



# **STATE INDUSTRIAL PROFILE**

## **OF**

# **HIMACHAL PRADESH**

### **2014-2015**



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## **FOREWORD**

*Himachal Pradesh is the land of lush green fields and vibrant entrepreneurial culture. It is one of the fastest growing States of the country. With congenial industrial climate, progressive and promotional steps taken by the Himachal Pradesh Government and economic liberalization adopted by the Government of India, the opportunities for setting up MSME ventures have increased manifold in the State. In view of this, the need for providing first hand information pertaining to the development of micro, small & medium enterprises to the entrepreneurs for taking investment decisions has become all the more important. The Micro, Small & Medium Enterprises Development Institute, Solan has, therefore, revised and updated the Industrial Profile of Himachal Pradesh. This document contains details relating to human and material resources availability, existing industrial structure, institutional support infrastructure, incentives and concessions available for industrial development.*

*It is hoped that the entrepreneurs will find the document useful for taking investment decisions, besides proving immensely helpful to various agencies engaged in the promotion and development of industries in the state.*

*I appreciate the efforts put in by Sh. Rajiv Kumar, Asstt. Director (EI) in preparation of this document. I am also thankful to various government departments, industrial associations and other agencies for supplying information and data for compiling the document.*

*Place: Solan*

*Dated: 23.04.2015*

**(Vijay Kumar )**

**DIRECTOR**

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## **HIMACHAL AT A GLANCE**

<b>S. No.</b>	<b>Particulars</b>	<b>Units</b>	<b>Quantity</b>
<b>1.</b>	<b>Area (2013-14)</b>		
a)	Area	(Sq. Kms)	55,673
b)	Districts	Nos.	12
c)	Divisions	Nos.	03
d)	Sub-Divisions	Nos.	55
e)	Tehsils (31.03.2013)	Nos.	85
f)	Sub-Tehsils (31.03.2013)	Nos.	38
g)	Blocks (31.03.2013)	Nos.	78
h)	Towns & Cities	Nos.	59
i)	Gram Panchayats	Nos.	3,243
j)	Panchayat Samities	Nos.	77
k)	Zila Parishads	Nos.	12
l)	Inhabited Villages (2001 Census)	Nos.	17,882
<b>2.</b>	<b>Population (2011)</b>		
a)	Total Population	Lakh	68.65
	Male	Lakh	34.82
	Female	Lakh	33.83
	Rural population	Lakh	61.76
	Urban Population	Lakh	6.89
b)	Sex Ratio	Females per 1000 males	974
c)	Average Size of a household	Persons	4.63
d)	Density of population:	Persons per Sq. Kms.	123
e)	Literacy:		
	Males	Per cent	89.53
	Females	Per cent	75.93
	Total	Per cent	82.80

e)	Total Workers (2011 Census)	Nos.	35,59,422
	Cultivators	Nos.	20,62,062
	Agriculture Labour	Nos.	1,17,038
	Workers in Household Industries	Nos.	58,719
	Other Workers	Nos.	12,63,603
3.	Gross State Domestic Product (2012-13 Adv.):		
a)	Current Prices	₹ in Crore	73,710
b)	Constant Price	₹ in Crore	44,480
c)	Per Capita Income (in current prices)	₹ in Crore	83,899
4.	Sectoral Contribution of State Gross Domestic Product (2012-13) (At Current Prices)		
a)	Primary Sector	Per cent	19.72
b)	Secondary Sector	Per cent	38.35
c)	Tertiary Sector	Per cent	41.93
5.	Land Utilization: ( 2009-10 )		
a)	Total Geographical Area (by village paper)	‘000’ Hect.	4,559.01
b)	Total Cropped area	‘000’ Hect.	940.59
c)	Net Sown area	‘000’ Hect.	538.41
d)	Area under forests	‘000’ Hect.	1,105.99
	Main crops of the State	Wheat, Maize, Rice, Barley, Pulses, Potatoes, Oilseeds, Ginger, Fruits & Vegetables Etc.	
6.	Horticulture:		
a)	Area under Horticulture (2012-13)	Hect.	21,8303
b)	Production of fruits (2012-13) upto Dec., 2013	Tonnes	8,28,300
c)	Main fruits in the State	Apple, Mango, Orange, Pear, Peach, Almond, Walnut, Lime, Litchi etc.,	
7.	Fertilizer Consumption:		
	N+P+K (2012-13)	MTs.	47,664
8.	Forest:		
a)	Area under forest (2010-11 )	Sq. km.	37,033
b)	% of forest area to geographical area	Per cent	66.5

<b>9.</b>	<b>Live Stock:</b>		
	Live stock population (2007 Census)	Nos.	52,16,686
	Poultry	Nos.	8,09,000
<b>10.</b>	<b>Fisheries (2012-13):</b>		
a)	Total Production	M.Ts.	8,561
b)	Value of fish Produced	₹ in Lakh	5,818.13
<b>11.</b>	<b>Electricity (2012-13)</b>		
a)	Installed Capacity under H.P. Govt.	WH	471.45
b)	Total Generation	MU	1,800.19
c)	Total inhabited Villages electrified	Nos.	17,474
d)	Electricity consumed by Indl. Sector	MU	4,511.4
<b>11.</b>	<b>EDUCATION: ( 2012- 2013 )</b>		
a)	Universities	Nos.	14
b)	Art & Science Colleges	Nos.	72
c)	Medical Colleges	Nos.	03
d)	Dental Colleges	Nos.	04
e)	Law Colleges	Nos.	09
f)	Sanskrit Colleges	Nos.	22
g)	B.Ed. Colleges	Nos.	31
h)	High/Sr. Secondary School	Nos.	2,126
i)	Middle Schools	Nos.	2,317
j)	Primary Schools	Nos.	10,739
<b>12.</b>	<b>Technical Institutions: (2012-13)</b>		
a)	NIT	Nos.	02
b)	Engg. College (Govt.+Pvt.)	Nos.	(3+17)20
c)	Polytechnics (Govt.+ Pvt.)	Nos.	(15+26) 41
d)	I.T.I's (Govt. + Pvt.)	Nos.	(96+136) 232
e)	B-Pharmacy (Govt.+Pvt.)	Nos.	(1+12) 13
f)	D-Pharmacy (Govt.+Pvt.)	Nos.	(2+4) 6



<b>13.</b>	<b>Medical and Health: (2013-14)</b>		
a)	Hospitals	Nos.	55
b)	Community Health Centre/RH	Nos.	77
c)	Dispensaries	Nos.	11
d)	PHCs	Nos.	475
e)	Ayurvedic and Unani Institution		
-	Hospitals	Nos.	31
-	Dispensaries/HC	Nos.	1108
-	Ayurvedic Pharmacies	Nos.	03
-	Research Institution	Nos.	01
-	Unani Dispensaries	Nos.	03
-	Homeopathy Dispensaries	Nos.	14
<b>14.</b>	<b>Banking Institutions (2013-14)</b>		
a)	Scheduled Commercial Banks	Nos.	1,126
b)	Co-operative Banks	Nos.	463
c)	Regional Rural Banks	Nos.	203
d)	Pvt. Sector Banks	Nos.	97
<b>15.</b>	<b>Transport and Communications (2012-13)</b>		
a)	Post Offices	Nos.	2,778
b)	Registered Vehicles	Nos.	79,883
c)	Road Length	Nos.	34,647
d)	Motor able double lane	K.m.	2417
e)	Motor able Single lane	K.m.	30910
f)	Jeep able Road	K.m.	250
g)	Less than Jeep able Road	K.m.	1370
<b>16.</b>	<b>Enterprises (2013-14)</b>		
a)	Large Scale Enterprises (31.03.2014)	Nos.	136

	Employment	Nos.	28,958
	Fixed Investment	₹ in Crore	6694.14
b)	Medium Scale Enterprises (31.03.2014)	Nos.	366
	Employment	Nos.	31,836
	Fixed Investment	₹ in Crore	4606.48
c)	Micro & Small Scale Enterprises (31.03.2014)	Nos.	39,927
	Employment	Nos.	2,23,805
	Fixed Investment	₹ in Crore	7,007.33

E

## **CHAPTER-1**

# **INTRODUCTION**

### **TOPOGRAPHY:**

Himachal Pradesh is a small hilly State situated in the northern part of the country. The topography of the State is basically hilly ranging from small to very high hills. Its height ranges from 350 Meters to 6975 meters from main sea level. The State of Himachal Pradesh is situated between 30° 12'40" and 33° 12'40" north latitude, and 75° 47'55" to 79 ° 04'22" east longitudes. This snowy part of the State is the source of three major rivers Beas, Ravi and Chinab, while Satluj and Yamuna rivers originate from Tibet and Yamnotri, respectively. Its climate conditions vary from extremely hot to serve cold regions. Dharmsala and Palampur in Kanghra district received the highest precipitation next to Chirapunji, while areas like Spiti almost have no rainfall during the winter season.

### **I.1 AREA:**

Himachal Pradesh became a full-fledged State in January, 1971. Prior to it, it was a Union Territory of India. It is bounded by Jammu and Kashmir in the north, Uttaranchal in the South East, Haryana on the South and Punjab on the West. In the East, it forms India's border with Tibet. Physiographically the territory can be divided into three zones viz. Outer Himalaya or the Shiwaliks, Inner Himalaya or Mid-Himalaya and the Greater Himalaya or Alpine Zone. The total geographical area of the State is 55673 Sq. Kms.

### **1.2 CLIMATE:**

As the height of the State from mean sea level ranges from 350 meters to 6975 meters, there is wide variation in the climate of the State. Some parts of the state remains snow bound throughout the year where as other parts enjoy all the six seasons. Because of the peculiar climatic conditions, the State has

become an attraction for tourists throughout the year. During winter tourists visit State to enjoy snow and winter sports and during summer tourists visit the State for getting relief from scorching heat of other parts of the country.

### **1.3 POPULATION:**

As per the provisional population figures of census of 2011, the total population of the State is 68,56,509 persons as against the population of the 60,77,900 persons in Census 2001, showing a growth rate of 12.8 % during 2001-2011, whereas it was 17.53 % during 1991-2001. Out of the total population of 68.56 lakh, 34.74 Lakh are male and remaining 33.82 lakh are females showing a ratio of 974 females per 1000 of males.

### **1.4 DENSITY OF POPULATION:**

The density of population of H.P as per census 2011 has gone up to 123 persons per sq. km. from 109 persons per Sq. Km. recorded in the census of 2001.

### **1.5 LITERACY:**

As per the provisional population figures of census of 2011 the literacy rate of the State is 82.80 where as it was 76.5 % in census 2001. The male literacy rate of the state which was 85.03 % in census 2001 has increased to the level of 89.53 % and the female literacy has gone up to 75.93 % from 67.04 %, which shows that the literacy rate is constantly increasing over the decade in the state.

## CHAPTER-2

# PRESENT ECONOMIC SCENARIO

## PROGRESS OF THE ECONOMY

Himachal Pradesh has emerged a leader in Hill Area Development. Himachal is an ideal destination for investment in Power and Tourism sector. Responsive administration and conducive macro-economic conditions have induced a competitive environment in the economy of Himachal Pradesh.

**Table: 2.01 Comparison between Average Annual Growth rate (%) of Himachal Pradesh and National Economies**

Plans	Period	Himachal Pradesh Economy	National Economy
First Plan	1951-56	(+) 1.6	(+) 3.6
Second Plan	1956-61	(+) 4.4	(+) 4.1
Third Plan	1961-66	(+) 3.0	(+) 2.4
Annual Plans	1966 to 1968-69	....	(+) 4.1
Fourth Plan	1969-74	(+) 3.0	(+) 3.4
Fifth Plan	1974-78	(+) 4.6	(+) 5.2
Annual Plans	1978-79 to 1979-80	(-) 3.6	(+) 0.2
Sixth Plan	1980-85	(+) 3.0	(+) 5.3
Seventh Plan	1985-90	(+) 8.8	(+) 6.0
Annual Plan	1990-91	(+) 3.9	(+) 5.4
Annual Plan	1991-92	(+) 0.4	(+) 0.8
Eighth Plan	1992-97	(+) 6.3	(+) 6.2
Ninth Plan	1997-02	(+) 6.4	(+) 5.6
Tenth Plan	2002-07	(+) 7.6	(+) 7.8
Eleventh Plan	2007-12	(+) 8.0	(+) 8.0

*Source: Economic & Statistical Deptt. Himachal Pradesh*

The State Gross Domestic Product (GSDP) at factor cost at constant (2004-05) prices in 2012-13 is estimated at ₹ 44,480 crore as against ₹ 41,908 crore in 2011-12 registering a growth of 6.1 percent during the year as against the growth rate of 7.3 percent during the previous year. At current prices, the GSDP is estimated at ₹ 73,710 crore as against ₹ 64,957 crore in 2011-12 showing an increase of 13.5 percent during the year.

The Per Capita Income at current prices witnessed an increase of 9.7 percent as it increased to ₹ 67,839 in 2012-13 from ₹ 61,855 in 2011-12. The

increase in total State Domestic Product is mainly attributed to 9.5 percent increase in Primary sector, 10.0 percent in Community & personal services sectors, 6.2 percent in Transport and Trade, 4.8 percent in Finance & Real estate. Whereas the Secondary sector increased by only 3.4 percent. Food-grains production, which was 15.44 lakh MT during 2011-12 has increased to 15.68 lakh MT during 2012-13 and is expected at 15.16 lakh MT (anticipated) in 2013-14. The fruit production has also increased by 49.1 percent i.e from 3.78 lakh MT in 2011-12 to 5.56 lakh MT in 2012-13 and during 2013-14 (up to December, 2012) production was 8.28 lakh MT.

