



**RISING
HIMACHAL**

**INVESTORS'
HAVEN**

GLOBAL INVESTORS MEET
7TH-8TH NOVEMBER, 2019, DHARAMSHALA

Himachal Pradesh Investment Opportunities Electronics/ IT/ ITeS Sector

Agenda



- 1. ESDM / IT / ITeS Sector Overview**
- 2. Investible Projects in Himachal Pradesh**
- 3. Investment Opportunities**
- 4. Incentives - Fiscal and Non- Fiscal**

Electronics Manufacturing Sector in India

- ▶ One of the largest electronics markets in the world, expected to reach USD 400 bn by 2025
- ▶ Consumer Electronics and Appliances Industry to become the fifth largest in the world by 2025
- ▶ Segmentation of Electronics Industry
 - Mobile Devices, Consumer Electronics, Industrial Electronics, Automation, Automotive Electronics, Telecom, Medical Devices and Aerospace & Defence Electronics

Growth Drivers - Aggressive e-governance initiatives, Digital India, Smart Cities, Solar Projects, Growing middle-class population, Rising disposable income, Declining electronics prices and Adoption of high-end technology devices

**26% - Sectoral
Growth (annual)**

**185% - Mobile
Manufacturing
Growth (annual)**

**17% - Domestic
Manufacturing
Growth (annual)**

Source: Invest India

Sector Overview



IT / ITeS Sector in India

- ▶ Information Technology industry to reach USD 350 bn by 2025
- ▶ Segmentation of IT / ITeS
 - Data processing, Software development, Computer consultancy services, Business and management consultancy services, Market research services, Technical testing and Analysis services
- ▶ Growth Drivers – Aggressive e-governance initiatives, Skill Development, Research & Development, Digital India Campaign, Start-up Revolution

**8% - Share in
India's GDP**

Source: Invest India

Sector Overview



Electronics / IT / ITeS Sector in Himachal Pradesh

- ▶ High quality communication infrastructure
- ▶ Suitable climate and low cost power
- ▶ High tele-density
- ▶ Chandigarh International airport at the State's border
- ▶ Investor friendly IT/ ITeS and ESDM policy
- ▶ Identified Land Bank for IT industry
- ▶ Pool of Skilled Manpower



Key Players in the State



Annual Intake of IT Professionals in the State Institutes

S. No.	Type of Institution	Number of Institutes	Annual Intake
1.	Government Colleges	16	3034
2.	Private Universities	16	1515
3.	Engineering Colleges	8	450
4.	Polytechnic Colleges	8	450
5.	ITIs	88	4570
Total			10,019

E-Governance Initiatives

Sr. No.	Projects	Sr. No.	Projects
1.	CM Dashboard	10.	DBT
2.	CM Helpline	11.	Digital Payments
3.	HIM Pragati	12.	HP SSC Examination
4.	Command & Control Centre	13.	BharatNet Project
5.	E-Cabinet	14.	VSAT connectivity in Remote Areas
6.	Integrated Enterprise Architecture	15.	State Wide Network
7.	LokMitra Kendra (LMK)	16.	State Data Centre
8.	E-District	17.	Transport Management System
9.	E-Procurement	18.	E-Office

