PRIVATE INVESTMENT IN JAMMU AND KASHMIR

2283. SHRI NARESH GUJRAL:

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

(a) the steps taken by the Ministry to spur private investment in Srinagar besides the three-day Global Investors Summit to be held in Srinagar; and

(b) whether any growth has been witnessed in private investment in Jammu and Kashmir post the abolition of Article 370, if so, the details thereof?

ANSWER

THE MINISTER OF COMMERCE & INDUSTRY
(SHRI PIYUSH GOYAL)

(a): In order to facilitate investments in Union Territory (UT) of Jammu and Kashmir (J&K), the following incentives are offered to attract entrepreneurs by the UT:

i) Allotment of land at subsidized rate.
ii) Cheaper Power Tariffs.
iii) Subsidy on purchase & installation of DG set.
iv) Subsidy on installation of Quality Control/Testing Equipments.

Additionally Department for Promotion of Industry & Internal Trade is implementing following Packages for providing incentives to industries in UT of Jammu & Kashmir:

1. Special Package-I&II (from 14.06.2002 to 14.06.2017) The Scheme provides (i) Central Capital Investment Incentive (30% of the investment in plant & machinery with an upper limit of Rs. 5 crore), (ii) Central Interest Incentive (3% interest on working capital for 5 years) and (iii) Central Comprehensive Insurance Incentive (Reimbursement of 100% insurance premium for 5 years).

2. Industrial Development Scheme (IDS) (From 15.06.2017-31.03.2020) The scheme provides (i) Central Capital Investment Incentive (30% of the investment in plant & machinery with an upper limit of Rs. 5 crore), (ii) Central Interest Incentive (3% interest on working capital for 5 years), (iii) Central Comprehensive Insurance Incentive (Reimbursement of 100% insurance premium for 5 years), (iv) Income Tax Reimbursement of centre’s share for 5 years, (v) GST reimbursement of Central Govt. share of CGST & IGST for 5 years, (vi)
Employment Incentive under which additional 3.67% of the employer’s contribution to EPF in addition to Govt. bearing 8.33% Employee Pension Scheme (EPS) contribution of the employer in PMRPY and (vii) Transport incentive on finished goods movement by Railways (20% cost of the transportation), by Inland Waterways Authority (20% of the cost of transportation) & by air (33% of cost transportation of air freight) from the station/port/airport nearest to unit to the station/port/airport nearest to the destination point.

Also, under this scheme a single unit can avail overall benefits up to Rs. 200 Crore.

Besides the above, following steps have also been undertaken by UT of J&K to spur investment:

i. Ease of Doing Business has been strengthened.
ii. Land Bank for new investments has been identified.
iii. 14 Focus Sectors for investment have been identified and policies in all these sectors have been drafted.

The Government of India is fully committed to the overall development and several steps, including preparation of a new Industrial policy, are being taken to boost trade, industry, investment and employment in the Union Territory of Jammu & Kashmir.

Further, schemes/projects under Prime Minister’s Development Package are under various stages of implementation. This package comprises of 63 major development projects in Road, Power, Health, Tourism, Agriculture, Horticulture & Skill Development sectors.

(b) : Post abolition of Article 370, 160 units have been formally registered in various District Industries Centres with total investment amounting to Rs. 187.28 crore. Further 493 units have also been registered provisionally with an investment of Rs. 836.82 crore.********