**Table: 2.02 Key Indicators of the State Economy**

Indicators	Absolute Value		% age change over previous year	
	2011-12	2012-13	2011-12	2012-13
G.S.D.P (₹ in Crore)				
<i>At Current Prices</i>	64957	73710	14.0	13.5
<i>At Constant Prices</i>	41908	44480	7.3	6.1
Food grains production (Lakh tones)	15.44	15.68	4.3	0.9
Fruit production (Lakh tones)	3.73	5.56	(-)63.7	49.1
Gross Value Added from Industrial Sector (₹ in Crore)	12721	13440	14.9	5.7
Electricity generated (MUs)	1906	1815	(-)6.8	(-) 4.8
Wholesale Price Index	156.1	167.6	8.9	7.4
C.I.P for Industrial Workers	175	193	7.4	10.3

\*At current prices

Source: Economic & Statistical Deptt. Himachal Pradesh

The economic growth in the State is predominantly governed by agriculture and its allied activity which has witnessed not much fluctuation during nineties as the growth rate remained more or less stable. The decade witnessed an average annual growth rate of 5.7 percent, which is at par with national level. The economy has shown a shift from agriculture sector to industries and services as the percentage contribution of agriculture and allied sectors in total State Domestic Product has declined from 57.9 percent in 1950-51 to 55.5 percent in 1967-68, 26.5 percent in 1990-91 and to 14.42 percent in 2012-13.

The share of industries and services sectors respectively has increased from 1.1 & 5.9 percent in 1950-51 to 5.6 and 12.4 percent in 1967-68, 9.4 & 19.8 percent in 1990-91 and to 18.23 and 41.93 percent in 2012-13. However, the contribution of other remaining sectors showed a favorable shift i.e. from 35.1 percent in 1950-51 to 39.84 percent in 2012-13.

The declining share of agriculture sector do not, however, affect the importance of this sector in the State economic growth still is being determined by the trend in agriculture and horticulture production. It is the major contributor to the total domestic product and has overall impact. Due to lack of irrigation facilities our agricultural production to a large extent still depends on timely rainfall and weather conditions. High priority has been accorded to this sector the Govt.

The State has made significant progress in the development of Horticulture. The topographical variations and altitudinal differences coupled with fertile, deep and well drained soils favor the cultivation of temperate to sub-tropical fruits. The region is also suitable for cultivation of ancillary horticultural produce like flowers, mushroom, honey and hops.

## **2.1 Gross State Domestic Product**

Gross State Domestic Product (G.S.D.P.) or state income is the most important indicator for measuring the economic growth of a state. According to quick estimates, the total State Domestic Product for the year 2012-13 is 44,480 crore against 41,908 crore in 2011-12 thereby registering a growth of 6.1 percent at constant prices (2004-05).

## **2.2 Per Capita Income**

According to quick estimates based on new series i.e 2004-05 series, the per capita income of Himachal Pradesh at current prices in 2012-13 stood at ₹ 83,899. This shows an increase of 11.6 percent over 2011-12 ₹ 75,185. At constant (2004- 2005) prices the per capita income during 2012-13 is

estimated at ₹ 51,730 against ₹ 49,203 in 2011-12 witnessing an increase of 5.1 percent.

### **2.3 Sectoral Contribution**

The sectoral analysis reveals that during 2012-13, the percentage contribution of Primary sectors to total G.S.D.P. of the State is 19.72 percent, Secondary Sector 38.35 percent, followed by Community and Personal Services 18.46 percent, Transport, Communications and Trade 15.17 per cent and Finance and Real Estate 8.30 per cent.



## CHAPTER-3

### MICRO & SMALL SCALE ENTERPRISES

#### 3.1 GROWTH OF MICRO & SMALL SCALE ENTERPRISES

At the time of independence, Himachal Pradesh was predominantly an agrarian economy. Almost all other items of common use were imported. During the nineties, the growth rate remained more or less stable. The decade showed an average annual growth rate of 5.7 percent, which is at par with the national level. The pace of industrial development has picked up after the Grant of special package of incentive by Central govt. for setting up of Industries in the State which was notified on 07.01.2003 together with the package of incentives provided by the State Govt. in the industrial policy & incentive. This has resulted in high investment in both MSEs and Medium & Large Scale sector in the State. The table 3.01 shows year-wise growth of micro & small-scale enterprises in Himachal Pradesh.

**Table 3.01 Year-wise Growth of Micro & Small Scale Enterprises in Himachal Pradesh**

Year	Units (Nos.)	Investment ( ₹ in Lakh)	Employment (Nos.)
Up to 31.02.1991	20545	15054.00	86227
1991-92	973	7184.00	3770
1992-93	922	6690.00	3580
1993-94	825	6092.00	3202
1994-95	856	6220.00	3340
1995-96	724	5270.00	3150
1996-97	772	2024.71	3396
1997-98	761	3343.82	3447
1998-99	875	4564.51	4379
1999-00	792	4913.37	5127
2000-01	686	2994.3	3127
2001-02	748	4197.29	3849
2002-03	697	2429.48	3277
2003-04	663	3708.48	3769
2004-05	913	8891.44	6412
2005-06	914	12217.3	6611
2006-07	952	45272.78	10665
2007-08	842	70637.33	11302
2008-09	909	73795.48	10939
2009-10	1032	75320.01	10011
2010-11	963	96539.36	10002

2011-12	856	61909.00	7732
2012-13	798	96332.00	9298
2013-14	630	37419.00	5230
2014-15 (up to 31/12/14)	279	47713.00	1963
<b>Total</b>	<b>39927</b>	<b>700733.00</b>	<b>223805</b>

*Source: Directorate of Industries, Himachal Pradesh*

From the table given above, it may be observed that there were only 20,545 micro & small units registered in the state up to 1991 having investment of ₹ 15054 Lacs providing employment to 86,227 persons. Since then registration of units have witnessed declining trend more or less till 2003-04, the year when a special package of incentives was given to the State of Himachal Pradesh by Central Govt. and after the implementation of package, improvement in registration of small scale units started as number of leading entrepreneurs started investment in the state as is evident from the investment figures which was ₹ 3708 lacs in the year 2003-04 suddenly jumped to the level of ₹ 37419 lacs, kept on increasing till 2014-15.

Hence it may be concluded that the pace of industrialization has improved substantially due to the special package of incentives provided to the state in the year 2003.

**Table: 3.02 District Wise Status of Micro & Small Scale Enterprises (As on 31.12.2014)**

<b>District</b>	<b>No. of Units</b>	<b>% to Total</b>	<b>Investment (₹ in Lakh)</b>	<b>% to Total</b>	<b>Employment</b>	<b>% to Total</b>
Bilaspur	2402	6.02	8294	1.18	8643	3.86
Chamba	1809	4.53	4095	0.58	6316	2.82
Hamirpur	2929	7.34	7810	1.11	10508	4.70
Kangra	9210	23.07	37821	5.40	40927	18.28
Kullu	2621	6.56	8652	1.23	14497	6.49
Kinnaur	597	1.50	737	0.11	1886	0.84
Lahaul & Spiti	590	1.48	374	0.05	1637	0.73
Mandi	4050	10.14	12593	1.80	16752	7.48
Shimla	3562	8.92	9092	1.30	12597	5.63
Solan	5331	13.35	434690	62.03	69492	31.05
Sirmour	3304	8.27	125378	17.90	22531	10.07
Una	3522	8.82	51197	7.31	18019	8.05
<b>TOTAL</b>	<b>39927</b>	<b>100%</b>	<b>700733</b>	<b>100%</b>	<b>223805</b>	<b>100%</b>

*Source: Director of Industries, Himachal Pradesh*

As may be seen from the table No. 3.02, out of the total 39927 registered MSEs as on 31.12.2014, maximum number of units have been registered in

district Kangra which accounted for 23.07% of the total units followed by district Solan and Mandi which accounted for 13.35% and 10.14% respectively of the total registered units. But the growths of registered industries in the state during the last three years have been recorded more in district Solan followed by district Sirmour and Una respectively. In the State least numbers of units have been registered in district Kinnaur and Lahaul & Spiti. In terms of investment, maximum amount of investment have been made in district Solan with 62.03% of the total investment followed by district Sirmour and Una with 17.90% and 7.31% of the total investment while in terms of employment also district Solan has become the largest employment provider district of the state with 31.05% of the total employment followed by district Kangra and Sirmour.

**Table: 3.03 Industries wise MSEs after the Special package of incentives:**

up to 31.12.2014

<b>S. No.</b>	<b>Industry Group</b>	<b>No. of Units</b>	<b>% of Total</b>
<b>I.</b>	<b>Group-A (Non Thrust Sector)</b>		
1.	Chemicals	554	3.28
2.	Textiles	674	3.99
3.	Electricals	1053	6.23
4.	Electronics	859	5.08
5.	Automobiles	369	2.18
6.	Misc. Engg.	1485	8.78
7.	Packaging	1046	6.19
8.	Steel	882	5.22
9.	Foot wears	189	1.12
10.	Plastics	971	5.74
11.	Others	5515	32.61
	<b>Total</b>	<b>13597</b>	<b>80.41</b>
<b>II.</b>	<b>Group-B (Thrust Sector)</b>		
1.	Food processing Industries	1926	11.39
2.	Horticulture and Agro	11	0.07
3.	Aromatic/Medicinal herbs based soap	318	1.88
4.	Wool & Wool Products	7	0.04
5.	Pharma Prducts	1014	6.00
6.	IT Based Industries	2	0.01
7.	Mineral Water Bottling	3	0.02
8.	Handicrafts	0	0.0
9.	Others (Honey, horticulture, Sports goods, Eco-Tourism)	32	0.19
	<b>Total</b>	<b>3313</b>	<b>19.59</b>
	<b>Grand Total (I&amp;II)</b>	<b>16910</b>	<b>100.00</b>

Source: Director of Industries, Himachal Pradesh

Maximum No of units registered with the state industries department after the special package of incentives were in the unclassified product group (others) followed by food processing industries and then mechanical engg., electrical, packaging, electronics, pharmaceuticals, plastic & chemicals, footwear & automobiles etc., while this trend have been changed after the change in the definition of industries under the MSMED Act. In terms of investment (as on 1.10.2006) maximum amount of investment was made in the product group of Chemical & Allied Products followed by mechanical and electrical & electronic products while this trend has also been changed after the enhancement of investment limit for micro, small & medium enterprises under the MSMED Act, as a result of which chemical and mechanical products which were earlier in the category of medium enterprises due to the large investment involved have come under the preview of small scale sector by occupying the first, second and third position. Further considerable numbers of chemical, mechanical and electrical & electronics industries have come up in the State after the implementation of industrial package given by the Central Government to the State.

## CHAPTER-4

### LARGE AND MEDIUM SCALE ENTERPRISES

#### 4.1 GROWTH OF LARGE AND MEDIUM SCALE ENTERPRISES

Industrial progress is one of the most important indicators of the economic development of a region. The industrial development, in turn, largely depends, on the large and medium scale industry due to its large employment potential, higher levels of industrial efficiency and ancillary spin off. Year wise position of these units is given below in Table 4.01.

**TABLE 4.01 Growth of Large & Medium Enterprises in Himachal Pradesh**

<b>Year</b>	<b>Units (Nos.)</b>	<b>Investment (₹ in Crores)</b>	<b>Employment (Nos.)</b>
Up to 31.02.1991	110	200.84	15125
1991-92	2	23.16	155
1992-93	2	41.00	467
1993-94	7	139.33	2077
1994-95	8	356.95	1869
1995-96	18	686.13	2774
1996-97	13	148.26	1428
1997-98	13	435.48	2093
1998-99	1	54.27	115
1999-00	8	203.08	2827
2000-01	6	22.03	117
2001-02	5	64.06	655
2002-03	3	3.48	121
2003-04	15	34.94	762
2004-05	35	302.87	3473
2005-06	64	501.59	4606
2006-07	46	615.26	4568
2007-08	19	482.64	1923
2008-09	46	1141.03	4225
2009-10	23	1343.82	2703
2010-11	27	2118.33	3740
2011-12	16	1879.29	2981
2012-13	7	211.69	339
2013-14	3	161.21	784
2014-15 (Up to 31/12/14)	5	129.86	867
<b>Total</b>	<b>502</b>	<b>11300.62</b>	<b>60794</b>

*Source: Director of Industries, Himachal Pradesh*

Industrialization in Himachal Pradesh, where there are severe topographical, geographical and socio-economic constraints, largely depends on infrastructure development. With the gradual increase in investment in infrastructural facilities, through successive five year plans and formulation of a well defined industrial policy, Himachal Pradesh has been able to offset the location disadvantages to some extent. As a result considerable numbers of small, medium and large scale units are coming up in the state. As on 31.12.2014, 502 Medium & Large Scale enterprises have been reported in Himachal Pradesh with an investment of ₹11300.62 Crores and providing employment to 60794 persons.

**Table: 4.02 Industries wise Large & Medium Scale after the Special package of incentives:**

**up to 31.12.2014**

<b>S. No.</b>	<b>Industry Group</b>	<b>No. of Units</b>	<b>% of Total</b>
<b>I.</b>	<b>Group-A (Non Thrust Sector)</b>		
1.	Chemicals	34	4.50
2.	Textiles	98	12.94
3.	Electronics	57	7.53
4.	Electronics	83	10.96
5.	Automobiles	57	7.53
6.	Misc. Engg.	50	6.60
7.	Packaging	45	5.94
8.	Steel	66	8.72
9.	Foot wears	21	2.77
10.	Plastics	77	10.17
11.	Others	159	21.00
	<b>Total</b>	<b>757</b>	<b>100.00</b>
<b>II.</b>	<b>Group-B (Thrust Sector)</b>		
1.	Food processing Industries	85	26.81
2.	Horticulture and Agro	0	0.0
3.	Aromatic/Medicinal herbs based soap	56	17.67
4.	Wool & Wool Products	0	0.0
5.	Pharma Products	176	55.52
6.	IT Based Industries	0	0.0
7.	Mineral Water Bottling	0	0.0
8.	Handicrafts	0	0.0
9.	Others (Honey, horticulture, Sports goods, Eco-Tourism)	0	0.0
	<b>Total</b>	<b>317</b>	<b>100.00</b>
	<b>Grand Total (I&amp;II)</b>	<b>1074</b>	

*Source: Director of Industries, Himachal Pradesh*

## **4.2 INDUSTRIAL SERVICES AND INFRASTRUCTURE DEVELOPMENT**

To provide services and facilities to the existing and prospective entrepreneurs. District industries Centers (DIC's) have been functioning in all districts of the state. Besides, 5 Single Window Clearance Agencies have been setup in industrial areas of Parwanoo, Baddi, Paonta Sahib, Kala Amb & Golthai which provide services and facilities required by the industries under the single roof. With a view to provide umbrella support to existing and new ventures, the state government has set up a State Level Single Window Clearance and Monitoring Authority (SLSWC&MA)

At present the state has about 41 industrial areas established at Bilaspur, Gwalthai, Garnota, Hatli, Hamirpur, Nadaun, Nagrota Bagwan, Sansarpur Terrace, Nagri, Dhaliara, Bain Attarian, Badhal, Raja Ka-Bag, Nargala Jawali, Shamshi, Reckong Peo, Sauli Khad (Mandi), Ratti, Bhambla, Maigal, Shogi, Maindli, Jais, Jubber Hatti, Paonta Sahib, Kala Amb, Baddi, Barotiwala , Chambaghat, EPIP Baddi(Phase I&II), Banalgi, Mamlig, Katha Bhatoli, Mehatpur , Amb, Tahliwala, Gagret, Jeetpur Bheri and Basal.

