 |
| iii) | Primary Health Centre | Nos. | 92 |
| iv) | Dispensaries | Nos. | 1 |
| v) | Ayurvedic Institution | Nos. | 152 |

| | | | |
|-----------|--|------|-------|
| 7. | Post Officers (2014-15) | | |
| i) | Head Post Office | Nos. | 2 |
| ii) | Sub Post Offices | Nos. | 65 |
| iii) | Branch Post Offices | Nos. | 289 |
| iv) | Total Post Offices | Nos. | 356 |
| 8. | Percentage of Total Workers (Census 2011) | | |
| i) | Total Workers | % | 52.94 |
| ii) | Main Workers | % | 38.30 |
| iii) | Marginal Workers | % | 14.64 |
| iv) | Non-Workers | % | 47.06 |
| 9. | Education (2014-15) | | |
| i) | Primary Schools | Nos. | 1605 |
| ii) | Middle Schools | Nos. | 343 |
| iii) | High/Sr. Sec. Schools | Nos. | 356 |
| iv) | Govt. Degree Colleges | Nos. | 12 |
| v) | Pvt. Degree Colleges | Nos. | 7 |
| vi) | Govt. University | Nos. | 1 |
| vii) | Pvt. Universities | Nos. | 2 |

3 Industrial Scenario of District Shimla

3.1 Existing Status of Industrial Area in the District Shimla

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, Shoghi | 112 | 6 | 2 | 112 | 6 | 2 | 0 | 0 | 0 | 40 | 0 | 0 |
| 2. | Ind. Area Mehandli | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. | Ind. Area Jais | 39 | 5 | 0 | 19 | 5 | 0 | 20 | 0 | 0 | 0. | 0 | 0 |
| 4. | Ind. Estate Raighat | 0 | 10 | 0 | 0 | 9 | 0 | 0 | 1 | 0 | 0 | 0 | 0 |
| 5. | Ind. Estate Pandranoo | 0 | 6 | 0 | 0 | 0 | 0 | 0 | 6 | 0 | 0 | 0 | 0 |
| Total | | 152 | 27 | 2 | 132 | 20 | 2 | 20 | 7 | 0 | 40 | 0 | 0 |

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

3.2 Industry at a Glance

As on 31/08/2015

| S. No. | Head | Unit | Particulars |
|--------|------------------------------------|------|-------------|
| 1. | Registered (MSEs) Industrial Units | Nos. | 3,660 |
| 2. | Registered Medium Scale Units | Nos. | 05 |
| 3. | Registered Large Scale Units | Nos. | 01 |
| 4. | Employment MSEs Sector | Nos. | 12,729 |
| 5. | Employment Medium Sector | Nos. | 832 |
| 6. | Employment Large Sector | Nos. | 105 |
| 7. | No. of Industrial Areas | Nos. | 05 |

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

3.3 Trend of Units Registered

As on 31/08/2015

| YEAR | NUMBER OF REGISTERED UNITS | EMPLOYMENT | INVESTMENT (lakh Rs.) |
|--|----------------------------|---------------|-----------------------|
| Up to 1984-85 | 842 | 2075 | 274.26 |
| 1985-86 | 102 | 220 | 47.87 |
| 1986-87 | 105 | 211 | 42.53 |
| 1987-88 | 110 | 226 | 58.81 |
| 1988-89 | 116 | 172 | 43.66 |
| 1989-90 | 13 | 156 | 100.41 |
| 1990-91 | 84 | 185 | 53.48 |
| 1991-92 | 91 | 190 | 45.37 |
| 1992-93 | 82 | 185 | 69.18 |
| 1993-94 | 81 | 230 | 60.53 |
| 1994-95 | 80 | 240 | 57.16 |
| 1995-96 | 69 | 195 | 53.69 |
| 1996-97 | 66 | 170 | 54.94 |
| 1997-98 | 68 | 217 | 232.84 |
| 1998-99 | 84 | 208 | 87.22 |
| 1999-00 | 77 | 190 | 126.74 |
| 2000-01 | 72 | 182 | 52.67 |
| 2001-02 | 75 | 306 | 220.99 |
| 2002-03 | 72 | 220 | 107.43 |
| 2003-04 | 72 | 238 | 273.55 |
| 2004-05 | 90 | 232 | 154.74 |
| 2005-06 | 77 | 186 | 274.86 |
| 2006-07 | 67 | 333 | 208.23 |
| 2007-08 | 65 | 256 | 386.52 |
| 2008-09 | 70 | 132 | 144.44 |
| 2009-10 | 75 | 168 | 222.02 |
| 2010-11 | 75 | 209 | 432.49 |
| 2011-12 to 2015-16 (up to 31/08/2015) | 675 | 6,029 | 9539.37 |
| Total | 3,665 | 13,561 | 13,426.00 |

