

GOVERNMENT OF HIMACHAL PRADESH  
DEPARTMENT OF INDUSTRIES



ANNUAL ADMINISTRATION  
REPORT

2004-2005

## FOREWORD

With the dawn of the era of Liberalization and Globalization, the competition in the Industrial sector has grown. In fact Globalization has blurred the distinction between the domestic and international market and also between production and trade. Govt. of India notified a Special Package of Incentives for Himachal Pradesh on 7/1/03 enabling it to overcome the geographical constraints. As a result of this package, the flow of investments into the State has increased manifold. In order to provide additional incentives to the industries and to ensure equitable industrial development and employment generation in the State, the State Govt. has also notified a New Industrial Policy and Incentive Rules on 30th December, 2004. These incentives are admissible from 31-12-2004. The combined effect of both these packages will further boost flow of investments in to the State.

The State has a fairly good potential for setting up of industrial projects, where we have competitive advantages like stable & efficient polity and administration, clean environment, cordial industrial relations, abundant and cheap power etc. Further the State has tremendous potential for setting up of industries based on horticulture, agriculture, floriculture, medicinal and other herbal produce and related fields. Besides, the State is bestowed with plenty of mineral wealth and there is a considerable scope for mineral based industries. Above all, the cool and clean environment of the State is congenial for the growth of electronics, information technology and precision engineering industry. The climatic conditions are also favourable for textile industry. In fact Baddi-Barotiwala-Nalagarh area has emerged as the upcoming Textile Centre in Northern India.

The entrepreneurs view Himachal Pradesh not only as an attractive investment destination, but also as a State where the administrative system has transparency, ability to deliver and responds to the needs of Industry. The State Government has overhauled and streamlined its procedures to facilitate industrial development. A State Level Single Window Clearance and Monitoring Authority (SLSWC&MA) has been set up under the Chairmanship of Hon'ble Chief Minister to discuss and solve all industry related and inter-departmental issues, monitor and review the progress of units already approved/ proposed to be set up. This

Authority is also focussing its attention on the development of quality infrastructure in the State.

The Annual Administration Report of the Department for the year 2004-2005 is a modest attempt at presenting an integrated picture of the working of the Department. It is my sincere hope that the report will further enhance the readers understanding of the Department of Industries and I would greatly welcome any advice or suggestions on the working of the Department and making this document more useful.

**B.S.Chauhan, IAS**  
Principal Secretary (Industries)  
to the Govt. of Himachal Pradesh.

## **PREFACE**

The industrialisation in the State has witnessed positive growth during the year 2004-05. The Govt. of India had notified Special Package of Incentives for the State during 2003-04. During the year 2004-05 this package was also supplemented by the New Industrial Policy and Incentives Rules, 2004. As a result of these Packages, the industrialisation in the State has gained momentum. The quantum of investment approved exceeded Rs 10,000 crores mark during the year with employment potential of 1, 62,617 persons. Together with the conducive factors favouring industries like availability of assured quality power on cheaper rates, peaceful environment, cordial industrial relations and responsive as well as supportive administration, the State has emerged as a premier destination for entrepreneurs all over the country and abroad.

Today, there are 246 Medium & Large Scale industries in the State having an investment of Rs 2715.87 crores and providing employment to about 34058 persons. In addition there are about 31,752 small-scale industries having an investment of about Rs. 835.77 crores and providing employment to 140052 persons.

The primary focus of the Government is to generate employment opportunities for its local populace and widen its revenue base by creating a congenial and investor-friendly climate and providing quality infrastructure to our Industry. The achievements in sectors such as Handlooms, Handicrafts, Sericulture and other labour intensive areas have been significant. With the development of these sectors the benefits of industrialisation have spread to the rural population of the State.

The Annual Administration Report for the year 2004-2005 details the programmes being implemented by the Department. I hope that this publication will be useful to various Departments of the Government, Corporations, Planners, Industry, Entrepreneurs and the Public at large.

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## **CHAPTER-1**

### **INTRODUCTION**

At the National Level, based on the data provided by Central Statistical Organisation, the Gross Domestic Product (GDP) at factor cost at constant (1993-94) prices in the year 2004-05 is likely to attain a level of Rs. 15,29,366 crore, as against the Quick Estimates of GDP for the year 2003-04 of Rs. 14,30,548 crore, released on 31<sup>st</sup> January 2005. The growth in GDP during 2004-05 is estimated at 6.9 per cent as compared to the growth rate of 8.5 per cent during 2003-04. The growth rate of 6.9 per cent in GDP during 2004-05 has mainly been due to the growth rates of over 5 per cent in the sectors of 'mining', 'manufacturing', 'electricity, gas and water supply', 'construction', 'trade, hotels, transport and communication', 'financing, insurance, real estate and business services', and 'community, social and personal services'. According to the latest estimates available on the Index of Industrial Production (IIP), the index of mining, manufacturing and electricity registered growth rates of 4.9 per cent, 8.9 per cent and 6.7 per cent, respectively during April-November, 2004-05, as compared to the growth rates of 4.1 per cent, 7.1 per cent and 3.2 per cent in these sectors during April-November, 2003-04. The wholesale Price Index(WPI) for all commodities rose by 6.8 % during April-December, 2004. The Consumer Price Index for industrial workers (CPI-IW) rose 3.7 % during the same period.

The State registered high industrial growth during the year 2004-05. In SSI sector, 913 SSI units were registered on permanent basis. In medium & Large Scale Sector, 35 units were issued Certificate of Commencement of Production (COP) and thus the total number of Medium & Large Scale units has reached 246 as on 31/3/2005. Under PMRY, as against the target of 3000 cases, 3006 cases were disbursed during the year and for the first time since the inception of Scheme in 1993-94, the target allocated was achieved in terms of cases disbursed.

- 1.1. Himachal Pradesh got Statehood in 1971 and thereafter emphasis was laid on development of industrial infrastructure. Industrial Areas were developed at Parwanoo, Barotiwala, Bilaspur, Shamshi, Nagrota Bagwan, Mehatpur & Chambaghat. The Rules regarding grant of Incentives to Industries, 1971 were formulated. The Central Govt. also introduced Central Transport Subsidy Scheme for the benefit of industries in backward

States.

- 1.2. The District Industries Centre Programme was started in 1978 as 100 % Centrally Sponsored Programme and staffing pattern at the District Level was changed from District Industries Officer to General Manager, District Industries Centres and Functional Managers were posted to look after specialised functions such as Credit, Industrial Area Development, Raw Material Supply etc. The Central Investment Subsidy Scheme introduced by the Central Govt. provided further boost to the industrialisation in the State.
- 1.3. The grant of Special Package of Incentives by the Central Govt. for setting up of Industries in the State which was notified on 7-1-2003 together with the Package of Incentives provided by the State Govt. has resulted in high actual investment in both SSI and Medium & Large Scale Sectors in the State.
- 1.4. As on 31/3/2005, we have 246 Medium & Large scale units with an investment of Rs.2715.87 crores employing about 34058 persons. In SSI sector, 31752 Small scale units with an investment of Rs.835.77 crores are employing about 1, 40,052 persons.
- 1.5. During the year 2004-05, New Industrial Policy & Incentives Rules were notified on 30-12-2004 and became effective from 31-12-2004. In order to provide employment to Himachalis, it has been made incumbent upon industrial units being set up in the State to employ a minimum of 70% of its manpower whether on regular basis or daily basis or contractual/sub contractual basis or by any other mode from amongst the bonafide Himachalis.
- 1.6. The State has now been categorized into three Categories. Category "A" Industrial Blocks are those blocks which are developing from the industrial point of view in the State. Tribal areas, backward panchayats and 23 other Blocks fall in category "C" areas which are Tax free. Other areas in 48 Development Blocks fall in category "B" areas. Khadi produce being produced by village industry in the State will now be exempted from the payment of Sales Tax.
- 1.7. A new category of activities called 'Specified category of Activities' primarily based on Agricultural and Horticultural produce, Tourism and Allied Sectors has been introduced so as to encourage such activities in the State and provide them incentives.
- 1.8. After the notification of the incentive package by GOI for our State on 7/1/2003, there has been a perceptible increase in the number of proposals received for setting up Industries in the State. In all up to 31/3/2005, 4158 units with an investment of Rs 2452.65 crores and employment potential of 87781 have been provisionally registered in SSI sector and 498 proposals in the Medium & Large Scale sector with an investment of Rs 7160.11 crores and employment potential of 71579 have been approved.
- 1.9. With a view to provide umbrella support to existing and new ventures, the State Govt. had notified a State Level Single Window Clearance and Monitoring Authority in Himachal Pradesh. This Authority had 9 meetings during the year and approved 232 projects envisaging investment of Rs 3625 crores and employment potential of 28083 persons.

- 1.10 The main emphasis of the Government is to take industries to interiors of the State. For this purpose, availability of good quality infrastructure is very important to attract Industry and ensure that these projects are sustainable in the long run. The State Government is, therefore, laying emphasis on development of self contained Industrial Areas/Estates where basic amenities like roads, power, sewerage, water and communications etc. are provided. Presently, 29 industrial areas and 10 industrial estates have been developed in the State. One Growth Centre with an estimated cost of Rs. 2276 lacs is being developed at five split locations.
- 1.11 Exports have been recognized to spur economic growth, especially in this era of opening up of our economy, its liberalization and structural reforms within the economy. The total amount of exports made by the units located in Himachal Pradesh during the year 2003-04 has been to the tune of Rs. 1037 crores. A steady growth in exports is, however, not possible in the absence of proper and adequate infrastructure. Thus, high quality infrastructure comparable to international standards is essential to facilitate unhindered production, cut down the cost of production and make our exports internationally competitive. Hence the ASIDE Scheme which has been launched by the Ministry of Commerce and Industry, Department of Commerce, Govt. of India from the year 2002-03 has been made full use of by our State Govt. in creating infrastructure for Exports. During the year 2004-05 an amount of Rs 500 lacs was received from the Govt. of India under the scheme which is being spent on improvement of roads/power infrastructure to remove transport bottlenecks and to provide adequate and uninterrupted power supply to exporting industrial units in Kala-Amb- Parwanoo -Baddi- Barotiwala-Nalagarh industrial corridor which is main export zone of the State.
- 1.12 In order to develop entrepreneurship, a Centre for Entrepreneur Development(CED) has been set up at Parwanoo in collaboration with the Government of India. To create more employment opportunities, various employment generation programmes like Prime Minister Rojgar Yojana (PMRY), Rural Industries/Rural Artisans Programme, Entrepreneurship Development Programmes (EDPs) etc. are being implemented.
- 1.13 Handicrafts and Handloom Industries in the State have a huge potential in the State. To fully tap this potential, the State Govt. is availing the Central Assistance available for promotion of these activities in the form of Centrally Sponsored Schemes such as Deen Dayal Hathkargha Protsahan Yojana (DDHPY), Handloom Workshed Scheme and Integrated Handloom Training Project(IHTP) which are primarily targeted to benefit handloom weavers. Main components of DDHPY scheme are financial assistance for availing credit facilities from banks, purchase of new looms, training of weavers, design & development, publicity and marketing.

- 1.14 In some pockets of the State, the climatic conditions are conducive for the development Sericulture. At present Sericulture related activities provide subsidiary occupation to about 7,000 families, most of whom belong to the poorer strata of society. Therefore, Sericulture has been given the status of a Priority Industry and is eligible for all such facilities, which are being given to priority industries in the Pradesh.
- 1.15 Today, Information Technology and Bio-Technology is fast becoming an important driver of the Global Economy. The location and climate of Himachal Pradesh is ideally suited for knowledge based activities. The Department has accorded priority status for I.T. & BT industries and related activities in the State. Information & Communication Technology Industry and Computer Hardware Call Centres have been included in the list of thrust industries in the Special Package of Incentives notified for our State and are thus eligible for all the incentives notified in the Package.

## CHAPTER-2

### ORGANISATIONAL SET-UP

#### 2.1 Brief History of the Department:-

During the period 1948-52 Himachal Pradesh was Chief commissioner's Province with 4 Districts i.e. Chamba, Mahasu, Mandi & Sirmaur. In 1952, it became a Part "C" State under Lt. Governor and elected Legislative Assembly. Bilaspur became as fifth District of the State. Main industrial activities during this period were running of weaving, carpeting, leather and tailoring centres. A Development Officer from erstwhile Punjab was having additional charge of Department of Industries in Chief Commissioner's Office. Main industries in the State were Nahan Foundry at Nahan, Mohan Meakins breweries at Kasauli and Solan, Salt Mines at Drang (Mandi) and Rosin & Turpentine Factories at Nahan and Bilaspur and were functioning before Statehood. Nahan Foundry was established in 1875 by the then Maharaja of Sirmaur State. It was subsequently made a Joint Sector enterprise of the Government of India. In the year 1952 this Company was taken over fully by the Government of India and it was registered as a Public Limited Company under the Companies Act on 25.10.1952. In September, 1964 its ownership was transferred by the Government of India to the Himachal Pradesh Government. In SSI sector, four small gun factories were functioning in Mandi District manufacturing high quality single barrel/double barrel guns.

The State remained Union Territory during the period 1957 to 1971. Additional activities of running ITIs, Employment Exchanges, Weights and Measures, Rural Industrial Training Institutes and Tea & Sericulture were entrusted to the Department during this period. The 1st Director of Industries of U.T. was Sh. S.L Kapoor, appointed in 1957. The District Industries Offices were started in 1957 with one office catering to more than 3 Districts. Extension Officers were also appointed at Block level. After reorganization of the State in 1966, District Industries Officers were appointed for newly created Districts of Kinnaur, Kangra and Kullu. The State Aid to Industries Act-1968 was formulated.

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. The District Industries Officers were posted in each District. The Rules regarding grant of Incentives to Industries, 1971 were formulated. The Labour & Employment Wing was separated from the Department in 1972. District Industries Centres came into being in 1978 as a 100% Centrally Sponsored Scheme and the District Industries Officers were replaced with General Managers, District Industries Centres. The Technical Education and Weights & Measures Wings were also separated in 1982. Rural Industrial Training Institutes (RITIs) for girls were transferred to Department of Tech Education & Tailoring Centres were transferred to Rural Development Department. The Tea Wing of the Department was transferred to Agriculture Department in 1998. In 1984 funding pattern under District Industries Centres Scheme was changed to 50:50 ratio and the Scheme was completely transferred to State in 1994. The Incentives Rules were revised in the year 1980 & thereafter in 1984, 1991, 1996, 1999 and 2004.

2.2 The Industries Minister heads the Department of Industries. In order to attract investment in Industrial and Tourism sectors, Office of Pr Adviser (Industries & Tourism ) was opened in Himachal Bhavan, New Delhi in Oct./November, 2004. There is a two tier structure with the Principal Secretary (Industries) and the Special Secretary (Industries) at the Secretariat level.

2.3 The Directorate is headed by the Director of Industries. The Directorate is broadly divided into 6 broad functional categories. These are as detailed below:-

(i) **Store Purchase Organisation**

The Store Purchase Organisation is headed by the Additional Controller of Stores. He reports to the Controller of Stores (Director of Industries) in the matters concerning Store Purchase Organisation. He is further assisted by Senior Technical Officer (Mech.), Store Inspection Officer (Textile), Joint Director of Industries, Superintendent(s) Gr.-I & II, ministerial and other staff.