Besides this 15 industrial estate have been developed with the infrastructure facilities at Sultanpur, Parel, Shivenagari (Holi), Kangra, Dhera , Jawali, keylong, Saigloo, Pali, Pandranu, Raighat, Sunda Bhonda, Parwanoo, Chambaghat and Dharmpur. In addition to this project of an industrial Growth Center is being implemented by the state Govt. with the assistance of Central Government at Sansarpur Terrace Ph.-I, Bain Attarian, Phase-II, Raja- Ka – Bag, Phase-III, Gwalthai Ph.IV and Banalgi Ph. V.

To attract investment in the state and to ensure easy availability of land to the prospective entrepreneurs in various parts of the state, the department of industries has constituted a land Bank comprising of government and private land which are available for setting up industries. The department is providing escort and facilitation services in case the entrepreneurs are willing to purchase private land.

### **4.3 IMPACT OF INDUSTRIAL PACKAGE:**

Since the implementation of new industrial package announced by central Govt. in respect of Himachal Pradesh in January 2003, industrial activities in general and particularly in district Solan, Sirmour and Una has picked up in the state as a result of which large number of units particularly in the line of Pharmaceuticals electrical/ electronics, Hosiery & Textile and herbal based products have come up in the state. The impact of this package has also been noticed in case of Medium and Large scale industries. Major Industrial houses ACC, Gujrat Ambuja Cement, Birla, Dabar, Verdhmaan, Mohan Meakin, Eicher , HFCL, Godrej, Wipro , Hindustan Lever Ltd., Cipla Ltd., Ajanta India Ltd., Jhonson and Jhonson , Cadbery , Colgate Pamolive, Dr. Reddy's laboratories Cadila healthcare and franchises of various electrical appliances/sports shoes manufacturers such as LG, Bajaj, Philips, Phoenix , Maharaja, Kapkon, Electronics, Revere Pentland, Lee Copper and Action etc. have already started Commercial production in the state.

Due to the increase in industrial activities unemployment problem which the state was facing in the past has also been solved to a great extent as the state Govt. has put a condition on the new industries to provide 70% employment to the Himachali's.



## CHAPTER-5

### KHADI & VILLAGE INDUSTRIES

#### 5.1 GROWTH OF KHADI & VILLAGE INDUSTRIES

A large number of families are engaged in Village & Cottage industries in the State such as Khadi, Village Oil, leather products, FVPP, Gur Khandsari, Carpentry & black smithy, Lime, pottery, Fibre, Bee Keeping, P.C.P.I. Cottage Match, HMP, Cane and Bamboo, Katha Industry, Medicinal Herbs, Soap, Gums & Rosine, Aluminum, Service Industry, Textile Industry, Brass Copper, Rasin, PVC & Candle, Electronics &, Bio-tech etc. Information regarding few of the KVIB units is as follows:

**Table 5.01 Status of Khadi & Village Industries (2012-13)**

Category	Production (Lakh)		Sale (Lakh)		Employment (Nos.)	
	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13
Khadi	16.45	12.66	36.16	26.68	2	3
Village Oil	144.48	116.00	176.50	140.35	131	99
Village leather products	710.06	713.28	766.66	770.99	3132	3132
FVPP	338.45	351.10	417.48	438.52	454	452
Gur Khandsari	346.80	335.46	444.08	434.34	544	446
Carpentry & black smithy	5017.35	5145.85	5853.60	6030.70	10761	10734
Lime	2428.70	2093.45	2863.00	2443.75	2209	1789
Pottery	760.50	697.88	838.35	778.95	1263	1153
Fibre	227.40	229.22	240.42	242.47	1035	1036
Bee Keeping	396.41	355.81	471.15	422.40	775	776
P.C.P.I.	2170.94	2021.96	2643.24	2474.58	2812	2268
Cottage Match	32.82	23.12	42.12	42.42	62	62
HMP	677.62	621.55	814.71	746.10	1329	1332
Cane and Bamboo	240.78	246.42	264.53	271.38	2133	2137
Katha Industry	126.29	192.44	148.19	220.04	248	303
Medicinal Herbs	282.00	311.40	317.98	349.32	340	357
Soap	456.20	453.55	520.10	515.10	491	491
Gums & Rosine	4.62	4.67	6.37	6.42	25	10
Aluminum	7.50	29.00	9.50	35.60	6	20
Service Industry	460.95	0.00	4399.36	4282.86	6350	6448
Textile Industry	1082.27	1199.10	1356.20	1462.49	2227	2299
Brass Cropper	23.62	27.05	26.50	31.00	37	40
Raxin, PVC & Cabdle	845.15	850.00	953.80	960.00	837	839
Electronics	405.45	386.55	505.85	488.78	313	313
Bio-tech	486.35	536.90	592.45	648.60	783	666
<b>Total</b>	<b>17689.16</b>	<b>16954.42</b>	<b>24704.30</b>	<b>24263.81</b>	<b>38299</b>	<b>37205</b>

*Source: KVIB, Himachal Pradesh*

Himachal Pradesh is now on its way to rapid industrialisation through co-ordinate and simultaneous development of micro, small, medium sector of industries. The State has registered remarkable progress in the development of MSME sector during the last few years.

## CHAPTER-6

# RESOURCES

Availability of resources is an important factor, which governs development of industries. In this context, the State of Himachal Pradesh is quite rich in agriculture and allied resources. In this section the resources available in terms of Natural, Agricultural, Horticulture, Forest, Livestock & Poultry, Minerals, Fisheries, Sericulture and Tourism are discussed in this chapter.

### 6.01 AGRICULTURE

Agriculture is the mainstay of Himachal Pradesh's economy. About 81.5% of the total cultivated area in the state is rainfed. Rice Wheat and Maize are important cereal crops of the State.

**Table 6.01 Area & Production of Principal Crops**

Crops	Area ('000' Hect)			Production ('000'MT)		
	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
Wheat	366.59	360.07	352.52	562.01	381.18	414.41
Maize	300.15	298.80	295.44	682.62	676.64	543.19
Rice	78.57	76.72	76.70	121.45	118.28	105.90
Barley	23.51	22.63	21.24	30.67	20.45	22.94
Ragi	1.85	1.29	2.68	2.49	2.44	2.21
Pulses	33.87	31.16	21.56	35.96	23.51	20.66
Common millets	7.44	8.79	5.41	5.46	4.29	1.98
Total food grains	811.98	799.45	775.22	1440.66	1226.79	1111.16
Sugarcane	2.70	2.43	2.17	58.44	53.06	45.98
Chillies	0.7	0.6	0.58	0.25	0.19	0.08
Ginger	2.27	2.17	2.13	25.54	18.81	13.96
Oilseed	13.93	12.99	13.18	5.25	3.68	3.13

*Source: Director of Land Records, Himachal Pradesh, Shimla*

Agriculture and its allied activities is the main source of income of the state of Himachal Pradesh as it contributes around 15 % of the total GSDP and it provides direct employment to 68.44% of the total workers of the state. Agriculture Production in the state is largely dependent on timely rainfall, as is evident from the above table that production of total food crop which was

1469.66 thousand tones in the year 2007-08 has decreased to 1111.16 thousand tones in the year 2009-10. The reason for the decrease in production is shifting of cultivation from principal food crops to cash crops like fruits and vegetables by the farmers in the subsequent years. The production of vegetables which was 25 thousand tones in the year 1951-52 has increased to the extent of 1580.923 thousand tones in the year 2012-13. The production of other cash crops such as potato and ginger has increased to some extent, yet the state has not achieved self –sufficiency in both food and non food crops.

It is observed that the State has some quantity of maize surplus which could be put to industrial use such as manufacturing of cattle feed. Poultry feed cornflakes etc. Considerable quantity of potatoes and some quantity of ginger and tomatoes are also surplus in the state and are sent to other States. These can also be used to produce potato chips, dry ginger, ginger powder, tomato sauces etc.

## **6.02. HORTICULTURE:**

During 2011-12 total area under fruits was 2,14,574 hectares, Apple, Mango, Plum, Pear, Peach, Apricot, Almond, Walnut, Orange, K-lime, Litichi, Guava and Aonala are popular fruits grown in the State. Production of fruits was 5,40,775 tonnes during the same period. A small quantity of fruits is processed in Himachal Pradesh and a major portion is sold afresh. The following table gives an account of production and area under different fruits in the State.

**Table 6.02 Area & Production under Fruits-2011-12**

<b>Particulars</b>	<b>Area (Hect.)</b>	<b>Production (Tonnes)</b>
Apple	103644	412361
Plum	8530	12130
Peach	5181	11307
Apricot	3556	3224
Pear	7333	25148
Cherry	492	412
G- Almond	0	115
Persimon	421	210

Olive	48	10
Kiwi	120	545
Staberry	54	345
Almond	5543	1064
Walnut	4607	1482
Picanut	876	181
Orange	8554	6104
Malta	1419	1085
K.lime	10126	3889
Galgal	2244	1954
Other Citrus	53	7
Mango	39568	49284
Litichi	4572	3068
Gauva	2237	2235
Papaya	216	736
Loquat	66	75
Aonala	2069	1429
Grapes	114	109
P-grnate	1709	1312
Jack Fruit	651	461
Others	571	493
<b>Total</b>	<b>214574</b>	<b>540775</b>

*Source: Directorate of Horticulture, Himachal Pradesh, Shimla*

Himachal Pradesh has rich diversity of agro-climatic condition varying from sub-tropical to humid temperate and cold deserts. The topographical variations and altitudinal differences coupled with fertile, deep and well drained soil favors the cultivation of temperate to sub- tropical fruits. Thanks to the scientific cultivation of fruits as a result the production of all types of fruits which was 342.30 tones during the year 1991-92 have touched a figure of 5,40,775 tones in the year 2011-12. Apple is the main fruit crop of the state which constitutes more than 76% of the total fruit production and around 48% of the total fruit area.

From the table it may be observed that the area under different fruits which was 163330 hectares in the year 1991-92 has decreased to the level of 214574 hectare in the year 2011-12. The reason for increase in area under major fruits may be that the farmers in the low hilly areas of the State have converted their land for cultivation of ancillary horticulture produce like flowers, mushroom and honey etc. However, like agriculture, horticulture production is largely dependent on climatic conditions. Hence, it may be observed that if the climatic conditions become favorable for growing of fruits to

the extent of its maximum potential, there is possibility of having more surplus fruits for industrial purpose. Units which could be setup on the basis of fruits available in the State are fruit processing like Jam, jelly, Juice, squash, fruit pulp, pickles etc.

### 6.03 FORESTS:

The area under forest is quite significant in the State. As per the National Forest Policy 1982, minimum 33% of the total geographical area should be under forest. The area under forest in Himachal Pradesh is 37033 Sq. Km., which is about 66.5% of the total land. The national average of area under forest is 19.4%. The main forest produce in Himachal Pradesh is Deodar, Kail, Chil, fir/spruce, Sal, Ban Oak, Mohru, Kharsy-oak, Mapple, Horsechestnut & Walnut.

**Table 6.03 Forest Revenue in Himachal Pradesh**

Particulars	2010-11	2011-12
<b>Major Forest Products ( ₹ in Lakh)</b>		
Timber and other forest produce removed by Government Agency	106.63	22.18
Timber and other forest produce removed by Consumer/Purchasers	3601.99	3166.91
Drift and waif wood	0.00	0.00
Sale of timber and other forest produce removed from forests other than HPSFC	1148.35	5665.38
<b>Minor Forest Products ( ₹ in Lakh)</b>		
Minor forest produce including Medicinal plants	6.11	11.18
Grazing and Grass	12.05	12.66
Miscellaneous Products	1668.70	1875.14
Revenue for forest not managed by the Government	0.20	1.03
<b>Net Revenue</b>	<b>6544.03</b>	<b>10654.48</b>

Source: Statistical Abstract Himachal Pradesh, 2012-13

**Table 6.04 Forest Resources of Himachal Pradesh**

Description	Area of Forest (Hect.)	
	2010-11	2011-12
<b>State Forest</b>		
Reserved	189786	189786
Protected	3312970	3312970
Unclassified	88634	88634
Others	36949	36949
<b>Total</b>	<b>3628339</b>	<b>3628339</b>
Percentage of Total Area	66.5%	66.5%

Source: Forest Department, Himachal Pradesh

These forests contribute to the State economy by way of providing timber, fuel, Ayurvedic medicine, herbs, resins, fodder etc. The said forest produce also act as resource to set up industries in the State. Based on these resources a considerable number of units have been set up in the state. There is still huge scope to utilize the forest waste which is available in the form of Deodar, Kail, Chil, fir/spruce, Sal, Ban Oak, Mohru, Kharsy-oak, Mapple, Hrsechestnut, Walnut, Bird-cherry & other BL Species etc.