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

The Shimla district is a hilly district of Himachal Pradesh. Agriculture and horticulture are the prime economic activities of this district. Most of the area has covered under agriculture in the district. Horticulture has proved to be a major source of cash crop in the district. The district has given a pride place to the state of State in the production of apples as a result of which the state is known as the Apple State of India. Tourism industry has also developed substantially in the district because of the

topography and scenic beauty it contains. However in the district total numbers of 3,665 Micro, Small & Medium 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 number of units were set up under the industries agro processing industries and then followed by wood & wooden based, embroidery & woolen garments, paper & paper products respectively in the district

3.4 Large & Medium Scale/Public Sector Undertakings

After the implementation of Special Industrial Package of incentives, many large & medium scale industries have come up in the district. As on 31/08/2015 total number of 02 large & 05 medium scale units have been functioning in the district.

3.4.1 Major Exportable Items:-

There is no major exportable item produced in district except agriculture and horticulture produce i.e. apple & off-season vegetables.

3.4.2 Growth Trends:-

Due to the severe topographical conditions prevailing in the district, there is negligible Large and Medium scale enterprises in the district. However, 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 and medium enterprises as far as the type of industrial units that have come up in the district is concerned, it can be seen that the largest number of units in this district are agro & food processing units. As far as other industries in the district are concerned, it is evident from the table on Industrial Areas (I.A.) that only I.A. Shoghi has 72 industrial plots are in production and rest of the four industrial areas/estates are almost negligible. This is only due to the topographical disadvantage.

3.4.3 Vendorisation/Ancillarisation of the Industry:-

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

The more investment in large & medium sectors will provide more opportunities for vendorisation in MSE sector.

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 etc. There is still good scope of setting up service enterprises in the district particularly on the line of huge 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 Shimla mainly includes entertainment services, tourist guides, cable/ DTH services, printing, binding & lamination, welding works, photocopy services, motor binding, computer repairing , cycle/motor cycle repairing, skin and hair care, book binding , shoe repairing, repair & servicing of electrical appliances, repair & servicing of refrigerators/electronics goods, repairs of agricultural implements etc.

3.5.2 Potentials areas for service industry

In the Shimla district, there is good scope of setting up of service enterprises in district. The Shimla district is the third largest district as far as population is concerned. Further, large numbers of tourists have visited at many tourist places, historical temples, fairs and festivals in every year. And there is broad opportunity to set up 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
- Coaching Centre
- Transportation/Taxi services
- Mobile Repairing
- TV/Cable/DTH Services
- Tourist Guide

3.6 Unregistered Sector

The data on unregistered sector in Shimla 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 units, Beauty Parlor, Computer educations, coaching centers, health care centers, repair & maintenance of auto sector/service stations etc.

3.6.1 Potential for New MSMEs

The potential areas for new MSME are wooden furniture & fixtures, agro processing, paper bags, confectionery items, tyre retarding, steel furniture, parts of industrial machinery, wires and cables, paint & varnish, packaging materials, agriculture implements, general engineering workshop, milk products, cement bricks & blocks, building hardware items, rolling shutters. Cosmetics, dry cleaning , lamination, bee keeping, Floriculture, blow moulded goods viz water Cans, Bottles, Steel Wire & ropes, polyester staple fibers, axle shafts, rear axils, tractor & tractor parts, wheel piston etc.

4 Existing Clusters of Micro & Small Enterprises

4.1 Details of Major Cluster

4.1.1 Manufacturing Sector

The district has indentified one cluster i.e Steel & Furniture Cluster at Rampur Bushhar.

4.1.2 Service Sector

The district has no indentified cluster

5 General issues raised by Industrial Association of district Solan

- a) Insufficient supply of skilled labour/unskilled labour.
- b) Industrial area should have proper water & sewerage facilities, better roads and proper street lights etc.
- c) The branch level officers of banks and other financial institutions 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 |