(ii) **Administration and Accounts Wing**

The Administrative and Accounts Wings is headed by the Joint Director (Admn.). He reports in administrative/accounts matters to the Director of Industries. He is further assisted by Assistant Controller (F&A), Superintendent(s) Gr.-I & II, Tehsildar

(Recovery), Naib Tehsildar and by ministerial and other staff.

**(iii) Industrial Development Wing**

In this wing Senior Technical Officer (Mech.), Industrial Advisor, Joint Director of Industries, Project Co-ordinator and Deputy Directors, report to the Director of Industries for the development of industries in the State. A Nucleus Cell headed by the Deputy Director (Statistics) has been set up under the Centrally Sponsored Scheme "Collection of Statistics of SSIs". The Govt. of India provides pay and allowances of five Sr. Investigators under this scheme. The Officers of this wing are further assisted by Manager, DIC, Industrial Promotion Officer, Superintendent (s) Gr.-II, ministerial and other staff.

**(iv) Sericulture Wing**

The Sericulture Wing is headed by the Project Co-ordinator at the Directorate level. He reports to the Director of Industries for Sericulture development. He is further assisted by Superintendent(s) Gr.-II, ministerial and other staff.

**(v) Handloom Wing**

The Handloom Wing is headed by a Deputy Director (Handloom) who reports to the Director for Handloom (Director of Industries) and is further assisted by SIO (Textiles), Superintendent Gr.-II, ministerial and other staff.

**(vi) Geological & Mining Wing**

The Geological and Mining Wing is headed by the State Geologist. He reports to the Director of Industries for Mineral exploration/regulation works. He is further assisted by Geologists, Assistant Geologists, Superintendent Gr.- I & II, ministerial and other staff.

2.4 The organisational set up in the field offices of the Department of Industries is as under:-

**(i) District Industries Centres**

The District Industries Centre is headed by a General Manager. He is further assisted by Managers, Industrial Promotion Officers, Economic Investigators, Extension Officers (Block level), ministerial and other staff.

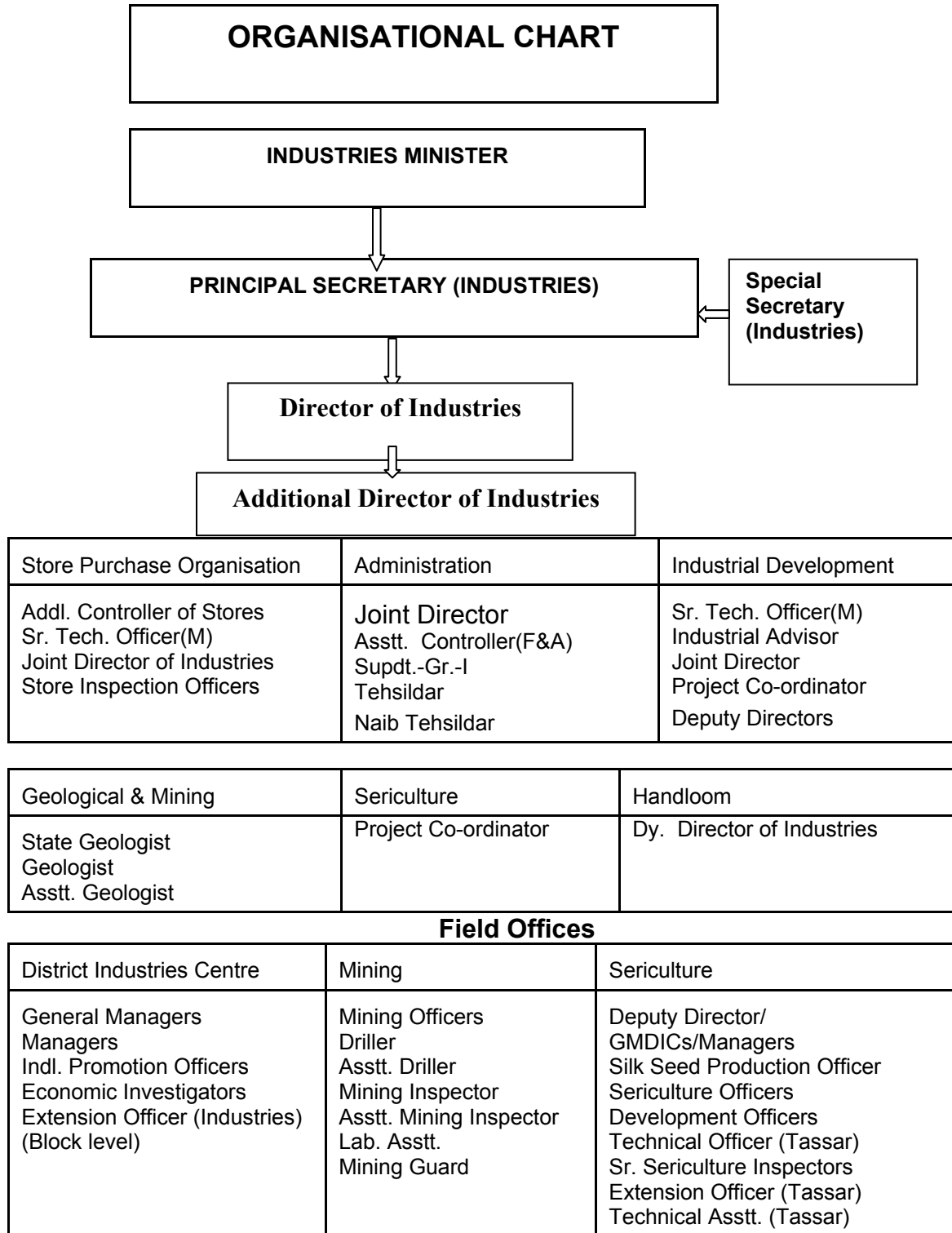
**(ii) Mining Offices**

The Mining Office is headed by a Mining Officer. He is assisted by Mining Inspectors, Asstt. Mining Inspectors, Mining Guards and ministerial and other staff. Further more, the drilling operation is headed by Drillers who are assisted by Asstt. Driller and Laboratory Assistant.

**(iii) Sericulture Offices**

The Sericulture Wing has 7 divisions. The Deputy Director (Sericulture)

heads the Palampur Division, Silk Seed Promotion Officer, Nadaun heads the Nadaun Division besides holding additional Charge of Dehra Division. The Charge of the Shimla Division was with Project Co-ordinator. The General Manager, DICs, Mandi and Sirmaur hold the additional charges of Mandi and Nahan Divisions respectively. The Charge of the Ghumarwin Division was with the Manager, District Industries Centre, Bilaspur. These Officers are further assisted by Sericulture Officers, Development Officers, Technical Officer (Tassar), Sr. Sericulture Inspectors, Extension Officers (Tassar), Technical Assistants (Tassar), ministerial and other staff.



2.5 The total sanctioned strength of officers & employees in the Department of Industries is given at Annexure - A. The contact details of the Officers of the Department are at Annexure-B

2.6 The following six Corporations/Boards are functioning under the

**administrative control of the Department of Industries: -**

1. H.P. State Industrial Development Corporation Ltd. (HPSIDC).
2. H.P. Financial Corporation (HPFC).
3. H.P. State Handicrafts & Handloom Corporation.
4. H.P. State Small Scale Industries and Export Corporation.
5. H.P. General Industries Corporation.
6. H.P. Khadi and Village Industries Board.

## CHAPTER - 3

### **POLICY FRAMEWORK**

#### **3.1 INDUSTRIAL POLICY HIGHLIGHTS**

To spread and speed up the industrialisation process in the State and to woo indigenous and foreign investment so as to generate employment opportunities for local persons, the State Govt. has enacted new Industrial Policy & Incentive Rules, 2004, which have been notified on 30th December, 2004 and made operational w.e.f. 31.12.2004. The main highlights of the New Industrial Policy are as under:-

#### **Objectives of the Industrial Policy:**

The new Industrial policy intends to:

1. Serve as a guideline for achieving the objective of uniform growth of industry and service sector throughout the State.
2. Disperse industries and service sector activities.
3. Cull together ingredients of an Industrial Policy so as to facilitate generation of employment opportunities for local resource owners and stakeholders.
4. Clearly state Government's commitment and approach to the development of key infrastructural sectors like Power, Housing, Social Infrastructure Development, Human Resource Development and Vocational Education so as to create a congenial investment climate for existing industry to grow as well as to attract further investments in the State.
5. Clearly spell out Industrial Incentives of fiscal nature.
6. Specifically address the issues impeding industrial growth such as procedures for setting up of industry, obtaining permissions required under various Labour Laws, addressing issues related to transportation of industrial produce so as to lay the foundation of strong and consistent growth of the industrial sector.

#### **3.2 CATEGORISATION OF THE STATE**

The State has been categorized into three categories 'A', 'B' & 'C' depending upon their 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 Sirmour District and Dharampur and Nalagarh in Solan District excluding backward panchayats notified by the State Govt. Category "B" areas include 48 full 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 23 Development Blocks including all the seven Tribal Development Blocks in Kinnaur, Lahaul & Spiti and Chamba Districts and 16 other Development Blocks in Chamba, Kullu, Mandi, Shimla and Sirmour 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 100 % deferment 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. All new industrial units excluding those units in negative category shall be charged a concessional rate of Electricity Duty at the rate of 10 paise per unit for a period of 5 years from the date of commencement of commercial production in category B and C areas only. This incentive is not admissible to units in A category areas. Additional 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.

### **3.2.1 THRUST SECTOR**

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

1. Units based directly on horticulture produce including hops and tea.
2. Mineral water bottling.
3. Automobile manufacturing units including assembly units which have a minimum of 5 ancillary units substantially dependant on it.
4. Cold storage units/chain.
5. Fruit/vegetable/herbs/ honey/spices based wineries.
6. Production of Ciders/ale/ liqueurs.
7. Sericulture /Handlooms/Khadi industry related manufacturing industrial activities.
8. Electronic units including computer software and information technology except assembling units where value addition is less than 15%.
9. Floriculture
10. Medicinal herbs and aromatic herbs etc. processing.
11. Horticulture, Maize based industries, herbal based industries and Agro Based Industries excluding those included in the negative list.
12. Food Processing Industry excluding those included in the negative list.
13. Sugar and its by-products.
14. Silk and silk products.
15. Wool and wool products
16. Woven fabrics (Excisable garments)

17. Sports goods and articles and equipment for general physical exercise and equipment for adventure sports/activities, tourism.
18. Paper & paper products excluding those in negative list (as per excise classification)
19. Pharma products.
20. Information & Communication Technology Industry, Computer hardware, Call Centres, I.T. Software and services.
21. 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.
22. Spa, entertainment/amusement parks ropeways etc.
23. Industrial gases (based on atmospheric fraction).
24. Handicrafts
25. Non-timber forest product based industries.
26. Precision Industries

**Note: Products listed from Serial No. 9 to 24 are as reflected in Government of India, Ministry of Industry and Commerce O.M. dated 7/01/03 and as defined by Government of India from time to time.**

### 3.2.2 PACKAGE OF CONCESSIONS, INCENTIVES & FACILITIES TO SMALL SCALE UNITS IN THRUST SECTOR (EXCLUDING UNITS IN NEGATIVE LIST) :

New industrial units belonging to Thrust Sector listed in Annexure II and located in "B" and "C" category areas (excluding such industry which may be listed in negative list) shall be eligible for the following additional incentives, unless otherwise specified or unless a separate provision has been made elsewhere under incentive rules provided they also meet the minimum employment criterion laid down in the rules: -

- a) Such eligible thrust industries shall be entitled to out of turn allotment of plots/land/sheds in industrial areas/estates located in Category 'B' and 'C' blocks. Land/shed in category "B" and "C" blocks shall be allotted @50% of the normally applicable premium as may be determined by the Government from time to time for the general category of industries.
- b) Such thrust new industrial units, in the Small Scale Sector and located in "B" and "C" blocks manufacturing wine/ cider out of locally produced fruits shall also be exempted from the payment of State Excise Duty for a period of 7 years.

- c) Horticulture produce, vegetable produce based industries, maize based and herbal based industries specifically located in B and C category areas shall be entitled for the following additional incentives:-
  - 1) Total exemption from the payment of Electricity Duty for a period of 10 years from the date of their commencement of production.
  - 2) Interest subsidy @5 % P.A, with a ceiling of Rs. 2 lakhs per annum for a period of 3 years.

### **3.2.3 INCENTIVES TO SSI UNIT(S) SET UP BY SPECIAL CATEGORY OF ENTREPRENEURS FOR SETTING UP OF TINY AND SSI UNITS:**

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 which will be over and above the concessions and facilities admissible elsewhere in these rules, unless otherwise specified:

- a) For such entrepreneurs 90% subsidy shall be given on the preparation of feasibility reports subject to a maximum of Rs.25, 000/- in each case.
- b) 100% subsidy shall be provided to such entrepreneurs for meeting out the carriage and installation costs of the machinery.
- c) 10% special investment subsidy on fixed assets subject to a ceiling of Rs. 1,00,000/- per unit shall be allowed to such entrepreneurs out of State funds for establishment of tiny units.
- d) SSSBEs, Tiny units and units with Fixed Capital Investment limit of Rs. 25 lakhs falling under the category of "specified category of activity" set up by such category of entrepreneurs availing term loans from Financial Institutions as defined will be entitled to 5% interest subsidy on the term loan subject to a ceiling of Rs. 50,000 per year for 3 years only. The interest subsidy will not be admissible on defaulted installments due to the financial institution and the period of default will be counted for determining the ceiling of 3 years. Interest subsidy will be admissible for the first 3 years of the original repayment schedule finalized by the Financial Institution at the time of sanctioning of loan.

### **3.2.4 SCHEME FOR REGISTRATION OF AGRO/ HORTICULTURE PRODUCE/ TOURISM AND OTHER ALLIED SECTORS, BACKWARD /FORWARD LINKAGE 'SPECIFIED CATEGORY OF ACTIVITIES' AND GRANT OF INCENTIVES:**

The Department of Industries will also register certain specified activities promoted locally by bonafide Himachalis/ entities set up by them (bonafide Himachalis) and as certified by the concerned State Government Department as activities specified in Annexure-IV, as amended from time-to-time, and which basically relate to commercial exploitation and value

addition of Agro/ Horticulture/Animal Husbandry/ Pisciculture/ Sericulture/Floriculture/Bio Technology/Agri-business/Tourism and other allied sectors activities so identified for the purpose of availing the incentives (if such or similar incentives have not been availed under any other scheme of Government of India/ State Government )provided for under these Rules.

Such activities as are specifically mentioned in Annexure III of these Rules, will apply on the same application form as are currently being used for the registration of SSI/ M&LSI (depending upon the level of investment) to the concerned General Manager, DIC,(in case of units up to limits prescribed for SSI units), and the Director of Industries (in case of units exceeding the limits of investment prescribed for SSI units). These applications will be forwarded to the concerned registering authorities of the Department of Industries through the concerned Departments (Agriculture/Horticulture/Animal Husbandry/Fisheries Department etc. as the case may be) after certifying that the said project is covered under the definition of specified activity as mentioned in Annexure III. The General Manager's DIC's/ Director of Industries will register these projects separately and maintain a separate registration record of such activities which are otherwise not falling specifically under the guidelines and provisions of SIDO. In case the activity can also be registered as Industrial units falling under the SIDO guidelines, such units would only be registered as SIDO units and would therefore be entitled to avail only those incentives, concessions and facilities provided for such industrial units under these Rules.