## **6.4. LIVESTOCK AND POULTRY:**

### **6.4.1 LIVESTOCK**

Livestock is an important allied income generating activity related to farmers of Himachal Pradesh. Besides milk, other items like hides, skins, bones and natural manure are also generated from this activity. As compared to other States, people of Himachal Pradesh have adopted modern and latest methods in the field of livestock. In the absence of animal husbandry, the life style of rural areas of Himachal Pradesh could not be imagined. The total livestock population in the State of Himachal as per 2007 census is 5616.69 thousand. Table 6.04 shows that overall livestock have shown slightly increasing trends. It indicates that due to less mechanization in agriculture the demand of drought animals is still there and people are opting for high milk yielding buffaloes.

**Table 6.04. Livestock and Poultry (Nos.)**

<b>Particulars</b>	<b>1997</b>	<b>2003</b>	<b>2007</b>
Period/Cattle	2001826	2196538	2269178
Buffaloes	652373	773229	761589
Sheep	908831	906027	901299
Goats	946529	1115587	1240836
Horses & Ponies	22026	17144	13158
Mules	24404	23938	18985
Donkeys	6639	8859	7376
Camels	168	137	56
Pigs	4670	2795	2493
Yaks	2548	1590	1705

Others	731	200	14
<b>Total</b>	<b>4740892</b>	<b>5046044</b>	<b>5216686</b>
Poultry	381650	764136	809546
Dogs	170147	208254	211900

*Source: Directorate of Animal Husbandry, Himachal Pradesh*

**Table 6.05 Production & Availability of Milk**

<b>Year/Particulars</b>	<b>Milk production 000' (Tonns)</b>
2005-06	869.014
2006-07	872.395
2007-08	873.466
2008-09	884.000
2009-10	835.954
2010-11	907.000
2011-12	1119.866
2012-13	1138.612

*Source: Directorate of Animal Husbandry, Himachal Pradesh*

**Table 6.06 Status of Veterinary Facilities (Number)**

<b>Particulars</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>
Hospitals/CVD	360	361	362
Dispensaries	1764	1763	1762
Other Institutions	72	72	73
Polyclinic	7	7	7
Veterinary Officers	419	419	420
Veterinary pharmacists	2582	2582	2582

*Source: Directorate of Animal Husbandry, Himachal Pradesh*

As per Table 6.06 the status of veterinary facilities almost same.

## **6.4.2 POULTRY**

Poultry development provides employment both in rural as well as in urban areas, and supplies nutritive food to the consumer in the form of meat, eggs and manure for use in the field. Poultry farming have quick returns from the investment and well-distributed turnover throughout the year. It has helped the establishment of poultry as an industry in the State. The total poultry population in the State of Himachal Pradesh as per 2007 census has been approximately 809546.



## 6.5 MINERALS:

Himachal Pradesh is blessed with mineral wealth. As per Geological survey of India, there are deposits of Lime stone, iron ore, rock salt, slate, gypsum antimony and lead etc in the state. The distribution of these minerals is scattered all over the state and includes lime stone in Bilaspur , Sirmour and Kangra districts; salt and slates in Mandi district; gypsum in Sirmour and Lahaul &Spiti Districts: barite in Sirmaur. In addition to its deposits of natural gas, petroleum and uranium are also expected in some parts of the state. But so far there is no comprehensive survey of their exact location and quantum of deposits except for very few minerals.

## 6.6 FISHERIES

There is a great potential of pisciculture in the State. Fishery resources of Himachal Pradesh comprise rivers, small water reservoirs and lakes. In addition, there are village ponds which can be made suitable for fish culture after some renovation and water supply arrangements. Farmers have also started construction of fish tanks on farmland as a measure of diversification from agricultural practices in favour of fish farming because they find it more lucrative. The following table gives an account of development of fisheries in the State of Himachal Pradesh. The future of fisheries development appears to be bright in Himachal Pradesh.

**Table 6.07 Fisheries**

<b>Particulars</b>	<b>Units</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>
Total Production	M.Ts.	7381	8045	8560.89
Value of fish produced	Rs. in Lakh	3966.88	5054.66	5818.13
Export of fish from H.P.	M.Ts.	404.12	388.59	1046.08
Export of fish from H.P.	Rs. in Lakh	393.50	514.90	918.04
Import of fish from H.P.	M.Ts.	442.41	586.79	312.87
Import of fish from H.P.	Rs. in Lakh	199.97	304.09	106.79

*Source: Fisheries Deptt. Himachal Pradesh*

From the table it may be observed that production of fish, has been increasing in the State and reached to the quantity level of 8560.89 MT in the year 2012-13. The fish production is being sold both in and outside the state. The streams of Himachal Pradesh fall under two categories, general waters and trout waters with estimated length of 600Kms and 2400 Kms respectively. The major streams include Beas, Setluj, Ravi, Tirthan, Sainj, Uhl, Baspa, Pabar, Lambadug, Giri, Rana, Nugal, Baner & Bata etc.. The major fish available in these streams are Trout, Mahseer, Namacheilus, Schizothoracids & Glyptothorax etc. The main reservoir resources such as Govind Sagar, Pong dam & Chamera are also good source of commercial fish production. The Reservoir of Govind Sagar dam has the highest fish production per hectares. Effort are being made by the department of fisheries to increase the production of fish through its fish breeding farms spread over the different parts of the state ie. Katrain and Nagini in Kullu , Barot in mandi, Holi in Chamba and Sangla in Kinnaur district where Trout fish is being reared. Besides this general water Carp farms are located at Deoli in Bilaspur, Alsu in mandi, Kangra and Sultanpur in Chamba. To increase the fish production and to promote fishery and aquaculture in the state, department of Fisheries is working in the State. A Mahseer farm project with the cost of ₹ 5 crore at Machyal near Jogindernagar is under construction. The Govt. of Himachal Pradesh is undertaking and implementing various projects/schemes with the assistance of Govt. of India.

## **6.7 SERICULTURE:**

Sericulture is emerging as one of the important cottage industry in the state. This is providing subsidiary employment to the farmers and also supplementing their income by way of rearing silkworms for production of silk cocoons. The Government of Himachal Pradesh has given high priority to the development of sericulture industry because it has a great potential to raise the income level of small and marginal farmers. The state has suitable climate for

bi-voltine mulberry sericulture. Sericulture is eco-friendly occupations, which requires no energy and take minimum gestation period and less investment. It is ideally suited to the rural areas and can go a long way in solving unemployment problem to some extent. The state comes in bi-voltine region where silkworms are reared twice in a year. This subsidiary occupation is providing employment to about 9000 rural families for supplementing their income by rearing silk-worms and selling cocoons.

In the State seven Sericulture divisions viz. Ghumarwin, Mandi, Palampur, Dehra, Nadaun, Dhaulakuan, Shimla under which 72 sericulture centre, 85 departmental mulberry farms and 28 mulberry nurseries are functioning. These sericulture centers conduct incubation of silkworm eggs, young age rearing and distribute chawki-reared silkworms to the farmers for late age rearing for production of silk cocoons. Besides distributing mulberry saplings and providing technical guidance to the Seri-culturists. Currently sericulture is spread over in about 1928 villages and its major concentration is in the district Bilaspur, Kangra, Mandi, Hamirpur, Una and Sirmaur, Total eight silk reeling units one in Govt. Sector at Nurpur (Kangra) and seven under private sector have been set up in district Kangra (3), Hamirpur (1), Mandi (1) and Bilaspur (2).

During the year 2011-12, approx. 1249 hectares mulberry plantation area was put to use for sericulture purpose to produce silk cocoons 180.32 M.T. that was converted into 22.54 M.T. raw silk of value ₹ 4.72 crores by 9148 families, beside it generated other intangible incomes and achieved generation of 7.01 lakh mandays from the industry. Total mulberry saplings 4.993 lakh were disbursed and planted under various programmes.

## **6.8 TOURISM**

Tourism in HP has been recognized as one of the most important sectors of the economy. It is being realized as a major engine of growth for future. Himachal Pradesh is endowed with all the basic resources necessary for thriving tourism activity, geographical and cultural diversity, clean monuments and the friendly and hospitable people.

Tourism Industry in Himachal Pradesh has been given very high priority and the Govt. has developed an appropriate infrastructure for its development which includes provision of public utility services, roads, communication, network, airport, transport, facilities of water supply and civic amenities etc.

The department has a proposal for setting up of seven ropeways in Bhuntar to Bijli Mahadev (Kullu), Palchan to Rohtang (Manali), Neugal (Palampur), Shahtalai to Deotsidh (Bilaspur), Khayara to Triund (Kangra), Anadpur Sahib to Naina Devi (Bilaspur) & Jai to Adi Himani Chamunda (Kangra) location in the State under PPP mode on Build, Operate & Transfer basis.

Besides, the department of tourism is providing training in various adventure sports like water sports, paragliding, river rafting, tracking guide etc. to the unemployed youths.

## CHAPTER-7

### INFRASTRUCTURE

The development of Infrastructure & Institutional Support is a pre-requisite for economic development on an area.

#### 7.1 TRANSPORTATION:

Position of transport for industrial purpose is discussed under the following heads.

##### A) RAILWAYS:

Because of the hilly terrain of the State, railway transportation plays minor role in the state. There are two narrow gauge lines in the State viz. i) Kalka-Shimla line and (ii) Pathankot-Jogindernagar line. The use of these lines is also limited to transporting of goods like coal, timber, potatoes etc. for industrial sector.

##### B) ROAD TRANSPORT:

In the hilly area like HP, where railway plays a negligible role, roads act as vital arteries in the economy of the State. The position of the road transport developed in the State is given in the table.

**Table 7.1 Length of Road (Kms.)**

Year	Double lane motor able	Single lane motor able	Jeep able	Less than Jeep able	Total
2002	2336	20427	781	3959	27503
2003	2336	21100	598	3771	27805
2004	2344	21648	481	3611	28084
2005	2355	22567	442	3103	28467
2006	2369	23599	390	2653	29011
2007	2374	25210	381	2299	30264
2008	2374	26783	365	1990	31512
2009	2377	27925	345	1803	32450
2010	2384	288832	300	1655	33171
2011	2403	29464	290	1565	33722
2012	2411	29999	276	1483	34169
2013	2415	30550	260	1422	34647

*Source:-Deptt. of PWD, Himachal Pradesh*

From the above table, it is observed that transport have developed in the state on a very fast pace. This may be judged from the table that the length of roads which was 27503 Kms. in the year 2002 has gone up to 34647 Kms. as

on March 2013. Further more and more Jeep able and less than Jeep able roads are brought under the Double and Single lane motor able roads year after year. Pardhan Mantari Gram Sadak Yojana has given further momentum towards the road infrastructure development in the rural areas of the state.

### **C) WATER TRANSPORT:**

Though there are a number of rivers flowing through the state but water transport is almost negligible in the State

### **D) AIR TRANSPORT:**

The State has appeared on the Airways map also. There are three airports in the State located at Bhuntar (Kullu), Jubber hatti (Shimla) and Gaggal (Kangra).

## **7.2. ENERGY:**

Energy is a vital input for fuelling the speedy economic growth. Renewable and non-renewable sources of energy are the two constituents of total energy. Renewable sources of energy include hydropower, fuel wood, biogas, solar, wind, geo-thermal and tidal power. Non-renewable sources of energy include coal, oil and gas. Coalmines and oil wells are not available in Himachal Pradesh.

Solar energy and biogas have good scope for generation of energy in the State of Himachal Pradesh. Some progress has been made to exploit these sources commercially. Presently the main source of power in the State is the hydroelectric power. The following tables give an account of installed capacity, electricity generated, and consumption of electric power of electricity in Himachal Pradesh.

**Table 7.02 Consumption of Power in Himachal Pradesh (MUs)**

<b>Category</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>
Domestic	948.3	1058.4	1089.1	1111.6	1282.0	1398.7	1618.4
Non- Domes. Non-Comm.	63.4	77.3	80.6	89.9	89.5	95.9	106.8

Commercial	225.8	248.2	274.7	305.6	356.6	365.0	411.0
Industrial	2553.5	3100.4	3385.3	3596.9	3993.7	4288.5	4511.4
Govt. Irrigation & WSS	324.9	335.0	389.3	414.9	409.9	430.7	454.0
Street Light	11.3	12.6	13.0	12.5	12.5	12.7	13.9
Agriculture	26.4	26.7	28.7	36.6	35.1	35.5	46.6
Temporary	19.4	23.4	22.7	27.1	24.7	28.5	25.9
Bulk and Others	127.5	146.5	177.1	218.7	235.6	173.2	169.8
<b>TOTAL</b>	<b>4300.4</b>	<b>5028.7</b>	<b>5460.5</b>	<b>5814.3</b>	<b>6440.2</b>	<b>6828.7</b>	<b>7357.8</b>

Source: H.P. State Electricity Board

**Table 7.03 Installed capacity & generated of electricity in Himachal Pradesh**

<b>Year</b>	<b>Installed capacity in H.P. HPSEB (MW)</b>	<b>Generation of Power (MUs)</b>
2005-06	329.1	1332.4
2006-07	467.1	1432.4
2007-08	467.1	1864.9
2008-09	467.1	2075.1
2009-10	467.1	1804.1
2010-11	467.1	2045.3
2011-12	471.45	2019.958
<b>2012-13</b>	<b>471.45</b>	<b>1800.19</b>

Source: H.P. State Electricity Board

Himachal Pradesh has been blessed with vast hydroelectric potential in its five river basins, namely Yamuna, Satluj, Beas, Ravi and Chenab and through preliminary hydrological, topographical and geological investigations, it has been estimated that about 23,000 MW of hydel power can be generated in the state by constructing various major, medium, small and mini/micro hydel projects on the five river basin. Out of this hydel potential only 8368 MW has been harnessed by various agencies which also includes 473 MW by H.P.S.E.B. The State Govt. has adopted multi pronged strategy for power development through State Sector, Central Sector, Joint Venture and Independent Power Producers. With the completion of ongoing power projects such as Karcham-Wangtoo, Koldam , Rampur and many other hydel projects,

the state would not only be able to feed the rising demand of the industrial sector of the state but would also be able to meet the requirement of the northern region of the country. Out of the total electricity consumed during the year 2012-13, around 61% was consumed by the industrial sector which is increasing year after year due to the increase in industrialization in the state.

