



Promotion of Industries in Rural and Backward Regions

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The primary responsibility of industrial development of backward areas rests with the State Governments. The Union Government supplements their efforts through various schemes launched by it with a view to promote industrialization in industrially backward areas of the country.

Department of Industrial Policy & Promotion (DIPP) is implementing the following Schemes with a view to promote industrial development of backward areas of the country:

· **North East Industrial and Investment Promotion Policy (NEIIPP 2007)** was notified for the States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, and Tripura w.e.f. 01.04.2007. It has been extended till 31.03.2017. Incentives provided under the Policy:-

- o Central Capital Investment Subsidy Scheme
- o Central Interest Subsidy Scheme
- o Comprehensive Insurance Scheme
- o Excise duty exemption on Value Addition basis and
- o 100% Income Tax exemption

Special Package Scheme for Himachal Pradesh and Uttarakhand:

Government of India had announced a package of industrial incentives for promoting industrialization in the States of Himachal Pradesh and Uttarakhand on 07.01.2003, which was implemented initially for a period of 10 years till 06.01.2013. It was further extended for another period from 07.01.2013 to 31.03.2017 with certain modifications. Under the modified package, Capital Investment Subsidy is provided for all new units and to the existing units on substantial expansion @15% of investment of plant & machinery subject to a ceiling of Rs. 50 lakh for MSME units and Rs. 30 lakh for others.

· **Special Package Scheme for Jammu & Kashmir (J&K)**

For the State of Jammu & Kashmir, the modified Special Package Scheme is valid upto 14.06.2017. Under this Scheme following financial assistance is provided:

- o Capital Investment subsidy for all new units and to the existing units on substantial expansion- for MSME @ 30% of investment in plant and machinery with a ceiling of Rs. 3 crore for Manufacturing units and Rs.1.5 crore for Service Units, whereas for other units it is @ 15% of investment in plant and machinery with a ceiling of Rs. 30 lakh.
- o Interest subsidy @ 3% on the average daily working capital loan for a period of five years from the date of commencement of commercial production.
- o Insurance subsidy for all new units and to the existing units on substantial expansion to the extent of 100% for a period of five years from the date of commencement of commercial production.

· **Freight Subsidy Schemes (FSS), 2013/Transport Subsidy Scheme (TSS), 1971**

- o Transport Subsidy Scheme for the States of Himachal Pradesh, Uttarakhand, J&K, Darjeeling district of West Bengal, Andaman and Nicobar Islands, Lakshadweep Islands and 8 North Eastern States- *This scheme has been discontinued w.e.f. 22.11.2016.*

A request was received from Principal Secretary (Industries), Govt. of Himachal Pradesh for extension of Capital Investment Subsidy Scheme for further period of 5 years in order to give boost to investment in the State of Himachal Pradesh. In respect of the State of J&K and Uttarakhand, request was received from Chief Minister of J&K and Chief Secretary Uttarakhand respectively for extension of the package on the pattern of North Eastern States. In this regard Government of India

has constituted a Committee under the Chairmanship of CEO, NITI Aayog consisting of Secretaries of Ministries/Departments of Development of North Eastern Region (DONER), Skill Development and Entrepreneurship, MSME, Textiles, Commerce, Tourism, Health & Family Welfare, Expenditure, Power and DIPP to examine and suggest a roadmap for a new industrial policy for North Eastern and Himalayan States. The Committee has met on 23.02.2017, 15.03.2017 and 31.03.2017 to deliberate upon a new Industrial Policy for North Eastern and Himalayan States and stakeholders' consultation have been held.

This information was given by the Commerce and Industry Minister Smt. Nirmala Sitharaman in a written reply in Rajya Sabha today.

MJPS

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