Such Specified Activities by virtue of being eligible for incentives concessions and facilities as being specially provided for under these Rules will not qualify automatically for grant of any other incentives, concessions and facilities provided by Government (State Government or Government of India) to Industrial Units unless specifically provided for.

After a unit falling under the category of certain 'specified activities' has gone into commercial production and this fact is certified by the concerned Government Department and the case is recommended, the unit will be registered permanently and issued an Eligibility Certificate by the Department of Industries specifically indicating the date of commencement of production and incentives, concessions and facilities which may be provided to such units.

The following incentives may be made available to such registered units:-

- 1) Such units will be charged Electricity Duty at the rate of 10 paise per unit on power consumed by them for a period of 5 years from the date of their commencement of production.
- 2) Such units, set up in the State, availing term loan and working capital through the Financial Institutions, as defined under these Rules shall be eligible to claim interest subsidy of 5% subject to a ceiling of Rs. 1 lakh per unit per annum for a period of 3 years.

- 3) Such Units will be eligible for subsidy on Fixed Capital Investment including cost of structure, building and plant and machinery @ 15% of the fixed capital Investment subject to a ceiling of Rs. 5 lakhs per unit. Sanction and disbursement of this subsidy will be governed by the provisions of Central Investment Subsidy manual.
- 4) Supply of water and electricity connections to such activities will be made on priority.
- 5) Such activities will be exempted from the payment of luxury tax, and entertainment tax, as may be applicable for a period of 5 years only.

### **3.3 CENTRAL GOVERNMENT INCENTIVES:-**

The Ministry of Commerce & Industry, Department of Industrial Policy & Promotion (DIP&P) notified the following Package of Incentives for the States of Uttaranchal and Himachal Pradesh on 7/1/03. The main highlights of the Package are as under:-

#### **3.3.1 Fiscal Incentives to new Industrial Units and to existing units on their substantial expansion:**

- (I) New industrial units and existing industrial units on their substantial expansion as defined, set up in Growth Centres, Industrial Infrastructure Development Centres (IIDCs), Industrial Estates, Export Processing Zones, Theme Parks (Food Processing Parks, Software Technology Parks, etc.) and other areas as notified from time to time by the Central Government, are entitled to :
  - (a) 100% (hundred percent) outright excise duty exemption for a period of 10 years from the date of commencement of commercial production.
  - (b) 100% income tax exemption for initial period of five years and thereafter 30% for companies and 25% for other than companies for a further period of five years for the entire States of Uttaranchal and Himachal Pradesh from the date of commencement of commercial production.
- (II) All New industries in the notified locations would be eligible for capital investment subsidy @ 15% of their investment in plant & machinery

subject to a ceiling of Rs.30 lakh. The existing units will also be entitled to this subsidy on their substantial expansion, as defined.

- (III) Thrust Sector Industries are entitled to similar concessions as mentioned above in the entire State of Himachal Pradesh without any area restrictions.

### **3.3.2 Development of Industrial Infrastructure:**

- (i) The Central assistance of Rs.10 crores per centre admissible under the Growth Centre Scheme has been raised to Rs.15 crore per centre.
- (ii) The financing pattern of Integrated Infrastructure Development Centres (IIDC) between Government of India and SIDBI has been changed from 2:3 to 4:1, and the GOI funds are now in the nature of a grant, so as to provide the required infrastructural support.

### **3.2.3 Other Incentives:**

- (i) **Deen Dayal Hathkargha Protsahan Yojna and other incentives of Ministry of Textiles:**

The funding pattern between Government of India and both the States has been changed from 50:50 to 90:10 under this Scheme. Ministry of Textiles is extending its package of incentives, as notified for North-Eastern States, to the States of Uttaranchal and Himachal Pradesh also.

- (ii) **Ministry of Food Processing Industries** would include Uttaranchal in difficult areas category. The state of Himachal Pradesh is already included in the difficult areas category.
- (iii) **Pradhan Mantri Rozgar Yojana (PMRY)** : Ministry of Agro & Rural Industries(ARI) has provided relaxation under PMRY with respect to 1) age i.e. age limit raised to 18-40 years from 18-35 years and 2) quantum of subsidy admissible raised i.e. @ 15% of the project cost subject to a ceiling of Rs.15,000/- per entrepreneur for States of Himachal Pradesh and Uttaranchal.

### **3.3.4 Central Transport Subsidy**

Industrial units located in the State are reimbursed 75% of the cost of transportation of their raw materials/ finished goods to and from the location of their units anywhere in the State to the nearest specified broad gauge rail head under the Central Transport Subsidy scheme. This subsidy is available for a period of the 5 years from the date of commencement of production. With the efforts of the State Government the Central Government has extended the Central Transport Subsidy scheme in the State up to 31/3/2007. The assistance which was admissible on re-imburement basis till 2003-04, is admissible as advance payment from the year 2004-05. The H.P. State Industrial Development Corporation Ltd. has been designated as Nodal Agency for channelising funds to the State under the Scheme.

## CHAPTER - 4

### MAJOR PROGRAMMES AND SCHEMES

#### 4.1 SMALL SCALE INDUSTRIES

- 4.1.1 The spectrum of industries in the country extends from the organised Medium & Large Scale industries to modern small scale industries and unorganised traditional industries. The last two i.e. modern Small Scale Industries and unorganised traditional industries known as Village and Small Industries (V&SI) constitute an important segment of the State economy. The Village and Small Industries Sector provides maximum employment which is next only to the agricultural sector in the State. In terms of value added it is estimated to contribute about 50% of value added in the manufacturing sector. The growth in this sector, besides resulting in self-employment and wider dispersal of industrial and economic activities, ensures maximum utilisation of local resources both human and material.
- 4.1.2 The definition of Small Scale Industrial Undertaking and ancillary industrial undertaking has undergone change mainly keeping in view the price escalation over the past few years. Small Scale Industries have been defined in terms of the upper ceiling of investment in plant and machinery (original value) alone since 1966. The investment ceiling for Plant and Machinery (original value) has been revised over the years and the present investment limit is Rs 100 lacs. However, as a sector specific initiative, the investment ceiling has been enhanced to Rs 500 lacs for reserved items in Hosiery, Hand tools, Stationery and Pharmaceutical sectors. These sectors are technology/exports intensive and the increased ceiling will enable them to modernise and face international competition.
- 4.1.3 The Achievements in setting up Small Scale Industries(Both SIDO and Non- SIDO) during the year as compared to previous years

Name of Scheme	2002-2003 Achievement	2003-2004 Achievement	2004-2005 Achievement
No. of SSI units registered on permanent basis.	697	663	913

4.1.4 At present about 31,752 Small Scale Industrial units have been

set up in the Pradesh having capital investment of about Rs. 83577.40 lacs and providing employment to about 1.40 lac persons. District wise distribution of SSI units, investment & employment therein is as under:-

( up to 31-3-2005)

Sr. No.	District	No of units	Investment ( Rs. in lacs)	Employment
1	Bilaspur	2018	3128.46	7339
2	Chamba	1579	2420.38	5582
3	Hamirpur	2448	4065.17	8912
4	Kangra	8236	15882.28	35630
5	Kullu	2166	3813.55	10847
6	Kinnaur	527	383.77	1630
7	Lahaul & Spiti	555	251.75	1499
8	Mandi	3225	7363.46	13038
9	Shimla	2957	4738.2	10767
10	Sirmour	2464	11055.83	11587
11	Solan	3002	23137.52	22024
12	Una	2575	7337.03	11197
	<b>Total</b>	<b>31752</b>	<b>83577.40</b>	<b>140052</b>

**4.1.5 Impact of Special Package of Industries:-** With a view to accelerate the pace of industrialization and to generate more employment opportunities in the Industrial Sector in the State, the Govt. of India had notified a New Package of Incentives for the States of Himachal Pradesh & Uttaranchal on 7<sup>th</sup> January, 2003. The special package of incentives includes fiscal incentives e.g. Investment Subsidy on Plant & Machinery @ 15% subject to a maximum of Rs. 30 lakh, 100% outright excise duty exemption for a period of 10 years and 100% Income Tax exemption for a initial period of 5 years and thereafter 30% exemption for Companies and 25% for individuals for another period of 5 years to new units as well as units undertaking substantial expansion.

***After the notification of Special Package in January 2003, the State has provisionally registered 4158 proposals in Small Scale Sector with proposed investment of Rs. 2452.65 crores and employment potential of 87781 persons up to 31/3/05. Table below gives District-wise details of units provisionally registered units since the inception of package up to 31/3/05.***

	During 2004-05	Cumulative
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District	No of Units	Investment (Rs in lacs)	Proposed Employment	No of Units	Investment (Rs in lacs)	Proposed Employment
Bilaspur	136	1906.96	1365	204	2383.02	1925
Chamba	32	400.9	264	66	595.35	469
Hamirpur	54	279.97	458	150	871.81	1421
Kangra	166	3520.69	2262	345	6394.81	4434
Kullu	78	389	653	157	1232.02	1331
Kinnaur	10	29.24	48	18	60.15	97
Lahaul & Spiti	2	1.61	5	9	38.54	47
Mandi	169	973.09	1254	343	1826.12	2737
Shimla	145	1100.54	774	327	2521.64	2092
Solan	899	138808.7	25865	1765	196490.6	55876
Sirmaur	183	8762.18	4104	452	23261.18	11211
Una	144	5922.95	2470	322	9589.99	6141
<b>Total:</b>	<b>2018</b>	<b>162095.8</b>	<b>39522</b>	<b>4158</b>	<b>245265.3</b>	<b>87781</b>

**4.1.6 Expansion Proposals approved:-** Besides, since the notification of special Package, 104 expansion proposals have been approved. The district wise detail of these proposals is given below:-

**District-wise expansion proposals approved in SSI Sector:-**

Sl. No.	District	No of Units	Investment (Rs in lacs)	Proposed Employment
1	Bilaspur	2	8.76	13
2	Chamba	0	0	0
3	Hamirpur	0	0	0
4	Kangra	15	233.59	107
5	Kullu	2	39.55	23
6	Kinnaur	0	0	0
7	Lahaul & Spiti	0	0	0
8	Mandi	8	110.35	102
9	Shimla	1	81.65	40
11	Sirmaur	13	317.58	133
10	Solan	60	888.39	687
12	Una	3	42.91	33

	<b>Total:</b>	<b>104</b>	<b>1722.78</b>	<b>1138</b>
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#### **4.2 LARGE AND MEDIUM SCALE INDUSTRIES**

4.2.1 An industrial undertaking in which the investment in fixed assets in Plant & Machinery, whether held on ownership terms, or on lease, or by hire purchase exceeds Rs. 100 lakhs except for reserved items in Hosiery, Hand tools, Stationery and Pharmaceutical sectors is classified as medium/large Scale unit. At present there are 246 Medium & Large Scale units functioning in the State having capital investment of about Rs 2715.87 crores and providing employment to about 34058 persons.

4.2.2 Major National Industrial houses like ACC, Gujarat Ambuja Cements Ltd., Birla, Dabur, DCM, Vardhman, Mohan Meakin, Eicher, HFCL etc. have now chosen Himachal Pradesh as an ideal location for units ranging from hi-tech electronics to food processing and cement. More and more industrial houses have opted for investment in the State. The State Government would welcome projects, which generate employment for our people, add revenue to the State, are non-polluting in character and are based on gainful exploitation of local resources.

After the notification of Special Package in January 2003, the State has approved 498 investment proposals in Medium & Large Scale Sector with proposed investment of Rs. 7160.11 crores and employment potential of 71579 persons up to 31/3/05. During the year 2004-2005, 225 projects were approved in Medium & Large-Scale Sector having capital investment of Rs. 3355.44 crores and employment potential of 28208 persons. In addition, 37 proposals of substantial expansion involving an investment of Rs 356.21 crores and employment potential of 1735 persons were also approved. The details for the year 2004-05 are given in the table below:-

Sl. No.	Name of Scheme	2003-2004			2004-2005		
		No	Investment (Rs in crores)	Employment	No	Investment (Rs in crores)	Employment
1	New proposals approved in Medium & Large Scale sector.	247	3561	38867	225	3355.44	28208
2	Expansion proposals approved	15	21.18	384	37	356.21	1735

**4.2.3 State Level Single Window Clearance and Monitoring Authority (SLSWC&MA):-**With a view to provide umbrella support to existing

and new ventures, the State Govt. had notified a State Level Single Window Clearance and Monitoring Authority during 2003-04.

Nine meetings of this Authority were held during the year 2004-05 and 232 proposals with an investment of Rs. 3625 crores and employment potential of 28083 were approved. The meetings of this Authority are being held frequently on fortnightly basis so as to ensure that the pending proposals lying with the Industries Department are approved expeditiously.

In all, the State Level Single Window Clearance & Monitoring Authority (SLSWC & MA) has so far approved 262 proposals with an investment of Rs 4166 crores with an employment potential of 32542 persons.

#### 4.2.3 Achievements during the last two years in Medium & Large Scale Sector:-

Sr. No.	Year	No of units set up	Investment (Rs. in crores)	Employment generated
1	up to 02-03	196	2378.06	29823
2	2003-04	15	34.94	762
3	2004-05	35	302.87	3473
	<b>Total</b>	<b>246</b>	<b>2715.87</b>	<b>34058</b>

### 4.3 INFRASTRUCTURAL DEVELOPMENT

4.3.1 In order to provide infrastructural facilities to the entrepreneurs, industrial areas have been established at Bilaspur, Gwalthai, Sultanpur, Parel, Hatli, Hamirpur, Nadaun, Nagrota Bagwan, Sansarpur Terrace, Nagari, Dhaliara, Bain Attarian, Shamshi, Rekong Peo, Mandi, Ner Chowk, Bhambla, Shogi, Paonta Sahib, Kala Amb, Baddi, Barotiwala, Chambaghat, Parwanoo, EPIP-Baddi, Mehatpur, Amb, Tahliwala & Gagret.

4.3.2 Similarly, industrial estates have been developed with the relevant infrastructure facilities at Kangra, Dehra Gopipur, Jawali, Keylong, Saigloo, Pandranu, Raighat, Dharampur and Solan.

4.3.3 In addition to this, more industrial areas will be set up in future to meet the needs of industrialisation in different regions of the State. All existing industrial areas have been linked with the network of roads, telecommunications, water and electricity.

4.3.4 An industrial corridor of Poanta Sahib, Nahan, Kala Amb, Parwanoo, Baddi, Barotiwala, Nalagarh, Mehatpur, Sansarpur Terrace has been provided with an excellent infrastructure like roads, communication, banking facilities etc.