### 7.3 AVAILABILITY OF INDUSTRIAL LAND

Availability of Industrial land is an important contribution that a Government can provide for industrial development. Himachal Pradesh got full statehood in 1971. Thereafter, the stress was laid on infrastructure development and industrial areas were developed at Parwanoo, Barotiwala, Bilaspur, Shamshi, Nagrota Bagwan, Mehatpur & Chambaghat, and the plots have been allotted in these industrial accommodations to cater the dire need of land for industrialization. Industrial focal points are established at many Industrial Centres of Himachal Pradesh, rural industrial estates are also established in the State to give impetus to rural industrialization and to remove regional imbalances.

### 7.4 EDUCATIONAL FACILITIES:

**Table 3.03 Education Institutions in Himachal Pradesh (2012-13)**

<b>Type of Institution</b>	<b>Nos.</b>
Universities	15
Degree Colleges	118
Law Colleges	09
Sanskrit Colleges	22
Teachers Training College (B. Ed)	31
High/Sr. Secondary Schools	2126
Middle/Senior Basis Schools	2317
Primary Schools/Junior Basis	10739
NIT	02
Engineering Colleges	20
NIFT	01
Polytechnic Institutions	34
ITIs	222
B-Pharmacy	13
D-Pharmacy	6

*Source: State Statistical Abstract of H.P., 2012-13*



At present the state has one National Institute of Technology (NIT) at Hamirpur and one at Mandi, 20 Engineering Colleges, 34 Polytechnic Institutions and 13 B-Pharmacy Colleges serving in the state under the department of Technical Education. Besides, the state has 222 I.T.I's. catering to the need of industrial sector.

The state has fourteen Universities (10: Private) in the State to meet the educational need of the students of H.P as well as of other States. Four Govt. sector Universities in the State are Himachal Pradesh University, Summer Hill, Shimla, Dr. Y S Parmar University of Horticulture & Forestry, Nauni, Solan, Himachal Pradesh Agricultural University, Palampur, Central University, Dharmasala, Kangra and ten private Universities are also functioning in the State.

## 7.5 MEDICAL INSTITUTIONS:

**Table 7.05 Medical Institutions (2012-13)**

Medical Colleges	02
Dental Colleges	05
H.P. Medical Council	03
GNM Schools	33
B.Sc. Nursing Colleges	13

*Source: State Statistical Abstract of H.P. 2012-13*

At present the State has two Medical Colleges and one Govt. Dental College, beside, there are five Dental colleges in private sector and three HP councils also functioning. There are 33 GNM Schools and 13 B.Sc. Nursing Colleges are also functioning in the state. The main objective is of providing better medical education systems and training to Medical and Para Medical & Nursing personnel to monitor and coordinate the activities of Medical & dental services of State.

## **CHAPTER-8**

# **INSTITUTIONAL SUPPORT**

Central Government as well as State Govt. has established a number of institutions for the promotion of industries whose decisions and functions influences industrial activities in the country/region/State. The role and functions of these institutions are discussed under this chapter.

### **8.1 CENTRAL GOVERNMENT ORGANISATIONS/AGENCIES AND THEIR FUNCTIONS:**

Govt. of India has created following Institutions/organization/Corporation/ boards to look into various aspects of promoting and developing industries. They formulate policies, co-ordinate and monitor the progress of industrial products falling under their purview.

- Khadi & Village Industries Commission
- All India Handicraft Board
- All India Handlooms Boards
- Central Silk Board
- Coir Board
- Jute Board
- All India Power looms Board

All these Commissions/Boards promote only specific industries coming under their purview as is clear from the name of Commission/Board. These corporations frame policies and make programmes for the development of products/industries falling under their purview and coordinate these programmes and monitor the progress of these industries.

Beside these commissions and boards, there are certain other Agencies/Institutions at Central level which render service/assistance to industries in their respective fields.

#### **8.1.1 NATIONAL SMALL INDUSTRIES CORPORATION LTD.:**

National Small Industries Corporation Ltd., has its Head Office in New Delhi. It has four regional offices located in Mumbai, Kolkata, Chennai and New Delhi. To avail the facility provided by the NSIC, H.P State is attached with its branch office located at SCO -378, Sector 32-D, Chandigarh. Their main functions are as below:-

- Supply of machinery on hire purchase basis
- Registration of units for participation in purchase programme of central and State Govt. and other Institutions. This scheme is popularly known as Single Point Registration
- Marketing assistance (Internal and export)
- Development of prototype of machines and equipment etc.

#### **8.1.2 BUREAU OF INDIAN STANDARDS (BIS) PARWANOO, SOLAN:**

It is Central Govt. Department which specifies quality standards for different products. It helps in selecting appropriate machinery and equipment for installing quality facilities. It helps in setting up testing laboratories in units premises and also authorizes units to use ISI mark which manufacture products as per specified standards.

##### **➤ The Patent Sub-Office-112,33-C, Chandigarh**

It registers the “Trade Mark” of interested units and provides legal protection in case of imitation by others.

##### **➤ H.P. Patent Information Centre, State Council for Science Technology & Environment, Kusumpti, Shimla-9**

It creates awareness and facilitates in registration of Patent/Trade Mark Copy Rights etc.

#### **8.1.3 REGIONAL TESTING CENTRE, OKHLA INDL. ESTATE, NEW DELHI:**

It has its head office at New Delhi and four Regional Centers located at Mumbai, Calcutta, Chennai and New Delhi. Its main function is to provide testing facilities to industrial units at nominal charges.

#### **8.1.4 KNITWEAR FACILITY CENTRE, FOCAL POINT LUDHIANA, PUNJAB:**

Its main function is to assist units manufacturing hosiery goods in obtaining quality mark (wool mark) and testing their products.

#### **8.1.5 BICYCLE AND SEWING MACHINE RESEARCH AND DEVELOPMENT CENTRE, FOCAL POINT, LUDHIANA, PUNJAB:**

Its main function is to produce quality products in bicycles and sewing machines. It provides testing and training facilities in these areas.

#### **8.1.6 FOOD AND NUTRITION BOARD, DEPTT. OF FOOD, MINSITRY OF AGRICULTURE, NEW DELHI:**

Its main function is to provide testing assistance to units producing quality food products. It provides information on laboratory and machinery requirements for getting FPO license.

#### **8.1.7 ELECTRONICS TEST & DEVELOPMETN CENTRE, CHAMBAGHAT, SOLAN, HIMACHAL PRADESH:**

Its main function is to provide testing facilities, commercial facilities etc, to units manufacturing electronics products and also provides training in electronics and development of new electronic products.

#### **8.1.8 CONTROLLER OF IMPORTS & EXPORTS, INDERPRASTH, BHAWAN, NEW DELHI:**

Its main function is to assist units in import of raw materials and export of final products to other countries.

#### **8.1.9 RESERVE BANK OF INDIA, CENTRAL VISTA, SECTOR-17, CHANDIGARH:**

Its main function is to provide guidelines to lending Institutions like IDBI, IFCI, ICICI, SIDBI, and Financial Corporations & Banks in lending money to industrial sectors and control money supply.

#### **8.1.10 SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA:**

It provides finance to small scale industries through its various refinance schemes. It provides refinance through State Financial Corporations, Banks etc at concessional rates.

#### **8.1.11 OTHER SPECIALISED INSTITUTIONS IN TRAINING AND DEVELOPMENT:**

- Central Tool Room, Ludhiana, Delhi, Calcutta and Bangalore
- Central Institute of Hand Tools, Jalandhar
- Central Food Technology Research Institute, Mysore
- Central institute of Tool Designs, Hyderabad
- Institute for Designs of Electrical Measuring Instruments (IDEMT), Mumbai
- Central Machine Tools Institute, Bangalore.
- Central Institute for Plastic Engg. & Tools Chennai and Ahmadabad.
- National Institute for Foundry and Forge Technology, Post Office, Hatia, Ranchi-834003
- National Institute for Micro, Small & Medium Enterprises (NI-MSME), Hyderabad

- Entrepreneurship Development Institute of India, Ahmadabad, Lucknow, Patna and Bhopal.
- AGMARK Department of marketing and Inspection, Sub-office 112, 33-C, Chandigarh.

## **4.2 STATE GOVERNMENT DEPARTMENT AND ORGANISATIONS:**

In addition to Institutional support by Central Govt. for promoting industries, Govt. of Himachal Pradesh has also created the following Institutions/Departments to promote industries. Their functions, roles etc. are given below in brief:

### **4.2.1 DIRECTORATE OF INDUSTRIES, BAMLOE, SHIMLA, HIMACHAL PRADESH:**

- Registration of MSEs and recommendation of medium and large scale industries to appropriate authority.
- Technical consultancy / general consultancy.
- Financial assistance, recommendation of cases to financial Institutions/ Banks for loan under PMEGP Scheme.
- Computation of statistics
- Liaison with and feed back to Central Govt.
- Providing all incentives to industries given by both Central and State Govt.

### **4.2.2 HP SMALL INDUSTRIES DEVELOPMENT CORPORATION, HIMRUS BUILDING, SHIMLA:**

- Plan and develop Industrial Estate and Industrial Areas.
- Participation in equity of medium and large units.

### **4.2.3 HP STATE SMALL INDUSTRIES AND EXPORT CORPORATION, KISHORE BHAWAN, SHIMLA, HIMACHAL PRADESH:**

- Supply of scarce raw materials through raw materials depots.

- Machinery on hire purchase
- Assistance in exports
- Marketing assistance

#### **4.2.4 HP ELECTRONICS DEVELOPMENT CORPORATION, KHALINI, SHIMLA:**

- Promotion of industries in the field of Electronic Sector including in joint and public sector etc.

#### **4.2.5 HP KHADI & VILLAGE INDUSTRIES BOARD, CHAURA MAIDAN, SHIMLA:**

- Development of Khadi & Village Industries in the State.
- Provides financial assistance at concessional rate.
- Provides marketing assistance by selling the product of KVI through its own show rooms.

#### **4.2.6 HP HANDLOOM AND HANDICRAFTS CORPORATION, KUSUMPTI, SHIMLA:**

- Promote and develop handloom and handicraft products.
- Provides training in handlooms and handicraft.
- Assist Entrepreneurs in setting up units in their product.
- Render marketing assistance by selling handloom and handicrafts products of local entrepreneurs through show rooms.

#### **4.2.7 HIMACHAL CONSULTANCY ORGANISATION, BRIDGE VIEW HOTEL, SHIMLA:**

- Render consultancy to entrepreneurs starting from project identification to marketing of their products.

- Development of Entrepreneurship through conducting Entrepreneurship development programmes.
- Implementing cluster development programme & NMCP Schemes of Govt. of India.

#### **4.2.8 HP STATE FINANCIAL CORPORATION, HIMRUS BUILDING, SHIMLA:**

- Provides term loan as well as working capital loan to small and medium scale units under its various schemes.
- Provides loan for expansion and Modernization of existing units.

#### **4.2.9 H. P. Pollution Control Board (Kings Way Hotel, Shimla)**

- It assists units in installing necessary pollution Control devices and grant necessary permission.

### **4.3 ROLE AND FUNCTIONS OF MSME DEVELOPMENT ORGANISATION:**

MSME Development Organization, formally known as Small Industries Development Organization (SIDO) which is an apex body and nodal agency for formulating co-ordinating and monitoring the policies and programmes for promotion and development of MSMEs in the country was established in 1954 on the recommendation of an international Planning team sponsored by Ford foundation.

It maintains close liaison with Central Ministries, Planning Commission, State Govt., Financial institutions and other agencies concerned with the development of MSMEs. It also provides comprehensive range of facilities, training, testing, tooling and common facilities etc. to small scale units through a net work of 30 MSME-DI's, 29 Branch Institutes, 4 Regional Testing Centers, 1 Product-cum Process Development Centre, 2 Footwear Training Centers, 4 Productivity Centers. In addition to this there are certain specialized institutions which provide training and technical services in specialized fields.



#### **4.3.1 Micro, Small &Medium Enterprises Development Institute (MSME-DI), Electronic Complex, Chambaghat, Solan(H.P.) 173213**

Under the MSME Development Organization an Extension Centre was opened at Chambaghat, Solan (HP) in 1960 with an objective to provide training in industrial Thermometers, Clinical Thermometers and Glass Blowing. In addition, to this it also provided common facilities in mercury filling in thermometers. This Extension Centre was converted into branch institute in the year 1973 which was headed by Deputy Director In charge. Keeping in view, the requirement of Industrial Development in Himachal Pradesh, it was converted into a full-fledged Institute headed by Director in 1976.

At present this Institute has competent technical officers in different trades such as Food, Electrical & Electronics, Mechanical, Leather technology, Glass & Ceramic and Economic Investigation. The Institute has a good library containing books on different technical trades, managements, volumes of different project profiles and other general field of interest for the benefit of MSMEs. Besides, number of technical journals and magazines are also available in the library for the visitors. The Institute provides following services to the existing and prospective entrepreneurs:

##### **4.3.1.1 ECONOMIC INFORMATION AND CONSULTANCY SERVICE:**

- Educate Entrepreneurs about the incentives and facilities being provided by both Central and State Govt. to MSMEs.
- Conducts Industrial Potential surveys of different distt./Areas:-
- Collect, Compile and disseminate information on MSMEs.
- Educate entrepreneurs about scope of industries in different areas.
- Conduct market surveys for various products.
- Inform Entrepreneurs about the schemes and programmes of various developmental agencies.
- Conducts studies and surveys about the problems of MSMES in the state.
- Educate Entrepreneurs about Govt. Single Point Registration scheme.

- Motivates entrepreneurs to participate in different National and International Level Fairs
- Encourage entrepreneurs to apply for National Awards Scheme.

