

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

UNSTARRED QUESTION NO:2457

ANSWERED ON:25.07.2014

. ESTABLISHMENT OF INDUSTRIES

Biju Shri Parayamparanbil Kuttappan;Laguri Smt. Sakuntala;Maadam Smt. Poonamben Hematbhai;Mishra Shri Bhairon Prasad;Satav Shri Rajeev Shankarrao

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

- (a) the number of industries in the country along with new industries set up during the last three years and the current year, State/UT-wise;
- (b) whether the Government has received proposals from states/UTs for setting up of new industries in the country and if so, the details thereof along with the action taken by the Government thereon;
- (c) whether the Government provides financial assistance/special industrial package/ special tax benefits for establishment/development of industries in the country, particularly in industrially backward states;
- (d) if so, the details thereof indicating requests received from States including Gujarat in this regard and the financial assistance/special industrial package/special tax benefits provided to them during the said period, State/UT-wise;
- (e) whether the Government proposes to launch a subsidy scheme to set up new industries in the country including Bundelkhand region of Uttar Pradesh and if so, the details thereof; and
- (f) whether the Government proposes to implement single window system for setting up of industries 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): This Department does not maintain the information on the number of industries along with new industries set up in the country. However, details of investment intentions made in terms of Industrial Entrepreneurs' Memorandum filed, Letter of Intent issued and Direct Industrial Licences granted are Annexed.

(b): No, Madam. No such proposal is pending in this Department.

(c): Yes, Madam. This Department is providing financial assistance/special industrial package/special tax benefits to NER States including Sikkim and Special Category State of Jammu & Kashmir, Himachal and Uttarakhand for establishment/development of industries in these states since these States have hilly, remote and inaccessible terrain. Industrial backwardness is not the criteria for granting Special Package.

(d): Details of the schemes are as under:-

(i). TRANSPORT SUBSIDY SCHEME, 1971 / Freight Subsidy Scheme, 2013 : The Transport Subsidy Scheme was announced on 23.07.1971 with the objective to develop industrialization in remote and hilly areas by providing subsidy upto 90% of the transportation cost incurred by the industrial units. This subsidy is provided to the eligible industrial units in the States of Jammu & Kashmir, Himachal Pradesh and Uttarakhand, Darjeeling District of West Bengal, Andaman Nicobar Islands, Lakshadweep and eight North Eastern States. The Government has notified "Freight Subsidy Scheme, 2013" on 22.01.2013 in place of Transport Subsidy Scheme.

(ii). North East Industrial and Investment Promotion Policy (NEIIPP), 2007 : In order to attract new investment in North Eastern States including Sikkim, the North East Industrial Investment Promotion Policy ( NEIIPP), 2007 was announced on 01-04-2007. The package of incentives includes Central Capital Investment Subsidy, Central Interest Subsidy,and Central Comprehensive Insurance Subsidy, Excise duty exemption and Income tax exemption. Under Capital Investment Subsidy, subsidy @ 30% of the investment in plant and machinery is given. Central Interest Subsidy is given @ 3% on working capital loan taken by the industrial unit and under Central Comprehensive Insurance Scheme, 100% of the premium paid by the industrial unit is reimbursed.

(iii). Package for Special Category States of Jammu & Kashmir, Himachal Pradesh and Uttarakhand: The Government is implementing package of economic incentives for the special category states of Jammu & Kashmir, Himachal Pradesh and Uttarakhand under various schemes like Central Capital Investment Subsidy Scheme, Central Interest Subsidy Scheme and Central Comprehensive Insurance scheme as these States have hilly inaccessible terrain. In the State of Jammu & Kashmir Central Capital

Investment Subsidy is given @ 15% of investment in Plant and Machinery subject to a ceiling of Rs. 30 Lakh, Interest Subsidy @ 3% of the daily working capital loan and 100% reimbursement of Insurance premium paid by the industrial unit. The ceiling of Capital Investment Subsidy in Jammu & Kashmir for MSME units is Rs. 3.00 crore and Rs. 1.50 crore for MSME units for manufacturing and service sector respectively @ 30 % of the investment in plant and machinery. Central Capital Investment Subsidy is granted in the States of Himachal Pradesh and Uttarakhand @ 15% of the investment in plant and machinery subject to a ceiling of Rs. 30 lakh. However, for MSME units this limit has been enhanced to Rs. 50 lakh @ 15% of the investment in Plant and machinery.

(e): No, Madam.

(f): Yes, Madam. As part of Government's initiative to improve the business environment and the ease of doing business in the country, the Department of Industrial Policy & Promotion (DIPP), Ministry of Commerce & Industry launched the eBiz portal as a Single Window System on 28-01-2013 comprising Licence and Permits Information Service component. Subsequently, the eBiz platform has launched service for application for Industrial License (IL) and Industrial Entrepreneur Memoranda (IEM) issued by DIPP.