The State Government has established an Export Promotion Park(EPIP) at Baddi. The Govt. of India, Department of Commerce, vide their letter No. 6-Co-ord/10/93-EPZ dated 28-9-1994 had approved the proposal of the State Government for setting up of an Export Promotion Industrial Park at Baddi with an estimated cost of Rs 2003.25 lacs. This Park has been developed in two phases. In phase-I, 991.07 bighas of land has been developed and 178 plots have been carved out. 18 units are functional in this phase now. In phase-II, 1116.28 bighas of land has been developed in which 132 plots have been carved out. 9 units have been set up in phase-II so far. Out of the total 27 units working, 17 are exporting units. This Park has been developed after incurring an expenditure of Rs. 1660.63 lacs which has been met by Central Government (Rs. 970 lacs) and State Government (Rs 690.63 lacs).

#### **4.3.6 Industrial Growth Centre**

An Industrial Growth Centre Project for Sansarpur Terrace in District Kangra was approved by the Govt. of India in 1997. The project is being implemented in phases at the following split locations:-

<b>SI No</b>	<b>Name of the location</b>	<b>Approximate areas</b>
1	Sansarpur Terrace, Phase-I	66-00-00 hectares
2	Bain Attarian, Phase-II	07-81-70 hectares
3	Raja-ka-Bag, Phase-III	102-62-43 hectares
4	Gwalthai, Phase-IV	05-53-00 hectares
5	Banalgi, Phase-V	41-47-08 hectares

As per new policy package notified by the Govt. of India the Central Govt. can contribute Rs. 1500 lacs for the project. The details of

funds provided by the Central and State Governments for the project so far are as under:-

- |    |               |                        |
|----|---------------|------------------------|
| 1. | Central Govt. | Rs. 1103.00 lacs       |
| 2. | State Govt.   | <u>Rs. 397.12 lacs</u> |
|    | Total:        | Rs. 1500.12 lacs       |

The Central Govt. is yet to provide Rs 397 lacs as its residual share.

Component wise expenditure incurred so far is as under:-

S.NO.	Item.	Amount Approved (Rs. in lacs)	Amount Spent(Rs. in lacs)
1	For purchase of land from BBMB.	58.61	58.61
2	Construction of roads, drains, sewerage-line, septic tanks, service building, water distribution, fencing 30 nos sheds etc.	729.84	518.34
3	Supply of power.	910.73	664.3
	<b>Total :</b>	<b>1699.18</b>	<b>1241.25</b>

The phase-wise expenditure incurred is as under:-

Sl. NO.	Phase	Amount Approved (Rs. in lacs)	Amount Spent (Rs. in lacs)
1	Sansarpur Terrace, Phase-I	756.53	746.27
2	Bain Attarian, Phase-II	240.18	148.55
3	Raja-ka-Bag, Phase-III	348.79	2.23
4	Gwalthai, Phase-IV	310	300
5	Banalgi, Distt Solan Phase-V	44.2	44.2
	<b>Total</b>	<b>1699.7</b>	<b>1241.25</b>

The State Level committee, in its meeting held on 22/3/2005 under the Chairmanship of Principal Secretary (Industries) has approved the execution of the following works at Raja-ka-Bag:-

Sl. No.	Name of the Works	Estimated cost.(Rs in lacs)
1	C/o road, road side drains, culverts and retaining walls at Raja ka Bag.	67.6085
2	Providing water distribution System and sewerage system at Raja ka Bag.	22.5035
3	33/11 KV 2x6.3 MVA sub station at Raja-ka-Bag	194.43
4	Erection of 33 KV double conductor line from Jassure to Raja-ka-bag.	52
	<b>Total</b>	<b>336.542</b>

#### **4.3.7 Integrated Infrastructure Development Scheme**

**4.3.7.1 Integrated Infrastructure Development Centre (IIDC) Scheme:-** The Integrated Infrastructure Development Centre(IIDC) Scheme Goalthai was approved for Rs 432 lakhs by the Govt. of India, Ministry of SSI and the same was to be financed by the State Govt. and the Central Govt. in the ratio of 3:2. Hence the approved shares were as under:-

1. Central Govt. Grant = 172.80 lakhs.
2. State Govt. Share = 259.20 lakhs
- Total = 432.00 Lakhs.

Position of funds released as on 31/3/2005 is as under:-

1. State Govt. :263.09 lakhs
2. Central Govt. : 124.41 lakhs

This I.I.D. Centre is situated 10 kms away from Nangal on Nangal-Bhakhra Dam Road. Total area of this IID Centre is 492.48 bighas and has been developed in two phases. 103 plots have been developed and allotted to 85 units envisaging investment of Rs 5049.86 lacs and potential to provide employment to 1018 persons. Seven units having an investment of Rs 146.78 lacs have started production so far providing employment to 87 persons.

#### **4.3.8 Central Assistance to States for developing Export Infrastructure & Other Allied Activities(ASIDE Scheme)**

Exports have come to be regarded as an engine of economic growth in the wake of liberalization and structural reforms in the economy. A sustained growth in exports is, however, not possible in the absence of proper and adequate infrastructure as adequate and reliable infrastructure is essential to facilitate unhindered production, cut down the cost of production and make our exports internationally competitive.

Hence ASIDE Scheme was launched by the Ministry of Commerce and Industry, Department of Commerce, Govt. of India, from the year 2002-03 to assist State Govts in creating infrastructure for Exports. During the year 2004-05 an amount of Rs 500 lacs was made available by the Govt. of India for the purpose. Against this allocation, the details of works approved by the State Level Export Promotion Committee (SLEPC) are as under:-

SI No	Name of the Agency.	Works approved under non-PPP format	Amount approved (Rs in lacs)	Works approved under Private-Public-Partnership(PPP) format	Amount approved (Rs in lacs)
1	HP State Industrial Development Corporation Ltd.	15	829.61	0	0
2	HPSEB	0	0	1	86
	<b>Total</b>	<b>15</b>	<b>829.61</b>	<b>1</b>	<b>86</b>

An amount of Rs 1950 lakhs has been released by the Govt. of during the last three years. The details of funds received and works approved are given in table below:-

Sl no.	Year	Amount Received (Rs in lacs)	Works awarded to HPSIDC/HPSEB/ HPPWD
1	2002-03	700	24
2	2003-04	750	25
3	2004-05	500	16
	<b>Total</b>	<b>1950</b>	<b>65</b>

This amount is being spent in Kala-Amb- Parwanoo-Baddi-Barotiwala-Nalagarh area which is main Industrial Corridor having exporting units.

The total exports from the industrial sector have steadily grown and now has reached to over Rs. 1037.19 crores. However, the share of small scale sector in the export is meagre and new exporting units are being set up in the State which will boost exports in near future. The District-wise details of exports are given below:-

**Export Data of Himachal Pradesh for the year 2003-04:-**

Sl No	Name of the District	No. of Units	Products	Exports (Rs in crores)
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1	Sirmaur	10	Kraft Paper, Anmo size-60 Deformer, Anmo Supper Di, Chemox 4T, Anmo Supper TFS, Wick stove, Lantern, Charcoal, Iron, Calcium Carbonate- PCC, Coil, I & R Mats, Mushrooms , Vegetables and snacks items, Various Tablets, Capsules and Fermentation products etc.	198.696
2	Solan	55	Finished leather products, PCBs, Auto filters, Computer Software, Watch Dials, Large & Thick Bearing, PCB Micro-drills, Audio Magnetic Heads, Auto gears & Shafts, Solo chrome systems, Readymade Garments, Polyester/cotton yarn, Computer software Data Collection, Essential Oils, Industrial & Sewing threads, Multijet condensers, spray pump nozzles etc, Papad etc.	832.088
3	Mandi	2	Bulk drugs, Natural essential oils i.e. cedar, calamus, carrot ,caleryseed , Janipur Berry, Tagets, Ambrette seed valerian oil.	4.9976
4	Kangra	1	Herbal extracts	1.144

5	Kullu	2	Handloom products, Packaged drinking water.	0.2706
	<b>Total</b>	<b>70</b>		<b>1037.19</b>

Year-wise export data of the State for the last two years is as under:-

SI No	Year	No. of Units	Exports (Rs in crores)
1	2002-03	72	1031.47
2	2003-04	70	1037.19

#### 4.3.9 NATIONAL PROGRAMME ON RURAL INDUSTRIALISATION

##### (NPRI)

The main objective of this scheme was setting up Rural Industrial Clusters so that it can boost rural economy by creating more employment avenues for the rural youth in the non-farm sector and slow down the migration of the rural artisans to towns/cities. Office of the Development Commissioner (SSI) is the Co-ordinating Agency for the programme.

*A proposal for approval of nine clusters in Mandi, Kullu, Kangra and Chamba Districts was sent to the Ministry of Agro & Rural Industries during the year which has not been approved so far. An amount of Rs 50,000/- was released as balance payment on account of diagnostic studies of the two clusters which were sanctioned during 2003-04.*

#### 4.4 HANDLOOM INDUSTRIES

**4.4.1** As per National Handloom Census carried out in 1995-96 by the Govt. of India, there are about 45000 handlooms in the State primarily based on wool. Himachal has already established traditions of handloom in the country. Under Handloom industries the following schemes are being implemented in the State:-

**(i) Grant-in-aid to H.P. Handloom and Handicrafts Corporation**

The State Govt. is providing grant-in-aid to H.P. State Handloom and Handicrafts Corporation from the year 1973-74 for various development schemes being implemented by the Corporation for the welfare of the handloom weavers in the Pradesh. During the financial year

2004-2005 financial assistance to the tune of Rs. 51.00 lacs has been released for undertaking its development activities in the field of Handicrafts and Handloom Sector.

**(ii) Workshed Scheme for Handloom Weavers**

Under this scheme financial assistance to the tune of Rs 9000/- per unit is provided to those handloom weavers, for the construction of worksheds who have not proper working place for weaving purpose. During the year 2004-2005 financial assistance of an amount of Rs. 28.00 lacs has been sanctioned & released by the State Government for the construction of 700 units of worksheds in the State.

**iii) Deen Dayal Hathkargha Protsahan Yojana(DDHPY) :**

This Centrally Sponsored Scheme has been launched by Government from 01.04.2000. Under this scheme financial assistance for availing credit facilities from banks for purchase of new looms, for training purposes, design development, for publicity and for marketing incentive is provided to those handloom weavers who are associated with State Handicrafts & Handloom Corporation, Apex Weavers Society, Primary Handloom Weavers Co-op. Societies, Self Help Groups and N.G.O.'s. During the year 2004-2005, financial assistance to the tune of Rs. 183.38 lacs has been released for implementation of various components of the Scheme by H.P. State Handicrafts & Handloom Corporation Ltd., Shimla and Primary Weavers Co-operative Societies of the State.

**4.4.2 Achievements during the last three years.**

Sl. No.	Name of Scheme	2002-2003 Target Achievement		2003-2004 Target Achievement		2004-2005 Target Achievement	
a.	Production (Value) including Small Co-operative Sector (Rs. in lakhs)	700	500	500	450	700	600
b.	Employment						
	Part Time (No.)	1000	800	1000	700	1000	900
	Full Time (No.)	1200	600	1200	400	1200	800

**4.5 HANDICRAFTS INDUSTRIES**

For the development of handicrafts industries in the State, following schemes/ production centres are being run by the H.P. Handlooms and Handicrafts Corporation Ltd. :-

- (i) Bilaspur Textiles, Bilaspur.
- (ii) Chamba Textiles, Chamba.
- (iii) Tissa Textiles, Tissa.
- (iv) Footwear Factory, Chamba.
- (v) Chamba Rumal Production Centre, Chamba.
- (vi) Sub- Procurement unit, Bharmour.
- (vii) Procurement unit, Hamirpur
- (viii) Jawali Textiles, Jawali.
- (ix) Carpet Production Centre, Jawali.
- (x) Carpet Production Centre, Kangra.
- (xi) Palampur Textiles, Palampur.
- (xii) Furniture Factory, Palampur.
- (xiii) Procurement unit scheme, Kullu.
- (xiv) Kalpa Textiles, Kalpa.
- (xv) Gaibong Textiles, Gaibong.
- (xvi) Kinnaur Textiles, Nichar.
- (xvii) Mandi Textiles, Mandi.
- (xviii) Procurement Unit scheme, Shimla.
- (xix) Dolls Centre, Shimla.
- (xx) Arki Textiles, Arki.
- (xxi) Wood working Production Centre, Poanta Sahib.
- (xxii) Sub Procurement Unit Scheme, Sirmaur.

#### **4.6 SERICULTURE**

4.6.1 Sericulture is an agro-based labour intensive cottage industry, which is providing subsidiary employment to the farmers and income by way of rearing silkworms. This has been possible because of the suitable climate for bi-voltine mulberry sericulture in the State. Sericulture industry improves the ecology of fragile Himalayan mountainous area, provides high cash

returns with small investment in short gestation period and is an important tool for generation of employment for all age groups in the rural areas. Currently about 7500 sericulture families in the State are practising sericulture as a subsidiary occupation. The State Industries Department has set up 60 Sericulture Extension-cum-chawki centres, 79 mulberry farms and 52 mulberry nurseries in various parts of the State. The only Silk Seed Production Centre is situated at Palampur ( District Kangra). In the new Industrial Policy, the State Government has given Sericulture the status of priority industry as such it attracts special concession in the entire state.

Following recent steps have been taken by the Department to develop Sericulture in the potential districts:-

- a) New improved high yielding mulberry varieties namely- S 146, S-1, S-54, C-776 have been procured from Central Silk Board (CSB) institutions and introduced in low altitude areas. High yielding bi-voltine silkworm races of CSR series, evolved by CSB institutions have been introduced from the year 2003-04 and its performance is being evaluated.
- b) Three silk reeling units have been got established in the private sector with assistance by the department at Ghumarwin ( District Bilaspur ) and Gaggal ( District Kangra ) and Patti (Palampur) These units have capacity to process 60 metric tons green silk cocoons and producing 6.0 tons raw silk in a year.
- c) An additional fund has been managed to carry out field programmes and creation of adequate infrastructural facilities. Central Silk Board , Ministry of Textiles, GOI has increased allocations of funds under centrally sponsored ' Catalytic Development programme' for productivity improvement , generation of employment and overall development of mulberry sericulture in the State during 10<sup>th</sup> Five year plan period.
- d) Private sector investment is being encouraged in sericulture and silk industries. Sericulturists' groups (SHG's) have been formed at village level for greater involvement in decision- making and future micro planning for the development of sericulture industry according to needs of the target groups in the areas.

#### **4.6.2 The Government is implementing the following schemes and programs in the Sericulture Sector :-**

1. Maintenance of departmental mulberry farms and nurseries :

Departmental Sericulture Farms growing mother trees of improved varieties are maintained for yielding planting material to propagate food plants of silkworms in the nurseries. Leaves produced in the department farms are utilized for departmental young age rearing of silkworms.

2. Distribution of silkworms food plants ; one year-old saplings of improved varieties are distributed to the planters at the nominal price of Rs. 0.25 each at the nearest motor head.