#### **4.3.1.2 TECHNICAL CONSULTANCY SERVICE:**

- Prepare project profiles on products as per the need of prospective entrepreneurs.
- Solve technical problems of MSMEs.
- Educate entrepreneurs about the latest technology and available raw materials.
- Help entrepreneurs in selecting suitable machinery and raw materials.
- Educate and help entrepreneurs in producing quality products.
- Prepare design and drawings of tools, jigs fixtures and machinery.
- Give demonstration to Entrepreneurs on manufacturing of small scale industries products.
- Conducts in plant studies of small scale units and suggest for improvement and modernization.
- Assess the capacity of the small scale units for NSIC registration

#### **4.3.1.3 MANAGEMENT CONSULTANCY SERVICES:**

- Provides consultancy to SSI entrepreneurs on personnel/ marketing/ financial management.
- Provides consultancy to entrepreneurs for reducing production costs. Proper inventory management and improvement in quality of products.

#### **4.3.1.4 MANAGEMENT AND TECHNICAL TRAINING:**

- Organize Industrial Motivation Campaign to motivate the educated unemployed youths towards self employment.

- Organize Entrepreneurship Development Programme to develop entrepreneurship among various sections of society.
- Conducts Industrial Management Training Programmes on personnel, marketing, production, financial and export management etc. for the benefit of existing entrepreneurs.
- Conducts skill oriented Entrepreneurship development programme.
- Conduct various other awareness/educational programmes viz. programme on Energy conservation, Export packaging/Export promotion, promotion of ISO-9000, Vendor Development Programme, Bar Coding and Trade mark/ Patent etc for the benefit of MSMEs in the state of Himachal Pradesh.

## CHAPTER-9

### SCOPE OF INDUSTRIES IN HIMACHAL PRADESH

There is vast scope for setting up small scale industries in Himachal Pradesh. It is discussed under following heads:

- Resource based Industries
- Skill based industries
- Demand based industries

#### 9.1 RESOURCE BASED INDUSTRIES:

We have already discussed that the State is having very limited surplus resources. However there are some surplus resources in agriculture, horticulture, forests and minerals etc. on the basis of which following products may be suggested:

- |                                   |                              |
|-----------------------------------|------------------------------|
| 1. Cattle Feed                    | 2. Poultry food              |
| 3. Maize base snacks              | 4. Potato chips              |
| 5. Dehydration of vegetable       | 6. Jam, Juices, Jellies etc. |
| 7. Pickle, Chutney, Squashes etc. | 8. Fruit canning             |
| 9. Mushroom canning/growing       | 10. Galgal based products    |
| 11. Apple cider/fruit wine        | 12. Wool/cotton carding      |
| 13. Wooden toys                   | 14. Pine needles wool        |
| 15. Wooden novelties              | 16. Bamboo sticks/poles      |
| 17. Photo frames (Wooden)         | 18. Wooden Furniture         |
| 19. Joinery items (Wooden)        | 20. Sisal fiber              |
| 21. Stone grit                    | 22. Mineral water in pouches |
| 23. Board from pine needles       | 24. Bricks                   |
| 25. Lime kiln                     | 26. Refractoriness           |
| 27. Tooth picks                   | 28. Cedar wood oil           |
| 29. Essential oil                 | 30. Wooden bee-hives         |
| 33. Dhoop/Aggravaties             | 34. Fruit pulp               |
| 35. Bone crushing                 | 36. Garlic powder            |
| 37. Ginger powder                 | 38. Bone- china              |
| 39. Crockery                      | 40. Hydrated lime            |

## **9.2 SKILL BASED INDUSTRIES:**

There are certain skills available in Himachal Pradesh in the form of artisans, ITI trained persons and other skill persons who are working as skilled workers in existing industries in the State as well as in neighboring States. The following types of units may be set up in the State on the basis of skills available:

- |   |                                |
|---|--------------------------------|
| 1. Bamboo Basket/ Kiltas                  | 2. Leather shoes               |
| 3. Carpets                                | 4. Shawls/patti weaing         |
| 5. Hosiery products (knitted)             | 6. Pattoos / wooles shawls     |
| 7. Auto repair shop                       | 8. Kullu caps / Himachali Caps |
| 9. Embroidery                             | 10. Repair workshop            |
| 11. Tailoring                             | 12. Carpentry                  |
| 13. Black smithy (agriculture implements) | 14. Pottery                    |
| 15. Ornaments                             | 16. Ban making                 |
| 17. Radio/TV/watch repair                 | 18. General fabrication        |
| 19. Electrical repair                     | 20. Refrigeration              |

## **9.3 DEMAND BASED INDUSTRIES:**

Demand for various items depends on social, cultural, economic, climatic conditions, policies and ongoing development programmes of the Govt. Hence, demand for a product may come from sources like inhabitants of the State, various sectors of the economy like agriculture, horticulture, forestry, power and purchases made by Govt., Boards and Corporations etc. All the factors have been kept in mind while identifying items having scope for development in the State. The list includes some items which are included in the resource based items because there is demand for these items from various sectors discussed above. Major industry group wise list of such items having scope for development in the State is given below:

### **9.3.1 FOOD PRODUCTS**

- |                             |                         |
|-----------------------------|-------------------------|
| 1. Bread                    | 2. Biscuits             |
| 3. Confectionery            | 4. Ice cream/candy      |
| 5. Spice Grinding           | 6. Mushroom cultivation |
| 7. Flour Mill               | 8. Atta chakki          |
| 9. Mustard oil              | 10. Aerated soft drink  |
| 11. Milk product            | 12. Paped barian        |
| 13. Tomato ketchup & sauces | 14. Ice factory         |
| 15. Soya been products      | 16. Bakery products     |
| 17. Namkeen                 |                         |

### **9.3.2 HOSIERY AND TEXTILES**

- |                                  |                               |
|----------------------------------|-------------------------------|
| 1. Cotton socks/vests knitted    | 2. Cotton/under garments      |
| 3. Woolen socks/caps             | 4. Woolen blankets            |
| 5. Woolen Cardingons             | 6. Woolen shawls              |
| 7. Readymade garments            | 8. Rain coats                 |
| 9. Bed sheets/covers             | 10. Canvas & rexin bag        |
| 11. Hospital patient suits       | 12. Paranda /ribbon           |
| 13. Tents & kanats               | 14. Jute mats                 |
| 15. Cotton / wool carding        | 16. Nets for protecting apple |
| 17. Synthetic fiber based quilts | 18. Tarpaulins                |
| 19. Carpets                      | 20. Niwar cotton              |
| 21. Niwar Synthetic              | 22. Rajai/ gadas              |
| 23. Cotton darries               | 24. Fishing & sport nets      |
| 25. School bags                  | 26. Laces/tags                |
| 27. Surgical bandages            | 28. Power loom (cotton)       |

### **9.3.3 WOODEN PRODUCTS**

- |                              |                                  |
|------------------------------|----------------------------------|
| 1. Wooden furniture/fixtures | 2. Wooden electric accessories   |
| 3. Truck/bus body building   | 4. Wooden joinery items          |
| 5. Rifle but/cases           | 6. Lead pencils                  |
| 7. Plywood                   | 8. Shuttles & bobbins (Handloom) |
| 9. Cub- board/wooden slates  | 10. Bee- hives                   |
| 11. Photo frames             | 12. Black board wooden slate     |
| 13. Bamboo poles/products    |                                  |

### **9.3.4 PAPER PRODUCTS**

- |                        |                           |
|------------------------|---------------------------|
| 1. Exercise book       | 2. Paper envelope         |
| 3. File covers         | 4. Sweet boxes/card board |
| 5. Paper cones         | 6. Sanitary tapes         |
| 7. Paper cartons boxes | 8. Corrugated paper boxes |

### **8.3.3 LEATHER AND LEATHER PRODUCTS**

- |                             |                         |
|-----------------------------|-------------------------|
| 1. Leather shoes            | 2. Leather shoes upper  |
| 3. Leather sandals/Chappals | 4. Purses and hand bags |
| 5. Leather belts            | 6. Watch strap          |
| 7. School bags              | 8. Hand gloves          |

### **8.3.6 CHEMICAL AND ALLIED PRODUCTS**

- |                                    |                                   |
|------------------------------------|-----------------------------------|
| 1. Ayurvedic medicines             | 2. Allopathic medicine            |
| 3. Paints & varnishes              | 4. Laundry soap                   |
| 5. Cleansing powder                | 6. Phenyl/liquid phenyl           |
| 7. Shoe polish                     | 8. Writing ink                    |
| 9. Washers & erasers               | 10. Sodium silicat                |
| 11. Insecticides/pesticides        | 12. Bleaching powder              |
| 13. Grease                         | 14. Acrylic sheet novelties       |
| 15. Plastic combs                  | 16. Storage battery               |
| 17. Black ink                      | 18. Absorbent cotton              |
| 19. Refill (pen)                   | 20. Tooth powder                  |
| 21. Hair oil                       | 22. Adhesives                     |
| 23. Cedar wood oil                 | 24. Essential oil                 |
| 25. Dhoop & aggrvatti              | 26. Wax candle                    |
| 27. French polish                  | 28. Detergent powder              |
| 29. Pens and ball pens             | 30. Cosmetics                     |
| 31. Vet, Medicines/vaccines        | 32. Injection molded plastic      |
| 33. Blow molded plastic products   | 34. Polythene films               |
| 35. Thermo welded plastic products | 36. FRP moulded products          |
| 37. Plastic rain coats             | 38. PVC pipe                      |
| 39. PVC foot ware                  | 40. PVC wire & cables             |
| 41. Micro cellular sheet           | 42. Mineral mixture for cattle    |
| 43. HDPE box strapping             | 44. Paper trays for apple packing |
| 45. Water & artistic colors        | 46. Spectacles frames             |

47. Distemper
49. Sealing wax
51. Acrylic sheet button
53. Hawai Chappals
55. Tyre retreating
57. Plastic cane

48. Liquid soap
50. French polish
52. LDPE pipe
54. Plastic buttons
56. PVC granules

### **8.3.7 GLASS & CERAMICS PRODUCTS**

- |                           |                                    |
|---------------------------|------------------------------------|
| 1. Chalk crayons          | 2. Tailor chalk                    |
| 3. Low tension insulator  | 4. Bricks                          |
| 5. Stone grit             | 6. Lime                            |
| 7. RCC pipe/poles         | 8. Cement jallies                  |
| 9. Thermometers           | 10. Flooring tiles, mosaic concret |
| 11. Stone slates          | 12. Scientific glass apparatus     |
| 13. Glass toys / show pcs | 14. Toys/dolls of plaster of paris |
| 15. Hollow blocks         |                                    |

### **8.3.8 MACHANICAL ITEMS**

- |                             |                                 |
|-----------------------------|---------------------------------|
| 1. Agriculture Implements   | 2. Sheet metal products         |
| 3. Steel furniture          | 4. Wire nails                   |
| 5. Domestic utensils        | 6. Nuts and bolts               |
| 7. Rolling shutter          | 8. Spray pumps                  |
| 9. Pipe fittings            | 10. Hair pins/clips             |
| 11. Conduit pipe            | 12. Water tanks                 |
| 13. Brushes (fibber & wire) | 14. GI buckets                  |
| 15. Seat for buses & trucks | 16. Transmission line/stay wire |
| 17. Band saw blades         | 18. Carding brushes             |
| 19. Mechanical toys         | 20. Welding electrodes          |
| 21. Wiring clips            | 22. Solar cooker                |
| 23. Auto leaf spring        | 24. Gate and grills             |
| 25. Umbrella assembly       | 26. Barbed wire                 |
| 27. Wire nets               | 28. Hardware items              |
| 29. Lock                    | 30. Pressure stove              |
| 31. Paper pins/clips        | 32. Door & windows frames       |

### **8.3.9 ELECTRONIC & ELECTRICAL ITEMS**

- |                                  |                               |
|----------------------------------|-------------------------------|
| 1. Emergency/CFL lamps           | 2. Electronic toys            |
| 3. Voltage stabilizer/regulators | 4. Elect. Domestic appliances |
| 5. EPBX                          | 6. Electrical kit-kat         |
| 7. Bakelite electrical products  | 8. Tube light fixture         |



- |                             |                              |
|-----------------------------|------------------------------|
| 9. Ultrasonic rodent killer | 10. Electronic teaching aids |
| 11. Geyser/water filter     | 12. Elect. Switches          |
| 13. Tube chokes/starters    | 14. PVC wire and cables      |
| 15. Auto bulbs              | 16. Washing machines         |
| 17. Mixes/juicers           | 18. Gas lighters             |
| 19. Quartz wall clock       |                              |

#### **8.3.10 MISC. SERVICE ESTABLISHMENTS**

- |                          |                               |
|--------------------------|-------------------------------|
| 1. Dairy farming         | 2. Poultry farming            |
| 3. Bee keeping           | 4. Sericulture                |
| 5. Hatchery              | 6. Mushrooms                  |
| 7. Rabbit rearing farm   | 8. PCO                        |
| 9. Photography           | 10. Printing press            |
| 11. Silk screen printing | 12. Travel agencies           |
| 13. Beauty parlors       | 14. Fast food restaurants     |
| 15. Pig farming          | 16. Photostat/lamination etc. |
| 17. Handlooms            | 18. Cyber café                |
| 19. IT enables services  | 20. Data processing           |

## **CHAPTER-10**

### **THRUST INDUSTRIES**

In the pre section of this chapter list of items, which have scope for development in the state, is given. Out of this 6 items have been selected as candidate industries and description for these items have been given below:

#### **10.1 FRUIT PROCESSING /PRESERVATION:**

Himachal Pradesh is famous for its fruit production in India. Various types of fruits are grown in this hilly state but the most popular fruit of this state is apple. Himachal Pradesh is known as the Apple State of India.

During 2012-2013 total fruit production of the state was 540775 Tones, out of which 412361 tones was apple production alone. Apple is most important fruit crop of the state which constitutes about 48.30% of the total area under fruit crop and about 76.25% of the total fruit production. Mango and Lichi are also emerging an important fruit crop in the state and fetching good prices in the market. Agro climatic conditions are also favorable for the production of Kiwi, Olive and Strawberry in the mid hill zone of the state. At present most of the fruit is sold in the market of the whole India for direct consumption and some quantity of fruit is processed in the existing fruit processing units of the state like HPMC, which has two fruit processing units located at Parwanoo in Solan district and Jarol in Mandi district. In addition to this, there are nine fruit canning units of the department of horticulture which are also engaged in the processing of fruits in the state. Beside this HPMC also procures fruit from the growers at support price and process the same in its plants.

