

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:5219
ANSWERED ON:24.04.2015
LEATHER PARKS
Kalvakuntla Smt. Kavitha

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

- (a) whether the Government is implementing any scheme for setting up of leather parks in the country;
- (b) if so, salient features, objectives and the guidelines thereof along with their existing locations, State/UT-wise;
- (c) the total outlay under the scheme during 11th and 12th Five Year Plans along with the funds utilised so far indicating the number of such parks proposed and actually established during the said period and the locations thereof;
- (d) whether the Government proposes to set up more such parks in the country including in Telangana and if so, the locations thereof along with the funds earmarked for the purpose, State/UT-wise; and
- (e) whether the Government also proposes to set up Special Purpose Vehicle (SPV) for manufacturing leather goods especially in rural and tribal areas in the country and if so, the details thereof?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN)

(a) & (b): The Department of Industrial Policy & Promotion (DIPP) is implementing a sub-scheme 'Mega Leather Cluster (MLC)' under Indian Leather Development Programme which aims at setting up of mega leather clusters in the country during 12th Plan. The major objective of developing Mega Leather Clusters is to create world-class infrastructure and to integrate the production chain in a manner that caters to the business needs of the leather industry so as to cater to the domestic market and exports. The minimum land area required for Mega Leather Cluster is 25 acres to be set up without tanneries and 40 acres with tanneries. Graded GOI assistance is provided upto 50% of the project cost excluding cost of land with maximum GOI assistance being limited to Rs. 125 crore which is detailed as below:

- 1) MLC of 25-60 acres land (to be set up without tanneries) and 40-60 acres land (to be set up with tanneries)- Gol assistance limited to Rs 50 crore ;
- 2) MLC of 61-100 acres land- Gol assistance limited to Rs 70 crore;
- 3) MLC of 101-150 acres land- Gol assistance limited to Rs.105 crore;
- 4) MLC of more than 151 acres land- Gol assistance limited to Rs 125 crore.

The sub-scheme is not location specific. It is demand driven and depends upon the project proposal received in this regard. A copy of guidelines of the sub-scheme is annexed.

(c) & (d): The outlay under the sub-scheme for the 11th Plan and 12th Plan period was Rs.300 crore and is Rs.100 crore respectively. While two Leather Parks were proposed during the 11th Plan at Chennai (Tamilnadu) and at Nellore (Andhra Pradesh), neither could be established. It is proposed to provide support for establishment of atleast two MLCs all over India during 12th Plan period. The sub-scheme is demand driven and not location specific.

(e): No, Madam.