3. Production of silkworms seed : Pure silkworm races are maintained and multiplied for the production of hybrid commercial silkworm seed in the departmentally run only Silkworm Seed Production Centre.
4. Distribution of Silkworms : The Govt. bears the cost of incubation of silkworms seed and rearing of hatched young-age silkworms called ' chawki' for ten days under technical supervision of departmental staff before distributing it to the Sericulturists.
5. The young silkworms ( Chawki silkworms ) are distributed from the Government sericulture centres at the nominal price of Rs. 20/- per ozs. of chawki worms hatched from each of silkworm seed.
6. Grant- in aid to schedule caste sericulture families: Under this scheme of Scheduled Castes programme (SCP) , the schedule caste beneficiaries are given grant-in-aid of Rs. 8500 for the construction of rearing house and Rs. 1500 for purchase of silkworm rearing equipment . The farmers themselves contribute the balance amount.
7. Support to Reeling Unit :-\_Under the scheme there is a provision to give incentive of Rs. 100/- on production of one kg quality raw silk to the private silk reelers and cooperative reeling societies. This incentive is shared by the CSB and the State Industries Department in ratio of 90:10. The scheme envisages reimbursement of 90% of incentive to the State Government by CSB for production of quality bi-voltine silk yarn by the private reeling units / cooperative reeling societies.
8. Technical assistance, training and guidance are provided to the Sericulturists / entrepreneurs.
9. Marketing arrangements are made to fetch a fair price of silk- cocoon production.

#### 4.6.3 Production performance :

During the year 2004-05, silkworm seed 3848 ounces was consumed by 7400 Sericulturists families to produce 118 metric tons of silk cocoons. The sericulture industry contributed Rs. 96.0 lacs by sale of the silk cocoons. Besides it also contributed many other intangible benefits in terms of by- products etc. The industry generated 5.75 lakh man-days employment to the rural people of the State.

#### 4.6.4 Achievements during the last three years

Sl. No	Name of Scheme	2002-2003		2003-2004		2004-2005	
		Target	Achievement	Target	Achievement	Target	Achievement
a.	Production of reeling cocoons (Kg.)	200000	152678	130000	114000	140000	118000
b.	Distribution of Mulberry Plants (in lakhs No.)	30.00	21.00	5.00	4.27	6.00	5.25

c.	Employment (Mandays)	700000	620000	600000	611000	6.15	5.75

#### **4.7 STORE PURCHASE PROGRAMME**

4.7.1 The Store Purchase Organisation is playing a vital role in the industrialisation of the State by providing marketing facilities to the local industrial units for the products being manufactured by them which are being purchased for use in Government Departments and Autonomous bodies, Corporation etc. against rate contracts issued by this Organisation. Besides, the locally manufactured goods the Store Purchase Organisation is also entering into rate contracts for other items, which are not being manufactured within the State with outside parties and local suppliers for arranging purchase of quality products at reasonable rates.

4.7.2 This Organisation ensures bulk purchases of products of local industrial units. It is also giving price preference to ensure their growth and economical viability in future. The Small Scale Industrial Units and Cottage Industries, which are located in this Pradesh are being given price preference up to the extent of 15% on their products and medium and large scale industrial units located in the Pradesh are being given price preference to the extent of 3%.

#### **4.7.3 Achievements during the last three years:-**

Sl. No.	Name of Scheme	2002-03	2003-04	2004-05
a.	No. of Rate Contracts finalised.	54	94	72
b.	No. of firms registered for Rate Contract with Industries Deptt.	38	47	41
c.	No. of renewal of registration.	165	161	169

#### **4.8 TWENTY POINT PROGRAMME**

The new 20 Point Economic Programme was announced by the then Prime Minister on 14<sup>th</sup> January, 1982. It focused attention on some of the most important social and economic programmes included in the sixth plan and sought to impart greater dynamism to them. The 20 Point Programme is the real agenda for action before the nation and needs to be implemented in letter and spirit, whole heartedly and with dedication. This programme was again revised in the year 1986 in order to implement this programme more efficiently. While the thrust of the new programme continued to be on providing better living conditions for the less privileged sections of the population, it also aimed at all around improvement in productivity. The Department of Industries is implementing two of the points of this programme which are as follows: -

- (i) Point No. 1 ( c ) – Permanent Registration of SSI Units.

(ii) Point No. 11 (a) – Assistance to Scheduled Caste families.

(iii) Point No. 11 (b) – Assistance to Scheduled Tribe families.

#### 4.8.2 Achievements during the last three years:-

Sl. No.	Name of Scheme	2002-2003		2003-2004		2004-2005	
		Target	Achievement	Target	Achievement	Target	Achievement
a.	No. of SSI Units registered on permanent basis (SIDO)	600	648	600	663	900	913
b.	No. of Scheduled Caste families assisted	1500	1953	2000	2352	2000	2129
c.	No. of Scheduled Tribe families assisted	260	253	260	381	260	308

#### 4.9 TRAINING PROGRAMMES/EMPLOYMENT GENERATION PROGRAMMES

In order to inculcate the culture of industry at the grass root level and to make the rural educated unemployed youths aware about the various schemes, relief/concessions provided by the State Government for setting up of industries, training programmes are organized by the Department of Industries. These programmes are conducted for various target groups and are of different durations. The details of the programmes which are organized are as under:-

a) **Entrepreneurial Development Programme. (EDP)**

Industrialization is closely related to entrepreneurship which plays a significant role in accelerating the pace of industrialization in the State. Emphasis has been laid on the development of entrepreneurship in order to motivate the rural educated unemployed youths to set up their self employment ventures. The duration of an E.D.P. is generally 4- 6 weeks. The main objective of this programme is to create awareness about the setting up of industries in the State.

b) **Short Term Entrepreneurship Development Programme (EDPs)**

The short term Entrepreneurship development programmes are conducted so that the message of industrialization is carried to the general masses especially to the rural educated youth, who are unaware of the self employment out-lets provided by the industries. The duration of Short Term Entrepreneurship Development Programme is one week.

(c) **Industrial Awareness Programmes (IAPs)**

Industrial Awareness Programmes are organized in different parts of the State with a view to generate industrial/business awareness and to educate the prospective entrepreneurs about the latest incentives and facilities offered by the support system. The duration of each programme is three days.

(d) **H.P. Centre for Entrepreneurship Development (HPCED)**

HP. Centre for Entrepreneurship Development has been set up at Parwanoo District Solan with an object to locate, motivate and select potential entrepreneurs. HPCED imparts training and orient entrepreneurs in the establishment of industries and create an awareness of appropriate tools and techniques in the fields of management of ventures. During the year 2004-2005 HPCED has organised 2 People's Education programmes for KVIC and 43 short term Entrepreneurship Development Programmes all over the State.

#### **4.9.2 Prime Ministers Rozgar Yojana**

- (i) Prime Minister Rozgar Yojana was announced by the then Prime Minister on 15th August, 1993 to provide self-employment opportunities to one million educated unemployed youth in the country. The scheme was formally launched on 2nd October, 1993. This Scheme relates to the setting up of the self-employment ventures through Industry, Service and Business routes. All activities except direct agricultural operations are now covered under the scheme. Candidates who are within the age group of 18 to 40 years are eligible for getting loan under the scheme. However, upper age limit for SC, ST, Ex-Servicemen, Physically Disabled and Women candidates is 45 years. A candidate should be 8th pass. Preference is given to those who have been trained in any trade in Government recognised/approved institution for duration of at least 6 months. Neither the income of the beneficiary along with the spouse nor the income of parents of the beneficiary shall exceed Rs. 40,000/- per annum. Eligible persons can get assistance/loan up to Rs. one lakh for business ventures and two lakhs for Industry/Service ventures and avail subsidy at the rate of 15% (maximum up to Rs. 15,000/-) under this scheme.

An amount of Rs 5.11508 lacs was released by the Govt. of India during 2004-05 for meeting out contingency expenditure involved in monitoring and supervision of the Scheme.

(ii) **Achievements during the last four years are as under:-**

Sl. No.	Program me year	Target	Cases sanctioned	Amount sanctione d Rs in lakhs	Cases disburse d	Amount disbursed. Rs in lakhs
1.	2001-2002	3000	3032	2190.35	2433	1670.66
2.	2002-2003	2700	2797	2066.70	2298	1698.90
3.	2003-04	3200	3523	2835.64	2875	2853.28
4	2004-05	3000	3196	2737.91	3006	2503.85

**4.9.3 Rural Industrial Programme/Rural Artisans Programme**

(a) The main objective of Rural Industries Programme/Rural Artisans Programme is the up gradation of skills of rural artisans by providing them required training in improved techniques and tools and settling them in their trades, so that they are able to increase their earnings. The following categories of persons are eligible for assistance under this programme :-

- (i) All Rural Artisans and their family members.
- (ii) All farmers who have less than 5 acres of land and their family members.
- (iii) All landless labourers who are willing to become artisans.
- (iv) All Scheduled castes and Scheduled Tribes people.

(b) **Achievements during the last three years**

Sr. No.	RIP/RAP Scheme	2002-2003		2003-2004		2004-2005	
		Target	Target	Target	Achievement	Target	Achievement
a.	No. of beneficiaries	3600	3960	3960	5975	4010	5733

**4.10 EXHIBITIONS**

In order to promote the sale of products being manufactured by SSI units and local artisans, the Department takes part in the State, National and International trades/fairs. During the year 2004-05, the Department participated in the India International Trade Fair, Agro-Tech-2004, Aahar-2004, Dussehra Fair Kullu, Shivratri Fair Mandi, Lavi Fair Rampur and Minjar Fair Chamba.

## **4.11 Mines and Minerals**

4.11.1 Minerals constitute a fundamental component of the State's material and economic base. Himachal Pradesh through its history has been variously called as an "Apple bowl", "A Hydel State", and is now on the threshold of becoming the "Cement State" of India as the quality of Limestone which is one of the most important ingredients in the manufacture of cement is available in plenty. At present there are three cement plants in Large and Medium Sector, besides about ten mini cement plants functioning in the State. Five more large scale cement plants have been approved to be set up in the State based on limestone deposits at Sunder Nagar, Alsindi (Mandi district) Boroh-Shind (Chamba) Bagga-Bhalag (Solan District) and based on reject of NMDC mine of Arki, Distt. Solan.

4.11.2 Commercially exploitable minerals found in various districts of the State at present are as below:-

Distt. Bilaspur	Limestone, dolomitic limestone, shale, brick earth, minor minerals like sand, stone and bajri.
Distt. Kangra	Roofing slate, Brick earth and minor minerals like sand, stone and bajri.
Distt. Chamba	Limestone, Roofing slate, magnesite and minor minerals like sand, stone and bajri.
Distt. Kinnaur	Gypsum and minor minerals like sand, stone and bajri.
Distt. Kullu	Roofing slate, quartzite crystal, mineral water, Semi-precious stone and minor minerals like sand, stone and bajri.
Distt. Lahaul & Spiti	Antimony-ore, gypsum and minor minerals like sand, stone and bajri
Distt. Solan	Lime stone, dolomitic limestone, shale, building stone and minor minerals like sand, stone and bajri
Distt. Una	Silica boulders and minor minerals like sand, stone and bajri
Distt. Mandi	Limestone, rock salt, roofing slate, quartzite and minor minerals like sand, stone and bajri
Distt. Hamirpur	Silica boulders and minor minerals like sand, stone and bajri
Distt. Shimla	Limestone, quartzite, slabs slates and minor minerals like sand, stone and bajri
Distt. Sirmour	Limestone, dolomitic limestone barytes, gypsum, shale, quartzite and minor minerals like sand, stone and bajri

### **4.11.3 ACHIEVEMENT DURING THE YEAR 2004-2005.**

- Revenue received :Rs. 37.09 crores
- No. of leases granted/renewed: Under Major Minerals 5  
Under Minor Minerals 24
- No. of river beds auctioned : 22.
- Drilling work done : 433 mtrs.
- No of illegal cases detected : 1939
- Penalty on illegal extraction : Rs 33.89 lacs

### **4.11.4 Geo-technical/Geo-environmental Investigations:**

1. Geotechnical Study regarding construction of bridge over Nalla near Sarahan, District Shimla
2. Geotechnical Study on the site proposed for construction of car parking building at the existing site of Northern Railway goods-yard near ISBT, Shimla.
3. Geotechnical study of Site of Hotel Alaknanda, Fingask Estate Shimla.
4. Geotechnical study of Site of building of veterinary hospital near lift, Shimla
5. Geotechnical study of Site of Sanitarium Hospital building at Chaura Maidan, Shimla
6. Geotechnical study of Site for construction of bridge over Shillaroo-Raog Road, Rampur, Shimla
7. Geotechnical study in respect of Batera-Halau link road, Tehsil Chopal, District Shimla
8. Geotechnical study in respect of Kupvi-Bhalu-Daya link road, Tehsil Chopal, District Shimla
9. Geotechnical study in respect of Pulbahal-Sarahan link road, Tehsil Chopal, District Shimla
10. Geotechnical study in respect of Shalu ( Batera)- Kandhal link road, Tehsil Chopal, District Shimla
11. Geotechnical study in respect of Badlog-Jina link road, Tehsil Chopal, District Shimla
12. Geotechnical study in respect of Sanjauli-Dhalli by-pass road , District Shimla
13. Geotechnical study in respect of Kot-Barar-Chunjar Link road, Tehsil Theog, District Shimla
14. Stability report in respect of bifurcation near Lakkar Bazar, Shimla.
15. Geological report on the site proposed for construction of building in Kh. No. 1246/856 in Kusumpti, District Shimla.
16. Report on the damage of Danga, Near High Court, Shimla
17. Geotechnical study in respect of Bhuinka Pul- Kotla link road, District Kullu
18. Geotechnical study in respect of Jagat-Bhanara link road, District Kullu
19. Geotechnical study in respect of Manasari-Soel link road, District Kullu
20. Geotechnical study in respect of Nainanbhati-Kothi Link road, Tehsil Anni, District Kullu
21. Geotechnical study in respect of Benchi-Manjlidhar link road, District Kullu
22. Geotechnical study in respect of Dhora Nalla link road, District Kullu

23. Geotechnical study in respect of Parari-Kathi-Kukri link road, District Kullu
24. Geotechnical study in respect of Pulag Nala Land Slide, District Kullu
25. Geotechnical study in respect of Toss Mini Hydel Power Project , District Kullu
26. Geotechnical study in respect of Ranbagh-Laghuti Link road, Tehsil Anni, District Kullu
27. Geotechnical study in respect of Khalra-Chhurla Link road, District Kullu
28. Geotechnical study in respect of Bharai-Bagan Peej Link road, District Kullu
29. Geotechnical study in respect of Rachi-Khani Link road, Tehsil Anni, District Kullu
30. Geotechnical study in respect of Bhawa-Kathanda Link road, Tehsil Anni, District Kullu
31. Geotechnical study in respect of Luri-Peepal Dhar Link road, Tehsil Anni, District Kullu
32. Geotechnical study in respect of Deem -Odidhar Link road, Nirmand, District Kullu
33. Geotechnical study in respect of Shani-Gulhat Link road, Tehsil Anni, District Kullu
34. Geotechnical report for the construction of Sanskrit School, Near Vaisno Matta Temple, District Kullu.
35. Geotechnical study in respect of Gugra-Kutura link road, District Kullu
36. Geotechnical study in respect of Baggi Pul – Sarahan link road, Tehsil Anni, District Kullu
37. Geotechnical study in respect of Shush- Ballu link road, Tehsil Anni, District Kullu
38. Geotechnical study in respect of Kandugad-Patrana link road, Tehsil Anni, District Kullu
39. Geotechnical study in respect of Lotla-Trimli link road, District Solan.
40. Geotechnical study in respect of Bhat Ki Hatti- Kuther link road, District Solan
41. Geotechnical study in respect of Patta- Sua link road, District Solan
42. Geotechnical study in respect of Garkhal-Ghai link road, District Solan
43. Geotechnical study in respect of Jabbal Mann Bawasi link road, District Solan
44. Geotechnical study in respect of Soan Village link road, District Solan
45. Geotechnical study in respect of Sardighat-Diggall link road, District Solan
46. Geotechnical study in respect of Bagbariam-Saleharn link road, District Solan
47. Geotechnical report of right abutment for construction of Bagchhal Bridge, District Bilaspur.