However, a good quantity of fruits, particularly from the remote areas of the state go waste as growers do not find it economical to take their entire produce to the market on account of lack of proper transportation and marketing facilities. Hence a good number of fruit processing/preservation

units like Jam, Juice, Jelly, Pickle, Chutney, Squash, Fruit canning, Apple/Fruit Cider, etc. can be set up in the state. Moreover, horticulture produce based units come under the list of priority industries in the state and special types of incentives are provided for such units.

## **10.2 AYURVEDIC MEDICINES:**

As has been mentioned above, this state is endowed with nature's treasure like valuable herbs, plants, flowers etc. Some of these herbs/plants available in the state are guchhi, Tej Patta, Patish, Banbakari, Dhoop Roots, Bharami, Katha etc. This treasure is presently being drained out of the state at a very cheap price. Hence, there is a good scope of processing of these herbs/shurbs and making medicines out of it within the State these herbs are used for making Ayurvedic medicines. At present there are 3 Ayurvedic pharmacies one each at Joginder Nagar in distt. Mandi, Majara in distt. Sirmour and Paprola in district Kangra. These pharmacies are manufacturing some classical medicines which are supplied to health institution of the state. In order to cultivate propagate and conserve the herbal wealth, the department of Ayurveda Himachal Pradesh is planning to revive its three herbal gardens i.e. Dumreda (Shimla), Neri in (Hamirpur) and Jogindernager in district Mandi. The fourth herbal garden in Jungle Jhalera in district Bilaspur has been started recently with the financial assistance of the National Medicinal Board. Under these projects there is planning to develop good quality plant materials/seeds and to promote contract farming by encouraging the inhabitants of the areas to produce the precious plants.

## **10.3 WOOLLEN HOSIERY:**

Except for 3-4 months of summer, the climate of the most part of the state remains cold. Hence, a great deal of demand exists for woollen hosiery like woollen shawls, cardigans, socks, gloves etc. Most of the demand of woollen hosiery is met from Ludhiana, which is a renowned centre for woollen hosiery in the country. Kullu district is famous for its Kullu shawls which are knitted

mostly on handlooms. Looking into the huge demand for woollen hosiery from the inhabitants as well as increasing flow of tourists, this industry can flourish in the state provided some modernization is made and infrastructure is provided on the pattern of Ludhiana. Moreover local wool based units have been declared as priority industry in the state and special incentives have been provided for wool based units.

#### **10.4 DAIRY PRODUCTS:**

Rearing of livestock is another important activity of the farmers of the state. With the increase in urban population, demand for milk and milk based products are increasing day by day, as a result farmers are motivated to rear cross breed cows and buffalos. During the year 2012-13 around 1138.612 thousand tones of milk was produced in the state. H.P. Milk Federation is playing an important role in marketing and processing the rural milk through 822 rural milk societies including 185 women Dairy Cooperative. The surplus milk collected through these societies is processed in five milk processing plants run by the HIMFED. At present the H.P. Milkfed is running 22 milk chilling centers having a total capacity of 86,500 liters milk per day and eight milk processing plants having a total capacity of 85,000 liters milk per day. One power plant of 5 MT per day at Duttnagar in Shimla district and one cattle feed plant of 16 MT per day capacity at Bhor in district Hamirpur has been established and functioning. The average milk procurement is about 63,000 litters per day from the villages through village dairy cooperatives. The H P Milkfed is marketing approx. 20,000 liters of milk per day which includes milk supply to Punjab and supply to army units in Dagshai, Shimla, Palampur and Yol areas. The milk collected to milk chilling centres is transported to milk processing plants where it is processed, packed and marketed in sachets as well as in loose containers.

Growing unemployment and increase in demand of milk has motivated many youths in the rural areas to adopt this profession as a good source of income earning. If these rural youths are motivated to form more societies, by

giving easy finance and the available milk is collected in organized manner then there is scope for setting up few more processing /chilling units in the state.

#### **8.5. MUSHROOM GROWING & CANNING:**

The climate of Himachal Pradesh is very conducive for the cultivation of mushroom. Solan district is most suited for growing mushroom. As an ancillary horticulture activity, cultivation of mushroom is also being promoted by the Govt. in the state. Directorate of National Mushroom Research & Training Centre located at Chambaghat, Solan is looking after the training needs of the entrepreneurs willing to grow mushroom. Beside this department of horticulture is also actively engaged in the promotion of mushroom cultivation. Pasteurized compost for mushroom production is produced at two departmental mushroom development projects located at Chambaghat & Palampur and distributed to the mushroom growers. 5993 MT of Mushroom was produced in the State during the year 2010-11. On account of its nutritional value the demand of this product is good in the State as well as outside the State. Hence, there is good scope of mushroom growing and canning. Canned mushroom can be marketed in any part of the Country.

## **ANNEXURE-I**

### **TO WHOM TO CONTACT FOR WHAT**

#### **A SELECTION OF SUITABLE PRODUCTS:**

- i) MSME-DI, Chambaghat, Solan (HP)*
- ii) District Industries Centre (Concerned Area )*
- iii) Himachal Consultancy Organization, Bridge View Hotel, Shimla (HP)*

#### **B FEASIBILITY REPORT:**

- i) MSME-DI, Chambaghat, Solan (H.P.)*
- ii) District Industries Centre (Concerned Area )*
- iii) Himachal Consultancy Organisation, Bridge View Hotel, Shimla (HP)*

#### **C REGISTRATION:**

- i) District Industries Centre/SWCA (Concerned District)*

#### **D INDUSTRIAL ACCOMMODATION:**

- i) Directorate of Industries, Udyog Bhawan, Bamloe, Shimla(HP)*
- ii) District industries Centre/SWCA (Concerned Distt.)*

#### **E FINANCE:**

- i) District Industries Centre (concerned area)*
- ii) Himachal Pradesh Financial Corporation (HPFC), Himrus Building Shimla.*
- iii) Nationalized Banks/ Co-operative Banks.*
- iv) Development officer, HP Khadi & village Industries Board*
- v) HP State Industrial Development Corporation Ltd., Shimla (HPSIDC)*
- vi) HP State Handicraft & Handloom Corporation Ltd.*
- vii) HP State Small Industries & Export Corporation Ltd. (HPSSIEC)*

- viii) *HP General Industries Corporation Ltd. (HPGIC)*
- ix) *HP Khadi & Village Industries Board (HPKVIB)*

**F      MACHINERY:**

- i) *National Small Industries Corporation (NSIC), SCO-378, sector 32-D, Chandigarh.*
- ii) *HP Small Scale Industries & Export Corporation, Kishore Bhawan, Shimla.*

**G      TECHNICAL KNOWLEDGE:**

- i) *MSME-DI, Chambaghat, Solan (HP)*
- ii) *DIC, (Concerned District, Himachal Pradesh)*
- iii) *Himachal Consultancy Organization Ltd.,(HIMCON) Shimla, (H.P.)*
- iv) *National Research & Technology Consortium, Parwanoo, Solan, Himachal Pradesh*

**H      RAW MATERIALS:**

- i) *HP Small Scale Industries & Export Corporation, Kishore Bhawan, Shimla*
- ii) *Private consultants.*
- iii) *Himachal Consultancy Organization Ltd., Shimla.*

**I      TRAINING:**

- i) *MSME-DI, Chambaghat, Solan (HP)*
- ii) *District Industries Centre (Concerned Area )*
- iii) *Directorate of Industries, Udyog Bhawan, Bamloe, Shimla(HP)*
- iv) *National Institute of Micro, Small & Medium Enterprises, Hyderabad.*
- v) *Indian Investment Centre (IIC), SCO 90-91, Sector 17-C, Chandigarh.*

**J      QUALITY CERTIFICATIONS:**

- i) *Regional Testing Laboratory, Industrial Estate, K. Pudur Madurai,Chinai*

- ii) *National Test House, 11/1 Judge Court Road, Alipore, Calcutta-27*
- iii) *Bureau of Indian Standards, Parwanoo, Solan, (H.P.)*
- iv) *Director, Regional Testing Centre, Okhla Indl. Estate, Okhla, New Delhi-20*
- v) *Sri Ram Institute for Industrial Research, 19 University Road Civil Lines, Delhi-7*

**K      *MARKETING:***

- i) *MSME-DI, Chambaghat, Solan (H.P.)*
- ii) *National Small Industries Corporation (NSIC), SC-378, sector 32-D, Chandigarh.*
- iii) *H.P. Small Scale Industries & Export Corporation, Kishore Bhawan, Shimla*
- iv) *Directorate of Industries, Udyog Bhawan, Bamloe, Shimla(HP)*

**L      *EXPORT ASSISTANCE:***

- i) *MSME-DI, Chambaghat, Solan (H.P.)*
- ii) *State Trading Corporation of India Ltd., Chanderlok, 36 Janpath, New Delhi.*
- iii) *HP Small Scale Industries & Export Corporation, Kishore Bhawan, Shimla*
- iv) *H.P. Handlooms & Handicrafts Corporation, Kasumpti, Shimla.*
- v) *Directorate of Industries, Udyog Bhawan, Bamloe, Shimla (H.P)*

**M      *TRADE MARK:***

- i) *The Patent Officer, 24 Acharya Jagdish Bose Road, Calcutta*
- ii) *The Patent Office, Municipal market Building, Saraswati Marg, Karol Bagh, N. Delhi-5*
- iii) *The Patent Sub-office 112, 33-C, Chandigarh*
- iv) *H.P. Patent Information Centre, State Council for Science Technology & Environment Kusumpti, Shimla-9*



***N***      ***POLLUTION CONTROL BOARD:***

- i) H.P. State Pollution Control Board, Kaingsway Hotel, The Mall, Shimla*

***M***      ***REGISTRATION FOR FORMING COMPANY /FIRMS/SOCIETIES:***

- i) Registrar of companies, Shimla, Himachal Pradesh*
- ii) Registrar of Firms, Office of Director of Industries Udyog Bhawan, Bamloe, Shimla.*
- iii) Registrar of co-operative Societies, H.P. Govt. Khalini Shimla .*

.

## **Annexure II**

### **INCENTIVES TO INDUSTRIES**

*Both Govt. of India as well as Govt. of Himachal Pradesh had given number of incentives/facilities for developing micro & small scale enterprises in the state which Central government incentives have since expired, the Central Freight Subsidy Scheme is however still operational in the State.*

#### **I. National Manufacturing Competitiveness Programme(NMCP)**

*The National Manufacturing Competitiveness Programme is the nodal programme of Government of India to develop global Competitiveness among Indian MSMEs, conceptualized by the National Manufacturing Council; the programme was initiated in 2007-08. There are ten components under the NMCP targeted at enhancing the entire value chain of the MSME sector, These are.*

- a) Building Awareness on Intellectual Property Rights for the MSMEs: This scheme has been launched to enable Indian MSMEs to attain global leadership position and to empower them in using effectively the tools of IPR of innovative projects.*
- b) Enabling Manufacturing Sector is competitive through Quality Management Standards (QMS) and Quality Technology Tools (QTT): The scheme is aimed at improving the quality of the products in the MSE sector and inculcates the quality consciousness in this sector.*
- c) Marketing Assistance/support of MSEs (Bar Code): The objective of the scheme is to popularize the Bar Code registration and motivate the small and Micro-Manufacturing Enterprises to adopt Bar Code Certification on large scale.*
- d) Lean Manufacturing Competitiveness Programme for MSMEs: Under this programme MSMEs will be assisted in reducing their manufacturing costs, through proper personnel management, better*

*space utilization scientific inventory management, improved process flow, reduced engineering time and so on.*

- e) Promotion of Information & Communication Technology (IT) in Indian MSME Sector; The programme envisages that some of those clusters of MSEs, which have quality production and export potential, shall be identified & encouraged and assisted in adopting ICT applications to achieve competitiveness in the national and International market,*
- f) Design Clinic Scheme for MSMEs: The main objective of the scheme is to bring the MSME sector and design expertise into a common platform and to provide expert advice and solutions on real time design problems, resulting in continuous improvement and value-addition for existing products.*
- g) Marketing Assistance and Technology Upgradation Scheme for MSMEs: The objective of this scheme is to identify and encourage those clusters of MSMEs, which have quality production and export potential and assist them to achieve competitiveness in national and international markets by improving their techniques and technology for promotion of exports.*
- h) Technology and Quality Up gradation Support to MSMEs: The Objective of the scheme is to sensitize the manufacturing MSME sector in India to upgrade their technologies, usage of energy efficient technologies to reduce emission of Green House Gases, House Gases, adoption of other technologies mandated as per the Global Standards.*

## **II. Other Incentives/Schemes offered by Central Govt.**

*The Central Govt. is offering the following incentives/Schemes to SMEs units in Himachal Pradesh:-*

- 1. Central transport subsidy @ 75% on transportation cost of raw material and finished good from nearest recognized railway head to factory site and vice versa. This subsidy is available for a period of 5 years from the commencement of production. The HP. State Industrial development*

*Corporation Ltd. has been designated as Nodal agency for channelizing funds to the state under the scheme.*

