

## 6. INDUSTRY AND MINERALS

*Outlay - ` 15.00 Cr*

6.1 Economic development depends upon the transformation from the agriculture sector to that of an industrial sector. For a sustained growth of the state's economy, it is imperative that the industrial sector should be developed side by side. In Punjab, the industry is mainly concentrated in the small scale sector. The promotion of small scale industries has been regarded as an important element of the development strategy. Many programmes and policies have been formulated over time to protect and promote small scale industry in the state.

6.2 There are approximately 1.54 lac registered Micro, Small, Medium and Large Industrial units in the State employing about 13.40 lac persons. These units produced industrial goods worth about ` 1,67,000 Cr in 2012-13 including items such as hosiery goods, bicycles & cycle parts, automobile parts, sewing machine parts, yarn and textile, hand tools & machine tools, sports goods and leather goods.

6.3 To accelerate industrial and economic growth, the state govt. has notified incentive package under Fiscal Incentives for Industrial Promotion 2013. The package provides benefits on VAT & CST, stamp duty, property tax and electricity duty exemptions, besides additional incentives for specific sector such as food processing, textiles and information technology. Punjab Bureau of Investment Promotion (PBIP) will act as a nodal agency to carry out the objectives of the package and to resolve and provide time bound clearance of all new investment in the state.

6.4 As part of investment campaign, Progressive Punjab Investor Summit was organized on 9<sup>th</sup> & 10<sup>th</sup> December, 2013 at the Indian School of Business, Mohali. This summit has attracted investment of about ` 65,000 Cr in textiles and engineering, information technology, agro and food processing, tourism, health, bio-sciences, infrastructure sectors. This investment would generate a number of jobs in these sector.

6.5 Punjab Special Economic Zones Act, 2009' has also been enacted for development of Special Economic Zones. Under this act, purchase of land for SEZ

and first sale of plots have been exempted from all state duties and taxes including stamp duty and registration fee. Government of India has been approached for removing the condition of minimum requirement of land by a developer for setting up of a special economic zone.

6.6 Footwear Design & Development Institute (FDDI) at Banur, District SAS Nagar (Mohali) is being set up at a cost of ` 150 Cr s. The state government has provided 8 acres of land free of cost for establishment of this institute.

6.7 An outlay of ` 2377.03 Cr has been provided in the 12<sup>th</sup> Five Year Plan 2012-17. An expenditure of ` 12.04 Cr was incurred during 2012-13 to 2013-14. An outlay of ` 15.00 Cr as central share is provided for the Annual Plan 2014-15.

### **Ongoing Schemes CSS – Other Scheme**

**CS(VSI)-28 Assistance to States for infrastructure Development for Exports (ASIDE) CS-100%**  
*Outlay - ` 15.00 Cr*

6.8 The objective of the scheme is to involve states/UTs in the export effort by providing assistance to the States/UTs for creating appropriate infrastructure for development and growth of exports. The activities aimed at development of infrastructure for exports can be funded from the scheme provided such activities have an over whelming export content and their linkage with export is fully established. The criteria for allocation of funds under the scheme is as under:-

6.9 The outlay of the scheme will have two components: State Component (80% of the total outlay) and Central Component (20% of the total outlay)

#### **State Component (80%):**

6.10 90% of the total outlay under State Component of ASIDE (State Component-General) shall be earmarked for allocation to States/UTs on the basis of the approved criteria given below for the approved purposes.

The Criteria of allocation of ASIDE ((State Component-General) funds among States/UTs are the following:-

<b>Criteria</b>	<b>Weightage</b>
Percentage Exports share of States/UTs out of total merchandise export	75%
Population of States/UTs (based on Census 2011)	25%
<b>Total</b>	<b>100%</b>

6.11 The balance 10% of the State Component of ASIDE (State Government-Incentive ONER) will be allocated by Department of Commerce for incentivizing the better performance of ONER States/UTs (States/UTs other than NER including Sikkim) as per Incentive guidelines. The ASIDE ((State Component-General) will be allocated to States/UTs in two tranches of 50% each.

**Central Component (20%):**

6.12 90% of the total Central Component of ASIDE (Central Component-General) shall be earmarked at the central level to cater projects emanating from Central SEZ's other specific central agencies like Spices Board, Tea Board, Gems and Jewellery Export Promotion Council, Airports, Ports etc and other activity considered important by the Central Government from the regional or the national perspective. The balance 10% of allocation Component of ASIDE (Central Component-Incentive NER) will be allocated by DoC for incentivizing the better performance of NER States including Sikkim as per Incentive guidelines.

6.13 A minimum of 10% of the scheme outlay will be reserved for expenditure in the NER and Sikkim. The funding of Export Development Fund (EDF) for NER and Sikkim i.e. EDF-NER will be made out of this earmarked outlay and the balance amount will be distributed inter-se among the NER States including Sikkim on the basis of the criteria mentioned above.

An outlay for development of export infrastructure will be distributed to the state/UTs according to pre defined criteria. ASIDE is a Centrally sponsored programme to assist the State for Developing Export Infrastructure and Other Allied Activities as per guidelines.

6.14 Punjab State Import & Export Corporation is declared as a Nodal Agency for promotion of exports and implementation of ASIDE scheme. A State

Level Export Promotion Committee (SLEPC) has been constituted under the Chairmanship of Chief Secretary, Punjab to approve the projects to be undertaken under this scheme.

The detail of funds received from Gol is as under:-

<b>SN</b>	<b>Year of receipt</b>	<b>Amount in Cr</b>
<b>1</b>	<b>2</b>	<b>3</b>
1	2002-03	9.00
2	2003-04	10.00
3	2004-05	9.68
4	2005-06	12.17
5	2006-07	6.70
6	2007-08	6.70
7	2008-09	13.26
8	2009-10	12.73
9	2010-11	12.73
10	2011-12	16.26
11	2012-13	14.28
12	2013-14	14.28
	<b>Total receipts</b>	<b>137.99</b>
	<b>Funds released upto 15.7.2014</b>	<b>137.70</b>
	<b>Balance funds</b>	<b>0.29</b>

6.15 For the year 2014-15 total allocation is ₹ 15.98 Cr, against which MoC has transferred ₹ 7.99 Cr as first installment to Govt. of Punjab Account. An outlay of ₹ 15.00 Cr as a central share is provided for the Annual Plan 2014-15.

#### **CSS - Other than Restructured Scheme**

##### **CS 04 Rajiv Gandhi Udyami Mitra Yojna(100% CSS)**

*Outlay - ₹ 0.15 Cr*

6.16 Under Rajiv Gandhi Udyami Mitra Yojna scheme handholding assistance is provided to designated nodal agencies namely Udyami Mitras for providing handholding support to first generation entrepreneurs to guide and

facilitate the potential entrepreneurs in dealing with various procedural and legal hurdles and completion of various formalities required for setting up and running of enterprises successfully.

6.17 An outlay of ` 0.15 Cr has been provided for 12<sup>th</sup> Five Year Plan. An outlay of ` 0.15 Cr is provided for the Annual Plan 2014-15.