48. Geotechnical report on the site for the construction of bridge across Govind Sagar Near Bagchhal, District Bilaspur
49. Geotechnical study in respect of Naina- Tikkar- Link road, District Sirmour
50. Geotechnical study in respect of Mari Ghat- Sultanpur Link road, near Sarahan, District Sirmour
51. Geotechnical study in respect of Haloni Pul- Dhan Link road, near Rajgarh, District Sirmour
52. Geotechnical study on the hill slope failure near village Kandhar, Tehsil Nichar, District Kinnuar
53. Geotechnical report on the site proposed for construction of Sunnam- Giabong Bridge in Ropa Valley, District Kinnuar.
54. Geotechnical study on the alternate road alignment to by-pass Malling land slide in District Kinnuar H.P.
55. ***Geotechnical report on the construction of bridge over Wangtu Khad, near village Kafnu, District Kinnuar***
56. Report on Landslide near Gumma Bridge, Tehsil Jogindernagar, District Mandi
57. Geotechnical study in respect of Thalaut- Kahali Link Road, near Sarahan, District Mandi
58. Associated Council for Science and Technology, Himachal Pradesh in the study of Chander Tal Lake

#### **4.11.5 Mineral Investigation:**

##### **a) Cement grade limestone of Gumma area ( Tehsil Chopal) Distt. Shimla.**

- 5 bore holes have been completed in Gumma block and one hole in Sangrothi Block. Detailed Geological mapping of area is in progress and 0.8 Sq. kms has been mapped. Logging of 200 meters of core samples have been completed and samples have been sent to Chemical Laboratory for testing.
- Applications have been invited for setting up of cement plant at Gumma. Nine companies have applied for the same.

##### **b) Bagh Limestone deposit (Kothi) Tehsil Sunni ( Distt Shimla)**

- 9 bore holes have been completed and working on two bore holes is under progress. Logging of 200 meters of core samples have been completed. Detailed Geological mapping of the area is in progress.

#### **4.11.6 Other Significant Achievements:**

1. Feasibility report of workings in the rivers/parts of riverbeds in Hamirpur District, Himachal Pradesh
2. ***Feasibility report of workings in the Rivers/parts of riverbeds in Una District, Himachal Pradesh***
3. ***Feasibility report of workings in the Rivers/parts of riverbeds in Kullu District, Himachal Pradesh***
4. ***Feasibility report of workings in the rivers/parts of riverbeds in Kinnuar District, Himachal Pradesh***
5. ***The inspections of 55 stone crushers located in various Districts of the State were conducted.***
6. ***In order to protect environment and ecology, to maintain ecological balance and in order to support an appropriate environment friendly utilization of natural resources of the rivers and streams, their proper replenishment and protection of private and Govt. property the Himachal Pradesh Minor Mineral ( Concessions )***

*Revised Rules, 1971 were amended in consonance of , “River/Stream bed Mining Policy Guidelines for the State of H.P.-2004”. As per this amendment the provision of Mining- cum –Environment Plan for river bed mining was introduced in case of minor minerals*

7. *The Policy guidelines for Registration, Location, Installation and Working of Stone Crushers were framed and notified on 11.8.2004.*
8. *For checking illegal mining and transportation of minerals the Himachal Pradesh Minerals (Prevention of Illegal Mining, Transportation and Storage) Rules, 2004 were framed*
9. *One Geologist participated in an International Training at Sydney, NSW, Australia, from June 14 to June 25 under an International Training Tasks 1 & 2 Activity II B of World Bank aided Environmental Management Capacity Building Technical Assistant Project ( EMCBTAP): Mining Sub Component.*

#### **4. 12 Central Govt. Incentives :-**

##### **4.12.1 Central Transport Subsidy:**

The new industrial units are allowed 75% transport subsidy for a period of five years from the date of commencement of commercial production. This scheme which was operational on disbursement from the State budget and reimbursement from the Government of India basis but now this system has been changed and the Central Government has placed funds with HPSIDC Ltd. as a Nodal Agency for disbursement on behalf of GOI to the Industrial Units. During the year 2004-05, an amount of Rs. 6.00 crores has been placed with HPSIDC Ltd. for disbursement to the eligible Industrial Units under this Scheme. The State and District Level Committees have approved and sanctioned claims of worth Rs. 5.62 crores during the year 2004-05 which will be disbursed to the Industrial units through the Nodal Agency (HPSIDC Ltd.).

- 4.12.2 Central Capital Investment Subsidy:-** The Central Capital Investment Subsidy for the industrial units coming up in the State is admissible @ 15% under the Special Package of Incentives notified for our State. Under this Scheme, Rs 2.50 Crores has been provided by the Govt. of India, Department of Industrial Policy & Promotion(DIP&P) for disbursement to units as per norms of the Scheme. The State Level Committee on Central Subsidy has approved and disbursed Rs. 2.50 crores Capital Investment Subsidy to the Industrial Units in the year 2004-05.

#### **4.13 Collection of Statistics of SSI Units:-**

- 4.13.1** The Plan Scheme collection of Statistics of SSI units is being implemented in the State. Under the Scheme, a Nucleus Cell has been created at the Directorate Level. Govt. of India, Ministry of SSI has sanctioned five posts of Sr. Investigators for the Nucleus Cell and the Salary and & travelling expenses etc. are being borne by the Ministry of SSI, Govt. of India. The main objective of the Cell is to update data on SSI sector, maintain the frame of SSI units functioning in the State, conduct surveys etc. The details of funds provided by the Govt. of India for the nucleus cell during the last two years is as under:-

##### **4.13.2 Third Census of SSI Units.**

The Third Census of SSI units was conducted during 2002-03. In this census, the SSI units permanently registered up to 31.3.2001 were covered on complete enumeration basis. A total of 17400 units were surveyed. Out of these, 10891 units were found to be working and the remaining 6509 units were found closed. Thus, the number of working units works out to be 62.59 % and those of closed 37.41 %.

The State Report of the 3rd Census was prepared and got approved from the Ministry of SSI. 200 copies of the report were got printed and supplied to all the stakeholders.

## CHAPTER - 5

### OBJECTIVES AND ACTIVITIES OF CORPORATIONS/BOARDS

5.1 In order to give a boost to Industrialisation in the State, the State Government has established a number of Corporations/Board. The details of these Corporations/Board are given in the following paragraphs.

**5.2 THE HIMACHAL PRADESH STATE INDUSTRIAL DEVELOPMENT CORPORATION LTD. (HPSIDC)**

5.2.1 The Himachal Pradesh State Industrial Development Corporation Limited (HPSIDC) was incorporated in November, 1966 as a company wholly owned by the State Government. The Corporation is, inter alia, engaged in carrying out activities towards the advancement of industrial development of the State. The Corporation is, in addition to the H.P. Financial Corporation, acting as the State level financial institution under the refinance schemes of the Industrial Development Bank of India (IDBI) and the Small Industries Development Bank of India (SIDBI).

**5.2.2 The main developmental activities of the Corporation are :-**

- (i) In furtherance to its primary role of promotion and development of medium and large scale industrial units, the Corporation also encourages promotion of projects in the 'assisted' sector. It provides long term finance upto Rs. 150 lakhs, besides equity participation in selective cases, in industrial units in medium and large scale sectors. The loan assistance could be over and above the assistance being provided by other State Government Corporations. The Corporation has provided financial assistance to about 212 companies to set up industrial units in the State since inception. Total term loan component of about 130.50 crores as on 31.03.2005 has been sanctioned and Rs. 124.31 crores has been advanced by the Corporation to such assisted companies. The Corporation has assisted 49 companies by way of equity contribution and an amount of Rs.8.76 crores had been sanctioned to these companies as equity.
- (ii) During the financial year 2004-2005 the Corporation publicised its schemes alongwith the policies/incentives of the Government of Himachal Pradesh, in order to attract investment to the State.
- (iii) During the year the Corporation assisted entrepreneurs in identifying viable projects for implementation in the State in line with the Industrial Policy of State.

- (iv) The Corporation has executed works for the development of the industrial infrastructure to the tune of Rs.850.00 lakh (approx) during the year 2004-2005, besides Rs. 782.00 lacs released to HPSEB for power related projects under ASIDE and Growth Centre Scheme.

Department/ Corporation	Works / Location	Amount(Rs. in Lac.)
Industries Department	ASIDE Baddi, Indl. Areas Water supply schemes.	1212.10
HP Bus Stand and Management Authority	Nagrota Bagwan, Banjar and Solan	111.31
DRDA, Bilaspur	C/o Marketing-cum-collection Centre at Nadaun Slashi & Agmi in Hamirpur District and R/wall in Bilaspur & Mandi Distts.	24.34
Fisheries Deptt.	Construction of Qtrs at Mandli District Una.	8.00
Health Deptt.	In Una & Sirmaur Districts	15.10
H.P. Excise Deptt and SADA H.P Civil Supplies Corpn.	Works at Shimla C/o godown at Padhar and Baldwara and R/wall at Shimla	26..24 41.39
H.P. Pavilion, New Delhi	Renovation works	15.00
Labour & Employment Deptt.	Office building of Employment Officer's Office at Una	18.50
<b>TOTAL</b>		<b>Rs. 1471.98 lac.</b>

- (v) The Corporation reorganised the recovery portfolio with a view to strengthen the recovery aspect. Two divisions headed by Senior Managers have been created at head office through re-organisation of staff during 98-99 alongwith necessary supporting staff. Additional recovery work has also been entrusted to another Sr. Manager related to recovery from cement & steel, hotel & food processing units and BIFR cases. The recovery position is being reviewed regularly.

- (vi) The Indian economy has been facing recession due to which, the number of entrepreneurs desirous of setting up of industrial units had**

**dwindled. However, with the announcement of new Industrial incentive package during January, 2003 by the Govt. of India the industrial investment climate in the state has under gone a change for the better. As per the new industrial incentive package industrial units have been given 100% excise exemption for a period of ten years besides income tax exemption for a period of 5 years. The investment scenario in the State has seen a sudden spurt and large number of projects are now being set up in various areas of the State. Some of the leading industrial houses of the country are also in the process of setting up ventures in the State. The Corporation under its development and financing portfolio is providing due assistance to prospective entrepreneurs. In order to improve its business portfolio the corporation has reduced its term loan lending rate to 10.25% P.A. with provision of rebate of 0.50 % P.A. for timely payment by the borrower on due date. The Corporation expects an overall improvement in its portfolio in view of the above measures.**

In order to improve the term loan recovery and revive sick/potentially sick units, the Corporation has taken the following steps which have yielded satisfactory results:-

- (a) Proposals from promoters/directors are invited for the rehabilitation of units and steps are taken to revive those units which are found to be technically & economically viable by giving various reliefs and concessions.
- (b) In case unit is found non-viable the promoters are advised to submit one time settlement (OTS) proposal to settle the dues of the Corporation. A good number of units have been above to settle their accounts through OTS route.
- (c) In case promoters are not in a position to repay their dues of the Corporation the assets of the Company are taken over u/s 29 of SFC's Act and taken over assets are disposed off to recover dues. Recovery suits are also filed against the promoters Directors by evoking personal guarantees.
- (d) In case where units are running but the assets can not be taken over for any reason, recovery suits under section 30 of SFC's Act are initiated.
- (e) In case of closed/sick units, change of management proposals are also considered to revive the unit by handing over the management to other financially sound promoters.

- f) The Corporation has also reviewed its policy of equity participation and dis-investment/buy-back of equity shares. As per the guidelines of the Advisory Committee and in the decisions of the Board of Directors, stress has been laid on one time settlement of buying back of equity also with good results.

### **5.2.3 The Targets and Achievements during the year 2004-2005**

Sl. No.	Particulars	Targets (Rs. in lacs)	Achievements (Rs. in lacs)
1.	Term Loans sanctioned	500	809
2.	Term Loans disbursed	400	341
3.	Recovery of principal and interest	900	1479
4.	Execution of Civil works	1000	887
5.	Repayment of Loan IDBI/SIDBI Govt. of India		752

(The disbursement figure includes units sanctioned term loan assistance in previous years)

### **5.3 HIMACHAL PRADESH FINANCIAL CORPORATION (HPFC)**

5.3.1 The H.P. Financial Corporation was established under the State Financial Corporation's Act, 1951 with effect from 1st April, 1967 as a result of re-organisation of the erstwhile Punjab Financial Corporation under section 69 of the Punjab Reorganisation Act, 1966. Prior to this, the financial needs of the entrepreneurs to establish industrial units located in Himachal Pradesh were being looked after by the erstwhile Punjab Financial Corporation and at the time of re-organisation only three units with outstanding loans of Rs. 0.12 crores were transferred to Himachal Pradesh Financial Corporation.

5.3.2 The Corporation is providing medium and long term loans to entrepreneurs for setting up small and medium scale industries in Himachal Pradesh. Financial assistance for expansion, modernisation and rehabilitation of the existing industrial units and loans to small transport operators. The Corporation also provides soft loans under the National Equity Fund Scheme of Small Industries Development Bank of India and underwrites issue of shares in exceptional cases. (This activity is being carried out primarily by the Himachal Pradesh State Industrial Development Corporation Limited).

5.3.4 The Himachal Pradesh Financial Corporation as a Regional Industrial Development Bank has completed 38 years of operation. During these years, it has made substantial progress in the areas of sanctions, disbursements and loan recoveries. The Corporation has sanctioned total loan of Rs. 570 crores up to 31.03.05 out of which 403 crores have been released. Hotels, chemicals, rubber/rubber products, metal products and transport are the major sectors in which assistance has been provided by the Corporation.

### 5.3.5 Achievements during the year 2004-2005

In the year 2004-05, the Corporation has achieved significant growth in all the areas of operations viz Sanctions, Disbursements and Recoveries. Against the loan sanction targets of Rs 101.25 crores, the Corporation sanctioned loans of Rs 98.89 crores (previous year 26.98 crores). Against the disbursement target of Rs 62.00 Crores, the Corporation disbursed loans of Rs 46.54 crores (previous year Rs 18.45 crores). Against the recovery target of Rs 35.00 crores, the Corporation recovered loans of Rs 35.60 crores (previous year Rs 32.15 crores).

5.3.6 During 2004-05, the Corporation took various measures to bring out overall improvement in its working. Memorandum of Understanding (MOU) was signed with the Small Industries Development Bank of India (SIDBI) and the State Government. This will enable the Corporation to avail revitalization package from SIDBI over five year's period. Under cost cutting measures, debts worth Rs 56 Crores were restructured on which the Corporation will save interest amounting to Rs 7 crores. Special attention was paid on management of NPAs. Net NPAs of HPFC, which accounted for 59.74% in 2002-03, declined to 41.06% in 2003-04 and further declined to about 27.8% in 2004-05.