- 2. MSMEs registered with 'NSIC for participation in Govt. Store Purchase Programme are entitled for exemption from payment of earnest money, security deposits and fee for tender documents.*
- 3. Registered MSEs get 15% price preference in Central Government purchases made through DGS&D.*
- 4. National Small Industries Corporation provides machinery on hire purchase basis to new as well as existing units.*
- 5. Capital Subsidy under the Credit Linked Capital Subsidy scheme for Technology Up gradation has been raised from 12% to 15% w.e.f. 29.09.2005 and the maximum limit of eligible loan for calculation of subsidy under the revised scheme has also been raised from ₹ 40 Lakhs to ₹ 100 Lakh.*
- 6. The Credit facility limit eligible to be covered under the Credit Guarantee Fund Scheme for Micro and Small Enterprises in terms of both term loan and working capital is up to ₹ 100 Lakh per borrowing unit, extended without any collateral security or third party guarantee to new as well as existing Micro and Small Enterprises. The guarantee cover under the scheme is to the extent of 75% of the sanctioned amount of the credit facility. The extent of guarantee cover is 80% for i) micro enterprises (for loans up to ₹ 5 Lakh) ii) MSEs operated and/or owned by women iii) and all loans in the north east region.*
- 7. Under the ISO 9000/14001 Certification Reimbursement Scheme, there is a provision for reimbursement of expenses for acquiring ISO- 9000(QMS), ISO -14001 (EMS) certification to the extent of 75% or ₹ 75000/- whichever is less.*
- 8. In order to increase the marketing competitiveness O/o the Development Commissioner (MSME), Ministry of MSME, provides the financial assistance for reimbursement of 75 % of one time registration fee and 75%*

*of annual recurring fee for first three years paid by MSEs to GSI India for using of bar coding. The work of reimbursement has been transferred to field offices i.e. MSME-DIs w.e.f 1<sup>st</sup> April, 2009.*

- 9. Under the MSME-MDA scheme registered MSEs are entitled to get 50% subsidy for booking of stall (100% for ST/SC and women entrepreneur& entrepreneurs of NE region) and 75 % of air fare charges to and fro (100% for ST/SC and women entrepreneur & entrepreneurs of NE region) is reimbursed to the participated units for the participation in the overseas fairs/trade.*
- 10. To strengthen the role and increase the efficiency of the associations of Micro and Small Enterprises, financial assistance for the Secretarial and Advisory/extension services related to selected associations may be provided up to a maximum of ₹ 5 Lakh, depending upon the size and reach of the association.. For organizing Seminars/Symposium/Workshops, maximum of ₹ 2 Lakh would be provided to National Level MSE Associations and ₹ 1 Lakh to Regional/State/Local Level MSE associations*
- 11. Financing pattern under the Integrated Infrastructure Development Center (IIDC) between the Government of India and SIDBI has been changed from 2:3 to 4:1, and GOI fund will be in the nature of grant.*
- 12. The central assistance of ₹ 10 Crores per centre admissible under the Growth Centre Scheme has been raised to ₹ 15 Crore per centre.*
- 13. Assistance up to 90% or ₹ 9 Crores whichever is less is provided by the Government of India for setting up new Mini Tool Rooms. For up gradation of existing Tool Rooms, assistance is 75% or ₹ 7.5 crores.*

## **Annexure-III**

### **INDUSTRIAL POLICY HIGHLIGHTS**

*The State Government has consciously adopted an approach to selectively encourage industrial development in the State so as to generate employment opportunities for local persons. The State Government has announced its strategy for industrial development in the form of its Industrial Policy statement 2004 which is currently in force, and has also been modified from time to time in line with requirement of changing times. The state Government on 7<sup>th</sup> Feb., 2009 has also again amended incentive Rules, 2004 to include Bio-technology, process based industrial non-industrial products, processing Laboratories and R&D facilities as Thrust industries and has since also liberalized the process of transfer of industrial plots/sheds in the Industrial Area/Estates. The main highlights of the State Industrial policy are as under:*

#### **I. CATEGORISATION OF THE STATE**

*The State has been categorized into three categories 'A', 'B' & 'C' depending upon the location, distance from the border of the State, extent of industrial development, extent of overall backwardness, resource availability & potential for employment generation for local people. Category "A" areas are partly included in four Development Blocks of Poanta Sahib and Nahan in Sirmaur District and Dharampur and Nalagarh in Solan District excluding backward panchayats notified by the State Govt. Category "B" areas include 49 Development Blocks located in 10 non-Tribal Districts and part of the four Development Blocks included in Category A areas excluding backward panchayats located in these areas. Category "C" areas (Tax Free Zones) include 24 Development Blocks including all the seven Tribal Development Blocks in Kinnaur, Lahaul & Spiti and Chamba Districts and 17 other Development Blocks in Chamba,*

*Kullu, Mandi, Shimla and Sirmaur Districts and also includes all Backward Panchayats located in Development Blocks under the 'A' and 'B' Category areas. Graded incentives have accordingly been provided for Industry in the New Industrial Policy in terms of fiscal incentives such as Sales Tax, Electricity Duty Concessions. Under Sales Tax Incentives 1% CST is being charged from all industrial enterprises upto 31.03.2013 or till the CST is not phased out, 100 % deferment or payment of 65 % of the applicable rate of VAT has been provided in 'A' and 'B' category areas for a period of 5/8 years respectively whereas it is exempted in 'C' category areas for 10 years. Addition incentives have been provided for thrust sector industries in 'B' & 'C' category blocks in terms of allotment of land at concessional rates, exemptions from payment of electricity duty & interest subsidy. These include out of turn allotment of plots/land /sheds in industrial areas/estates, exemption from payment of State Excise Duty for a period of 7 years for units manufacturing wine/ cider out of locally produced fruits, total exemption from the payment of Electricity Duty for a period of 10 years from the date of their commencement of production and Interest subsidy @ 5 % P.A. with a ceiling of Rs. 2 lakhs P.A. for a period of 3 years for Horticulture produce, Vegetable produce, Maize based and herbal based industries. Category 'C' areas of the State have been declared as Tax Free Zones, which are exempted from the payment of any State Taxes & Duties excluding levies in the shape of cess, fees, royalties etc. for a period of 10 years.*

## **II. THRUST SECTOR**

*The following categories of industrial units have been kept in the Priority Sector:-*

- i) Units based directly on horticulture produce including hops and tea*
- ii) Mineral water bottling*
- iii) Automobile manufacturing units including assembly units which have a minimum of 5 ancillary units substantially dependant on it.*

- iv) *Fruit/vegetable/herbs/ honey/spices based wineries*
- v) *Production of Ciders/ale/ liqueurs.*
- vi) *Sericulture /Handlooms/Khadi industry related manufacturing industrial activities*
- vii) *Electronic units including computer software and information technology except assembling units where value addition is less than 15%.*
- viii) *Floriculture*
- ix) *Medicinal herbs and aromatic herbs etc. processing*
- x) *Horticulture, Maize based industries, herbal based industries and Agro Based Industries excluding those included in the negative list*
- xi) *Food Processing Industry excluding those included in the negative list.*
- xii) *Sugar and its by-products.*
- xiii) *Silk and silk products*
- xiv) *Wool and wool products*
- xv) *Woven fabrics (Excisable garments)*
- xvi) *Sports goods and articles and equipment for general physical exercise and equipment for adventure sports/activities, tourism*
- xvii) *Paper & paper products excluding those in negative list (as per excise classification)*
- xviii) *Pharma products*
- xix) *Information & Communication Technology Industry, Computer hardware, Call Centres, I.T. Software and services.*
- xx) *Eco-tourism- Hotels, resorts in locations other than those located in the Municipal limits/NAC /Nagar Panchayats/Special Area Development Authority limits, as the case may be of Shimla, Dalhousie, Macleodganj and Manali.*
- xxi) *Industrial Gases (based on atmospheric fraction).*
- xxii) *Spa, entertainment/amusement parks ropeways etc.*
- xxiii) *Handicrafts.*
- xxiv) *Non-timber forest product based industries.*
- xxv) *Precision Industries.*

*Enterprises to manufacture industrial products by any biotechnology process and Processing Laboratories or Research & Development activity related to processing, scale-up, other innovations and products in the field of Biotechnology, as approved by State Level Single Window Clearance and Monitoring Authority on the recommendation of the Department of Environment, Science and Technology of the State Government.*



### **III. PACKAGE OF CONCESSIONS, INCENTIVES & FACILITIES TO SMALL SMALL SCALE ENTERPRISES IN THRUST SECTOR**

*New Thrust Industrial Enterprises located in "B" and "C" category areas are eligible for:*

- i) Out of turn allotment of land/plot/ industrial sheds.*
- ii) Allotment of land/plot/ industrial sheds @50% of the normally applicable premium as may be determined by the Government from time to time for the general category of industries.*
- iii) Exemption from the payment of State Excise Duty for a period of 7 years to New Thrust Industrial Enterprises manufacturing wine/cider by using locally produced fruits.*

*New Thrust Industrial Enterprises based on Horticulture/Vegetable /Maize/ herbal produce enterprises and located in 'B' and 'C' category areas are entitled for the following additional incentives:*

- i) Total exemption from the payment of Electricity Duty for a period of 10 years from the date of commencement of production.*
- ii) Interest subsidy @5 % p.a. on term loan, with a ceiling of Rs. 2 lakhs p.a. for a period of 3 years.*

*Biotechnology related Thrust Enterprise(s) are also governed by the procedure of the Department, as applicable to other Industrial Enterprises with regard to approval/acknowledgment, processing of applications for the purchase of private land, allotment and transfer of industrial plots/land/sheds in the Industrial Areas/ Estate including Biotechnology Parks/ Estates etc. of the State, release of electricity & water connections and other infrastructural requirements. The Department of Environment, Science and Technology of the State Government is be the Nodal Department for receiving, processing and recommending the applications of such Thrust Enterprise(s) to concerned Departments/ Boards/ Corporations of the State and Central Government, as the case may be, wherever required. The Scheme of Incentives, Concessions 19 and*

*Facilities under Incentive Rules-2004 as provided to other Industrial Enterprises are also available to Biotechnology related Thrust Enterprise(s). Such New Thrust Enterprise(s) located in 'B' and 'C' category area are eligible for the following additional incentives:-*

- i) Out of turn allotment of land/plot/ industrial sheds.*
- ii) Allotment of land/plot/ industrial sheds @50% of the normally applicable premium as may be determined by the Government from time to time for the general category of industries.*
- iv) Interest subsidy @5 % p.a. on term loan, with a ceiling of Rs. 2 lakhs p.a. for a period of 3 years.*

#### **IV. ADDITIONAL INCENTIVES TO SPECIAL CATEGORY OF ENTREPRENEURS FOR SETTING UP OF NEW INDUSTRIAL ENTERPRISE(S) IN MICRO AND SMALL SECTORS:**

*Special Category Entrepreneurs means entrepreneurs belonging to the Scheduled Castes, Schedule Tribes, Women, Ex-servicemen, Physically Handicapped persons (with a disability of more than 50%), BPL family category who set up new industrial unit(s) themselves. Such entrepreneurs are entitled to the following additional concessions/ facilities:-*

- a) Reimbursement of 90% expenditure incurred towards the cost of preparation of feasibility report with a ceiling of Rs.25, 000/- in each case.*
- b) 100% subsidy on the carriage and installation cost of the plant and machinery.*
- c) Special Investment Subsidy @ 10% on Fixed Capital Investment (FCI) subject to a maximum of Rs. 1,00,000/-.*
- d) Interest subsidy @ 5 % on term loan availed from the Financial Institution(s) as per original repayment schedule with a ceiling of Rs. 50,000 p.a. for a period of 3 years. This interest subsidy will be made available for "Specified Category of Activities" (as listed in Annexure-IV) with FCI upto Rs. 25 lakhs. No interest subsidy will be paid on defaulted installments and the period of default will be counted for*

*determining the ceiling of 3 years viz. interest subsidy will be 20 admissible for the first 3 years of the original repayment schedule finalized by the Financial Institution at the time of sanctioning of loan.*

**V. SCHEME FOR REGISTRATION OF AGRO/ HORTICULTURE PRODUCE/ TOURISM AND OTHER ALLIED SECTORS AS 'SPECIFIED CATEGORY OF ACTIVITIES':**

*The Department register certain activities related to commercial exploitation and value addition of Agro/ Horticulture/Animal Husbandry/ Pisciculture/ Sericulture/ Floriculture/ Bio-Technology/ Agri-business/Tourism and other allied sectors as 'Specified Category of Activities' promoted by bonofide Himachalis and certified as such by the concerned Government Department(s).*

*The applicant Enterprise shall apply to the Director/ DDI/ GM,DIC/SWCA, as the case may be, on the application form being used for the acknowledgement Micro, Small & Medium Enterprises and application form for Large Scale Enterprises, depending upon the proposed level of investment in Plant and Machinery/Equipments. The Department will forward the said application to the concerned Department (Departments of Agriculture/ Horticulture/ Animal Husbandry/ Fisheries etc. as the case may be) for certifying that the project is covered under the definition of 'Specified Category of Activities'. The Department will register these projects on provisional basis and maintain registration record of such activities separately. Such 'Specified Category of Activities' will be permanently registered after commencement of commercial production and will be issued Eligibility Certificate giving detail of commencement of commercial production and incentives and concessions as applicable. In case any activity included in 'Specified Category of Activities' is also acknowledged as an Industrial Enterprise under the provisions of the MSME Act 2006 it will be only entitled to avail of those incentives and*

*concessions which are provided to New Industrial Enterprises under these Rules.*

*The following incentives and concessions will be available to such New Enterprises registered on permanent basis as a specified category of activities:*

- i) Concessional rate of electricity duty.*
- ii) Interest subsidy @ 5% p.a. on term loan and working capital with a ceiling of Rs. 1 lakh p.a. for a period of 3 years.*
- iii) Fixed capital Investment Subsidy @ 15% subject to a maximum of Rs. 5 lakh on cost of structure, building, plant and machinery.*
- iv) Sanction of water and electricity connection on priority.*
- v) Exemption from the payment of Luxury tax and Entertainment tax (as applicable) for a period of 5 years from the date of commencement of commercial production.*

## **VI. FREIGHT SUBSIDY SCHEME-2013**

*The Govt. of India has now notified freight Subsidy Scheme-2013 vide notification no. 11(5)2009-DBA-II/NER, dt. 22/01/2013 this has come into force from 22/01/2013. The salient feature of this scheme is provided grant of 75% freight subsidy to all eligible enterprises except for the enterprises in the negative list of freight subsidy scheme for a period of 5 year from the date of commencement of commercial production on transportation cost of raw material and finished goods limited to and from factory site to designed nearest broad gauge rail head. The benefit is also extended to all eligible existing enterprises on their substantial expansion.*

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