Achievements of the Corporation for FY 2004-05 in its key areas of operation are given in the following table:-

Sl. No.	Particulars	Achievements (provisional)	
		(Rs. in crores)	
		Sanctioned	Disbursed
1.1	Term Loan	96.96	45.36
1.2	Soft Loan	1.93	1.18
1.3	Total	98.89	46.54
		Availed/Repaid	
2.1	Refinance (SIDBI)	34.00	26.75
2.2	Soft Loan (SIDBI)	0.76	1.17
2.3	Total	34.76	27.92

3	Bonds		
4	Recovery of Loan	Principal	18.01
		Interest	17.64
		<b>Total</b>	<b>35.65</b>

#### **5.4 HIMACHAL PRADESH STATE HANDICRAFTS & HANDLOOM CORPORATION LIMITED**

##### **5.4.1 Brief History of the Corporation**

*Handloom & Handicrafts Industries in India has a glorious tradition of excellent craftsmanship. From the employment potential point of view it has been playing a very important role providing the second biggest single avenue next to agriculture. Accordingly the Himachal Pradesh Government formed a Corporation under the name and style "H.P. State Handicrafts & Handloom Corporation Limited" for the development of Weavers and Artisans remaining outside the gamut of cooperative fold in 1974. The main objectives of the Corporation are as under:-*

- (i) To promote the growth and development of Handlooms & Handicrafts Industry in the State of Himachal Pradesh.*
- (ii) To free weavers/artisans from exploitation by the master weavers artisans/traders.*
- (iii) To impart training to the weavers/artisans in order to improve their skill in weaving etc. and taking other measures for promoting the welfare of the weavers/artisans like financial and raw materials assistance.*
- (iv) To undertake the marketing of handloom cloth and handicrafts items of the State.*

##### **5.4.2 ACTIVITIES OF THE COPPORATION**

*In pursuance of the objectives, the Corporation is involved in a number of activities:-*

###### **5.4.2.1 Revival of Extinct Crafts**

*In certain pockets of the State, it is feared that crafts like Thanka paintings, Wood carvings & turnings, Kinnauri shawls weaving etc. have either gone extinct or are on the decay. Besides their employment potential these depict the aesthetic genius*

**and technical competence of the craftsmen of the Pradesh. The Corporation is making sincere efforts to revive some of these skills by employing competent craftsmen under the ancient Indian system of "Guru" and "Chela". Deserving and desirous trainees get training from these Master craftsmen in the centres being run by this Corporation towards this end.**

#### **5.4.2.2 Skill Generation**

**The Corporation is also generating additional skill for various crafts by running a number of training centres in which training is imparted in shawl weaving, carpet weaving, durries and blankets weaving, thanka paintings, hand-knitting etc. under specific schemes of the Govt. of India and the Govt. of Himachal Pradesh.**

**5.4.2.3 Pre-loom and Post loom facilities to weavers and other artisans:  
In order to provide (a) Pre-Loom i.e. Design, raw-materials; (b) Loom i.e. Modernized Loom, improved accessories, technical guidance; ( C ) Post-Loom i.e. to buy back the finished products after paying conversion charges and then to undertake its marketing, the Corporation is running Procurement and Sub- Procurement Units in various districts of the State. These Procurement and Sub- Procurement Units also provides necessary guidance and help to artisans and weavers.**

#### **5.4.2.4 Production in Work-shed**

**The artisans and weavers can also undertake production of various items on piece rate wage basis at the different work sheds of the Corporation located in various Districts. These workshops cater to shawl weaving, durrie weaving/durrie patti weaving, furniture making, wood turning, carpet weaving, dolls making and leather crafts of the State.**

#### **5.4.2.5 Marketing**

**The viability of handloom/handicrafts sector is largely dependent on an efficient marketing system. It has been experienced that the sector has to face several bottlenecks in the field of marketing. Over the years there have not been many significant innovations in marketing of handloom and handicrafts in India. Traditional**

*patterns continue in different facets of production, marketing, distribution, promotion, advertising etc. It is only recently that manufacturers of these items are becoming market oriented \. Marketing is a basic problem of the decentralized Industrial Sector. Although products of this de-centralised industry may have advantage in quality and designs etc., it is usually difficult for such products to compete with lower priced similar products of large industries in well-established markets. Effective marketing, is therefore, is a pre-requisite for the success of the de-centralized industrial development.*

*All the three major markets available for the marketing of these products viz. State Market, National Market and Market surrounding the areas of Production are being explored vigorously by this Corporation.*

*The Corporation is undertaking marketing through its various retail out-lets throughout the State and even in the country outside the State. These outlets have been named " HIMACHAL EMPORIUM'. Presently the Corporation has 21 sales outlets, out of which, one each is in New Delhi, Bombay, Chandigarh and Bangalore. The rest are located in all important cities of Himachal Pradesh. The other channels of sales are exhibitions and National Handloom Expos, Sales through established Showrooms, Barter sales, consignment sales and Govt. and Institutional supplies.*

#### 5.4.3 ACHIEVEMENTS DURING THE YEAR 2004-2005.

<b>Sr. No.</b>	<b>Particulars</b>	<b>Targets</b>	<b>Achievements</b>
1.	<b>Production (Rs.in lacs)</b>	<b>18.15</b>	<b>15.95</b>
2.	<b>Sales (Rs.in lacs)</b>	<b>867.40</b>	<b>970.54</b>
3.	<b>No. of Persons trained during the year 2004-05</b>	<b>-</b>	<b>335</b>
4.	<b>No. of Persons under going training as on 31-3-2005.</b>	<b>-</b>	<b>280</b>
5.	<b>No. of Training centers as on 31-3-2005.</b>	<b>-</b>	<b>17</b>

6.	<b>No. of Sales outlets as on 31-3-2005</b>	-	<b>21</b>
7.	<b>No. of Production centers as on 31.3.2005.</b>	-	<b>17</b>

5.4.4 *List of sales outlets being run by the Corporation*

1. **Himachal Emporium, Bilaspur**
2. **Himachal Emporium, Bombay**
3. **Himachal Emporium, Bangalore**
4. **Sales counter at U.P. Handloom Showroom, Chandigarh.**
5. **Himachal Emporium, Chamba**
6. **Himachal Emporium, Delhi**
7. **Gift shop at Himachal Bhawan, New Delhi**
8. **Himachal Emporium, Dharamsala**
9. **Himachal Emporium, Hamirpur**
10. **Himachal Emporium, Kangra**
11. **Himachal Emporium, Kullu**
12. **Himachal Emporium, Keylong**
13. **Himachal Emporium, Manali**
14. **Himachal Emporium, Mandi**
15. **Himachal Emporium, Nahan**
16. **Himachal Emporium, Reckong Peo**
18. **Himachal Emporium, Solan**
19. **Himachal Emporium, Shimla**
20. **Furniture Unit, Palampur**
21. **Furniture Unit, Paonta-Sahib.**

5.4.5 *List of production centres being run by the Corporation:*

1. *Bilaspur District*

(a) ***Bilaspur Textiles, Bilaspur.***

2. *Chamba District*

(a) ***Chamba Textiles, Chamba***

(b) ***Tissa Textiles, Tissa***

© ***Footwear Factory, Chamba***

3. *Kangra District*

(a) ***Jawali Textiles, Jawali***

(b) ***Carpet Centre, Jawali***

(c) ***Carpet Centre, Kangra***

(d) ***Palampur Textiles, Palampur***

(e) ***Furniture centre, Palampur.***

4. *Kullu District*

(a) ***Procurement Unit, Kullu***

5. *Kinnaur District*

(a) ***Kalpa Textiles, Kalpa***

(b) ***Gaibong Textiles, Gaibong***

© ***Kinner Textiles, Nichar***

6. *Mandi District*

(a) ***Mandi Textiles, Mandi***

7. *Shimla District*

(a) ***Dolls unit, Shimla***

(b) ***Procurement unit, Shimla***

8. *Sirmour District*

(a) ***Furniture unit, Paonta Sahib***

(b) ***Procurement unit, Shambhuwala.***

**5.5 THE HIMACHAL PRADESH STATE SMALL INDUSTRIES & EXPORT CORPORATION LIMITED (HPSSIEC)**

5.5.1 The Himachal Pradesh State Small Industries and Export Corporation Limited was incorporated on 20.10.1966 under the Companies Act, 1956. It undertakes the following activities:-

- a) to aid, counsel, assist, finance, protect and promote the interest of small industries in the State;
- b) to take all necessary steps to utilise the potential productive capacity of plants operated by small industrial concerns;
- c) to promote and operate schemes for development of small industries;
- d) to manufacture, buy, sell, import, export, substance, tools, materials, goods or things of any description which, in the opinion of the Company, may be conveniently dealt with by the Company in connection with any of its objects.

5.5.2 The main activity of the Corporation is procurement and distribution of Iron & Steel to SSI units of the State. It is also acting as consignment agent for IPCL products and is carrying on this business from Mehatpur Depot. The Corporation has also constructed and leased out Industrial Sheds to the SSI units at Parwanoo & Poanta Sahib.

**5.5.3 Targets and Achievements during the year 2004-2005**

Sl. No.	Name of material	Target			Achievements		
		Qty.(in MTs)	Value (Rs. in lacs)	Gross profit (Rs. in lacs)	Qty.(in MTs)	Value (Rs. in lacs)	Gross profit (Rs. in lacs)
1.	Iron & Steel	30000	5400.00	90.00	2835.2	5758.3	77.96
2.	Commission from Sale of IPCL products under distributorship	800	304.00	4.40	527	247.02	2.01

(The above figures are tentative and subject to Audit)

## 5.6 HIMACHAL PRADESH GENERAL INDUSTRIES CORPORATION LIMITED. (HPGIC)

5.6.1. Himachal Pradesh General Industries Corporation Ltd. (HPGIC) came into being in the year 1988 on the renaming of Himalaya Fertilizers Ltd., (Subsidiary of HPSIDC Ltd). All other manufacturing units of HPSIDC were transferred to this Corporation on 1.4.1988. In September, 1988 the Subsidiary status was done away with and the HPGIC was made an Independent Undertaking of the State Government.

5.6.2 **SHARE CAPITAL** :The authorised share capital of the Corporation is Rs.600.00 lacs. The paid up capital as on 31<sup>st</sup> March, 2005 stood at Rs.510.10 lacs.

5.6.3. **ACCOUNTS**: There are no arrears on this account. The Balance Sheet for the year 2003-2004 was laid down on the table of the Himachal Pradesh Vidhan Sabha on 28.02.2005.

5.6.4 **CONTRIBUTION TO STATE EXCHEQUOR**:- The Corporation contributes around Rs.500.00 lacs annually by way of Excise Duty, Sales Tax, Royalty etc. to State Exchequer.

5.6.5 **ACTIVITIES** :- The Corporation is at present engaged only in manufacturing activity in its various units. The performance of the Corporation during last year was as below:-

Year	Sale ( in lacs)		Profit/ Loss	
	Budget	Actual	Budget	Actual
2004-05	1710.77	1204.55	(-) 84.37	(+)186.06

5.6.6. The Corporation is running following four units which are engaged in the manufacturing of Country Liquor, Mining Operation, Wooden/Steel furniture and Silk Fabric.

## COUNTRY LIQUOR BOTTLING PLANT:

This unit is the main stay of the Corporation and is engaged in the manufacture of country liquor for sale in the State of Himachal Pradesh. It achieved production of 33.10 PLs (proof litres) as against a target of 30.00 lac PLs for the year 2003-2004 and actual production was 32.86 lac PLs in the year 2004-05. The sales of the unit depend heavily on the price of this product which is fixed by the Excise Department. Even though the quality of liquor manufactured by the HPGIC is superior and the brand 'UNA No.1' enjoys a very good reputation yet the sales of this brand have suffered because of its higher price as also due to the fact that the cost of transportation of this liquor to areas situated far off from Una is higher. However despite all constraints and the intense competition in the market, the unit has been able to sell 18.52 lac proof liters by 31<sup>st</sup> March, 2005 against the target of 30.00 lac PLs.

The production, sale and profit and loss for the year was as given below:-

Year	Production		Sale ( in lacs)		Profit/ Loss	
	Budget	Actual	Budget	Actual	Budget	Actual
2004-2005	30.00	18.52	1480.42	825.00	(-)31.74	(-)12.80

The licensed capacity of this unit is 2400 bulk Kilo litres and installed capacity is 18,26,000 Pls. This unit has given employment to 125 number of persons.

## MINING PROJECT, BILASPUR:

- a). **Lime Stone:** The activity of mining of lime stone and its supply to National Fertilizers Ltd., Naya Nangal has been closed since January, 2000 owing to cessation of demand from them. Out of 24 employees at this mining site, 11 have been retired under VRS while two employees retired on superannuation. The remaining ten workers have been got adjusted in Government Departments on secondment basis.
- b) **Shale :** The Shale Mining site is located at Delag (Distt. Bilaspur). During the year 2004-2005 the unit supplied 87,000 MTs of shale against the target of 1.10 lac MT to M/s ACC Barmana. The reduced sales are a result of less demand by M/s ACC Ltd. from our mine.

The production, sale and profit of the unit during the year was as under:-

Year	PRODUCTION		SALES(Rs. in lacs)		PROFIT(Rs. in lacs)	
	<u>Budgeted</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Actual</u>
2004-2005 Limestone (in MTs)	6000	Nil	10.80	Nil	-	-
Shale (in MTs)	110000	87000	35.55	28.02	(-)1.91	(-)0.54

The Unit has given employment to 25 employees.

## NURPUR SILK MILLS, NURPUR:-

This is a composite unit for the reeling of silk yarn from cocoon and production of silk fabric. The activity of reeling of silk yarn was closed in March, 2000 as it had become non-viable. Out of 51 workers employed in this section, 19 have opted for VRS and 4 others retired on superannuation. The remaining 28 surplus workers have been got adjusted in other Government Departments.

As regards production of silk fabric, this unit has been traditionally producing chiffon cloth only. In the recent past, efforts have been made to introduce new varieties of silk fabric with a view to produce value added products.

The production, sales and profit/loss during the year was as under:-

Year	PRODUCTION		SALES(Rs. in lacs)		PROFIT(Rs. in lacs)	
	Budgeted	Actual	Budgeted	Actual	Budgeted	Actual
2004-2005	15000 mtrs.	16250 mtrs.	54.00	38.60	(-)2.04	(-)7.11

#### **FURNITURE FACTORY, BILASPUR /SALES SHOP, SHIMLA:**

The Furniture Factory, Bilaspur was initially established as a Training-cum-Production center by the Department of Industries, Himachal Pradesh. It was transferred to HPSIDC in the year 1971. Ever since the transfer of this unit to this corporation, it is being run on commercial lines. It mainly caters to the demand from Government Departments and has established a name for itself by producing quality products. Two shops purchased at SDA Complex, Kasumpti to cater the requirements of the Government Departments located in and around State Capital are doing well.

The sales and profit/loss figures during the year 2003-2004 are as below:-

Year	Sale (Rs.in lacs)		Profit(+)/Loss (-)(Rs. in lacs)	
	Budgeted	Actual	Budgeted	Actual
2004-2005	130.00	142.00	(+) 5.27	(+)10.11

#### **HIMALAYA FERTILIZERS, MANJHOLI:**

This unit has been closed since 1997 after approval by the State Govt. The land, building and machinery and other items of this unit have been disposed off. All employees of this unit have since been adjusted in the State Govt.Offices/Corporation.

**Employment:** The total number of employees in the corporation is 242. The Corporation has given regular pay scale at par with the State Govt. to 202 nos. of employees and 40 nos. of employees have been engaged on contract daily wage/piece rate basis in its different units.

**Statutory Compliance:** The Corporation has been regularly depositing its share of the employees Contributory Provident Fund and other statutory payments with various designated authorities. All such payments upto 31.3.2005 have already been made/deposited.

#### **5.7 HIMACHAL PRADESH KHADI & VILLAGE INDUSTRIES BOARD (HPKVIB)**

5.7.1 Himachal Pradesh Khadi & Village Industries Board came into existence on 8th January, 1968 under the provision of the Himachal Pradesh Khadi & Village Industries Board Act, 1966.

Based on Gandhi ji's ideology, the main aim of the Board is to provide employment in rural areas so as to check the flow of rural youths to the towns for seeking employment. The Board is engaged in setting up of Village Industries (defined as such by the Khadi & Village Industries commission), production, trading, training and service activities. Khadi and Village Industries Commission provides funds to the Board in cash and through Bank finance for setting up of village industries.

5.7.2 In order to fulfil the above aims and objectives, the Himachal Pradesh Khadi and Village Industries Board is implementing the following activities :-

- (i) Village Industries and Production of Khadi.
- (ii) To grant loan for establishing Village Industries.
- (iii) To establish Weaving Centres of Wool/Cotton and Carding Plant and provide facilities of dyeing in some parts of the State.
- (iv) To open the sale shops for marketing the Khadi and Village Industries products.
- (v) To conduct training courses with a view to impart necessary skill and knowledge to carrying on Khadi and Village Industries.

5.7.3 The Board disburses grant and loan for the establishment of Village Industries as per the sanctioned budget received from the Khadi and Village Industries Commission. The Board is rendering financial assistance for setting up of 115 types of Village Industries.

5.7.4 For setting up of each Village Industry, the Board has been providing loan/margin money as per the prescribed pattern and at prescribed rate of interest of the Khadi Commission. The Khadi and Village Industries Commission w.e.f. 1995-96 has changed the entire system of financing. The pattern approach has been replaced by Consortium Bank Credit Scheme. The projects above Rs. 1.00 lakh are financed on project basis providing 25% of the project cost as margin money out of KVIC funds, 10% promoter contribution and remaining 65% as term loan under the other scheme called margin money scheme. The loan part is provided by the Banks and margin money by Khadi and Village Industries Commission.

#### **5.7.5 Achievements under Margin Money Scheme during the year 2004-2005**

Sr.No.	Particulars	Achievements
1.	No. of cases sponsored	277
2.	Project cost of the cases sanctioned.	470.91 lacs
3.	Amount of margin money provided	234.22 lacs
4.	No. of Carding Plants	12
5.	No of beneficiaries under Carding plants	4553
6.	Wool carded.	37,350 kgs.
7.	Charges earned.	Rs 5.41 lacs
8.	Production in centres.	Rs 7.31 lacs.
9.	Sale of products produced.	Rs 45.44 lacs.

## CHAPTER – 6

### Plan outlays

The Plan outlays for the ninth and 10th Plan are given in the table below. The Plan outlay for the Tenth Plan has declined from Rs. 122.74 crores in 9th Plan to Rs 95.73 crores in 10th Plan. There is, therefore, urgent need to target the incentives in such a way that the funds are utilized in most effective manner.

#### 6.1 Plan outlays (Rs. in crores)

SL NO.	HEAD OF DEVELOPMENT	9 <sup>TH</sup> PLAN budgeted outlays	9 <sup>TH</sup> PLAN Expenditure	10 <sup>TH</sup> PLAN	10 <sup>TH</sup> PLAN Expenditure(3 years)
1.	Village & Small Industries	65.37	54.16	80.14	24.75
2.	Medium & Large Scale Industries	52.33	56.90	11.42	4.70
3.	Mineral Development	4.04	4.42	4.17	1.16
	<b>TOTAL</b>	<b>122.74</b>	<b>115.48</b>	<b>95.73</b>	<b>30.61</b>

#### 6.2 BUDGET AND EXPENDITURE STATEMENT

##### i) UNDER DEMAND NO. 18( FOR THE YEAR 2004-2005)

Sl. No.	Major Head of Accounts	Sanctioned (Rs. in '000) (2004-2005)	Expenditure (Rs. in '000) (2004-05) (Un-reconciled)
1	2057-Supplies and Disposal- 101-Purchase-01-Estt. of Store Purchase Organisation		
	Non-Plan	4435	4985
	Plan	--	--

-----			
	Total - 2057 (Non Plan)	4435	4985
	Plan	--	--
-----			
2.	2059- Public works 01- Office Building 053 Maintenance & Repair 16- Maintenance Exp. on Ind. Deptt.		
	Non Plan	95	95
-----			
	Total Non Plan	95	95
-----			
3.	2216- Housing 01 -Govt. Residential Buildings 106- General Pool Accommodation 14- Maintenance & Repair of Ind. Deptt.		
	Non Plan	202	202
-----			
4.	2851-Village & Small Industries 001-Direction & Administration 001-01-Directorate		
	Non Plan	1920	2034
	001-03-Establishment of Nucleus Cell 100%CSS		
	Plan	800	657
-----			
Total-001			
	Non-Plan	1920	2034
	Plan	800	657
-----			
101-Industrial Estate			
	Non-Plan	-	-
	Plan	300	300
-----			
Total-101-Industrial Estate			
	Non-Plan	-	--
	Plan	3300	774
-----			
102-Small Scale Industries			
	Non-Plan	46968	43887
	Plan	4829	5359

-----				
Total (102)-Small Scale Industries				
Non-Plan		46968		43824
Plan	1869		3527	
-----				
103-Handloom Industries				
Non-Plan		500		500
Plan	30105	24408		
-----				
Total (103)-Handloom Industries				
Non-Plan		500		500
Plan	30105	24408		
-----				
104-Handicraft Industries				
Non-Plan	180		113	
Plan	--		--	
-----				
Total 104-Handicraft Industries				
Non-Plan	180		113	
Plan		--		---
-----				
105-Khadi Industries				
Non-Plan		5712		5712
Plan	500		500	
-----				
Total Khadi Industries-105				
Non-Plan	5712		5712	
Plan		500		500
-----				
107-Sericulture Industries				
Non-Plan		18107		18655
Plan	8575		7807	
-----				
Total 107-Sericulture Industries				
Non-Plan		18076		17712
Plan		4700		2918
-----				
800-05-SOON-Carpet Centre				
Non Plan		200		200
-----				

Total 2851-Village & Small Scale Industries

Non-Plan	73587	71101
Plan	45109	39030
-----		
5. 2852-Industries		
80-General-001- Direction & Administration-01-Directorate		
Non-Plan	11131	11233
Plan	100	100
102-Incl. Productivity 01-Dev. of Incl. Area		
Non-Plan	11202	10910
Plan	1	
02-Incentive to Entrepreneurs in Himachal Pradesh		
Non-Plan	1621	1366
Plan	200	200
05-Central Subsidy to Entrepreneurs in Himachal Pradesh		
100% C.S.S.		
Plan		1
07-Export Promotion Industrial Park		
Plan	-	-
800-Other Expenditure		
01-Arts, Product & Exhibition		
Non-Plan	400	392
Plan	3500	3492
-----		
Total 2852-Industries		
Non-Plan	342297	341642
Plan	3702	3692
-----		
6. 2853-Non Ferrous Mining and Metallurgical Industries		
Non-Plan	27673	28270
Plan	1100	732
-----		
Total-2853		
Non-Plan	29359	27215
Plan	1116	1115
-----		
7. 4059- Capital outlay on		

Public Works Plan	800	800
<hr/>		
Total	800	800
<hr/>		

8. 4851-Capital outlay on  
Village & Small Scale  
Industries

02-SOON-DIC Buildings

Plan Normal	3000	2999
04- Expenditure on Dev. of Ind. Estates		

Plan	46600	46598
05- Export promotion Ind. Park		

Plan	1400	1400
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Total 4851-S.S.I. Plan	51000	50997
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9. 6851-Loan for  
Village & Small Scale  
Industries

103-Handloom Inds.	200	200
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Total Demand No. 18  
(1-8)

Non-Plan	448189	446295
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Plan	101911	95491
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**ii) UNDER DEMAND NO. 31( FOR THE YEAR 2004-2005)**

Sl. No.	Major Head of Accounts	Sanctioned (Rs. in '000) (2004-2005)	Expenditure (Rs. in '000) (2004-05) (Un-reconciled)
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1	2851-00-796-01 Village & Small Industries		
	Plan	2700	1500
	Non Plan	781	270
2	2851-00-796-02 Expenditure on Industrial. Schemes (DIC)		
	Plan	945	302
	Non Plan	3562	3050
3	2851-00-796-03 Expenditure on Artisan Programme		
	Plan	4556	544
	Non Plan	718	571
3	2851-00-796-05 Khadi & Village Industries		
	Plan	8700	2346
	Non Plan	5061	3891
4	Total 2851		
	Plan	10200	3476
	Non Plan	5061	3891

5	2852 Expenditure on Industrial Schemes		
	Plan	55	13
	Non Plan	--	--
6	2853 Non Ferrous Mining and Metallurgical Industries		
	Plan	250	104
	Non Plan	1587	877
7	Total Demand		
	Plan	10507	3593
	Non Plan	6648	4768

**ANNEXURE – A**

**Staff position in respect of Industries Department**

Sl. No.	Category	Sanctioned posts	Filled up		Total filled	Vacant
			Hqr. strength	Field strength		
1	Class-I	37	20	12	32	5
2.	Class-II	131	19	73	92	39
3.	Class-III	618	144	258	402	216
4.	Class-IV	458	50	245	295	163
Total		1242	233	588	821	423

**Annexure-B****Contact telephone numbers of the Officers of Industries Department**

Sl.No.	Designation	Name of Officer	Office	PBX	Resi.
1.	Industries Minister, Govt. of H.P.	Sh. Kuldeep Kumar	2621581	652	2623900
2.	P. S. to Industries Minister	Shri R.R.Verma	2621581	752	2681724

**At New Delhi**

1.	Pr. Adviser(Industries & Tourism)	Mrs Renu Sahani Dhar, IAS			
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**a) Secretariat Level**

1.	Principal Secretary (Industries)	Shri B.S. Chauhan, IAS	2621195	707	2621024
2.	Spl. Secretary (Industries)	Shri Maneesh Garg, IAS	2622218	651	2658025
3.	Dy. Secretary (Industries)	Shri Shamsher Thakur	2628483	642	2622116

**b) Directorate of Industries**

Sl.No.	Designation	Name of Officer	Office	PBX	Resi.
1.	Director of Industries	Sh. B.S.Nainta, IAS	2813414	101	2625090
2.	Addl. Director of Industries	Shri Rajender Singh	2812613	301	2623096
3.	Sr. Technical Officer (Mech.)	Shri Jagjit Kumar	2658310	304	2660221
4.	Industrial Advisor	Dr. Rajinder Chauhan	2658127	104	2804504
5.	Jt. Director of Industries (Admin)	Sh. K.D. Rana	2653069	201	2624252
6.	Project Co-ordinator	Sh. Suresh Kumar	2652637	107	2671392
7.	Joint Director of Industries	Shri Mahesh Sharma	2652637	103	2624969
8.	Dy. Director of Industries(DIC)	Shri R.R. Patyal	2650659	208	
9.	Deputy	Smt Tanuja Joshi	2658127	106	2670634

	Director(Handloom)				
10.	Deputy Director	Shri K.R. Shyam	2658127	207	2624515

**Geological Wing**

11.	State Geologist	Shri Arun Sharma	2657339	401	2627094
12.	Geologist	Indresh Dhiman	2652499	403	2670479
13.	Geologist	Sh. K.C. Katoch	2652499	405	2621053
14.	Geologist	Sh. Rajneesh Sharma	2652499	407	2626786
15.	Geologist	Dr. H.R. Dandi	2652499	406	2671801

**c) Field Offices:-**

**i) Industry Wing**

Sl.No.	Designation	Name of Officer	Office	Resi.
1.	G.M., DIC, Shimla	Smt Sunita Kapta	2803486	2622034
2.	G.M., DIC, Solan	Sh. L.S. Chauhan	230528	230372
3.	G.M., DIC, Nahan	Sh. Jai Gopal Sharma	222259	222445
4.	G.M., DIC, Kullu	Shri Ghanshyam Chand	222532	224361
5.	G.M., DIC, Mandi	Shri Satish Kumar	222161	225467
6.	G.M., DIC, Kangra	Shri Prabhat Chaudhry	223242	223224
7.	G.M., DIC, Bilaspur	Dr. Chand Sharma	224248	222471
8.	G.M., DIC, Hamirpur	Shri Sanjay Sharma	222309	221162
9.	G.M., DIC, Una	Shri Baldev Singh	223002	225135
10.	G.M., DIC, Chamba	Shri Chaman Lal	222257	222341
11.	G.M., DIC, Kinnaur	Shri Thakur Singh	222276	223079
12.	Manager, DIC, Lahaul & Spiti	Shri R. S. Thapa	222265	

**ii) Geological wing**

Sl.No.	Designation	Name of Officer	Office	Resi.
1.	Mining Officer, Sirmaur at Nahan	Sh. Ashok Sharma	222259	
2.	Mining Officer, Kangra at D/Shala	Sh. K.S. Verma	223242	

3.	Mining Officer, Chamba	Sh. Madan Lal	222257	
4.	Mining Officer, Mandi	Sh. Puneet Guleria	223342	
5.	Mining Officer, Una.	Sh. Sanjeev Kumar	223002	
6.	Mining Officer, Solan	Sh. B.D. Sharma	230528	
7.	Mining Officer, Hamirpur.	Sh. U.K. Gupta	222309	
8.	Mining Officer, Shimla	Sh. Indresh Dhiman	2652499	2670479
9.	Mining Officer, Kullu	Sh. Ghanshyam Chand	222532	
10.	Mining Officer, Bilaspur	Dr. Chand Sharma	224248	
11.	Mining Officer, Kinnaur	Sh. T.D. Negi	222276	
12.	Mining Officer, L/Spiti	Sh. R.S. Thapa	222265	

**ii) Sericulture wing**

Sl.No.	Designation/Division	Name of Officer	Office	Resi.
1.	Shimla Division	Sh. Suresh Sharma	2652637	2671392
2.	Dy. Director (Seri), Palampur Division	Shri A.K. Kulshreshta	231157	233125
3.	Silk Seed Production Officer, Nadaun Division	Sh. Om Swaroop Sharma	232635	
4.	Dehra Division	Sh. Om Swaroop Sharma	233679	
5.	Mandi Division	Sh. Satish Chaudhary	222933	225467
6.	Nahan Division	Sh. Jai Gopal Sharma	222259	222445
7.	Ghumarwin Division	Sh. Ram Rattan Sharma	224248	