Investible Projects in Himachal Pradesh



1. Gaggal, District - Kangra

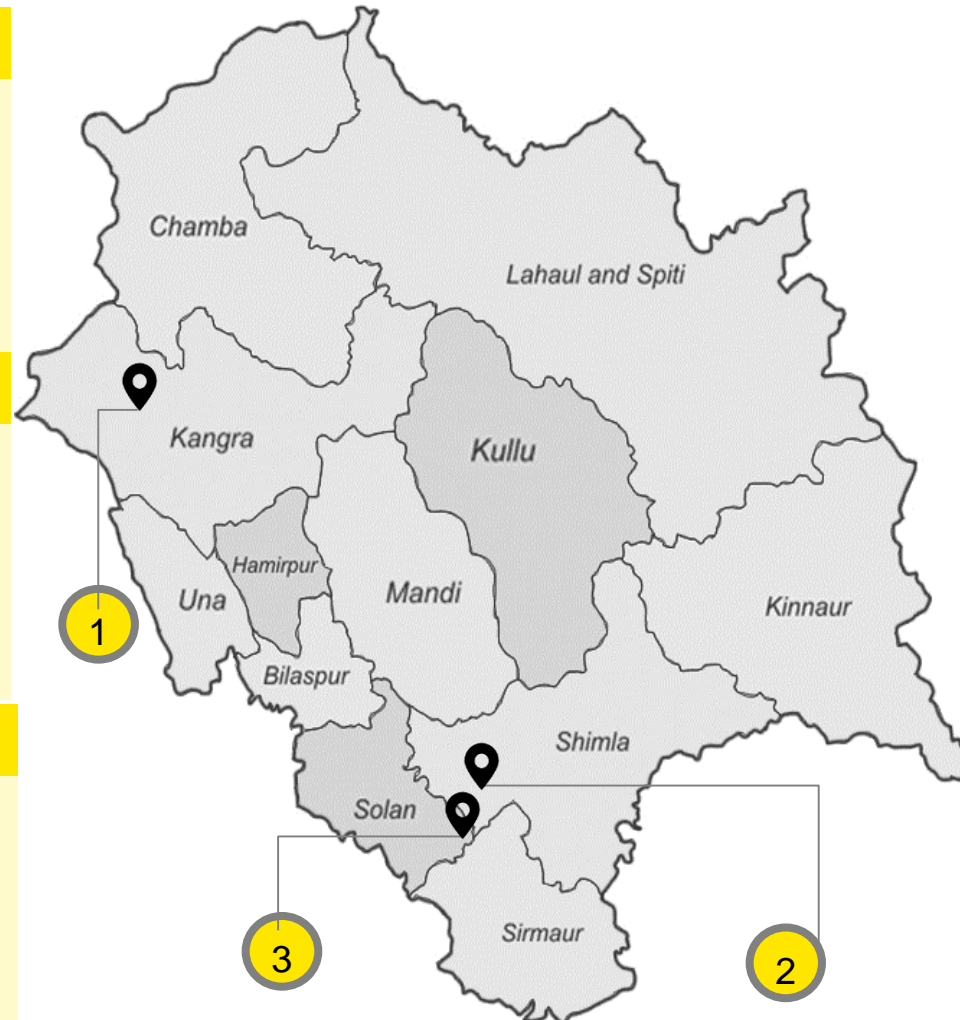
- Area: 4.9 acre
- Road Connectivity: Dharamsala-Kangra
- Nearest Airport: Gaggal Airport, Kangra
- Advantage: Availability of nascent IT Eco-system

2. Mehli, District - Shimla

- Area: 14000 sq. ft.
- Road Connectivity: Shimla-Chandigarh Highway
- Nearest Airport: Shimla Airport & Chandigarh International Airport
- Facility for 15-20 Start-ups
- Nearest IT Hub: Chandigarh

3. Wagnaghat, District - Solan

- Area : 70.6 acre
- Core IT Area: 38.82 acre
- Associated Integrated Zone: 26 acre
- Approach Road: 5 KM from Shimla – Chandigarh Highway
- Nearest Airport: 28.2 Kms from Jubbarhatti Airport



Proposed Activities	Salient Features
<ul style="list-style-type: none"> • Built-up space for IT/ITeS companies – Plug and Play • Large plots for the campus development – Built to Suit • Core infrastructure – Banks, Gyms, Club, Shopping Complex, Convention areaetc. • Integrated Residential Complex exclusively for IT companies • Green Area • Other infrastructure facilities like security system, HVAC, Power backup, Fire safety, IBMS, Wi-Fi, LAN etc. 	<ul style="list-style-type: none"> • Duty Free Imports • 100% FDI • Single Window Clearance • Export Certification at Single Point • Plug and Play office space • State support for external infra (Water, Electricity and Road)

Investment Opportunities in Electronics / IT / ITeS Sector



1

IT Services

- Network Security
- Data Management
- Networking services
- Resiliency and business continuity services
- Systems services
- Technology support services
- BPO

2

Training and R&D Infrastructure

- Dedicated company oriented training institutes

3

Software Product Design for Industry

- Banking
- Retail and others

4

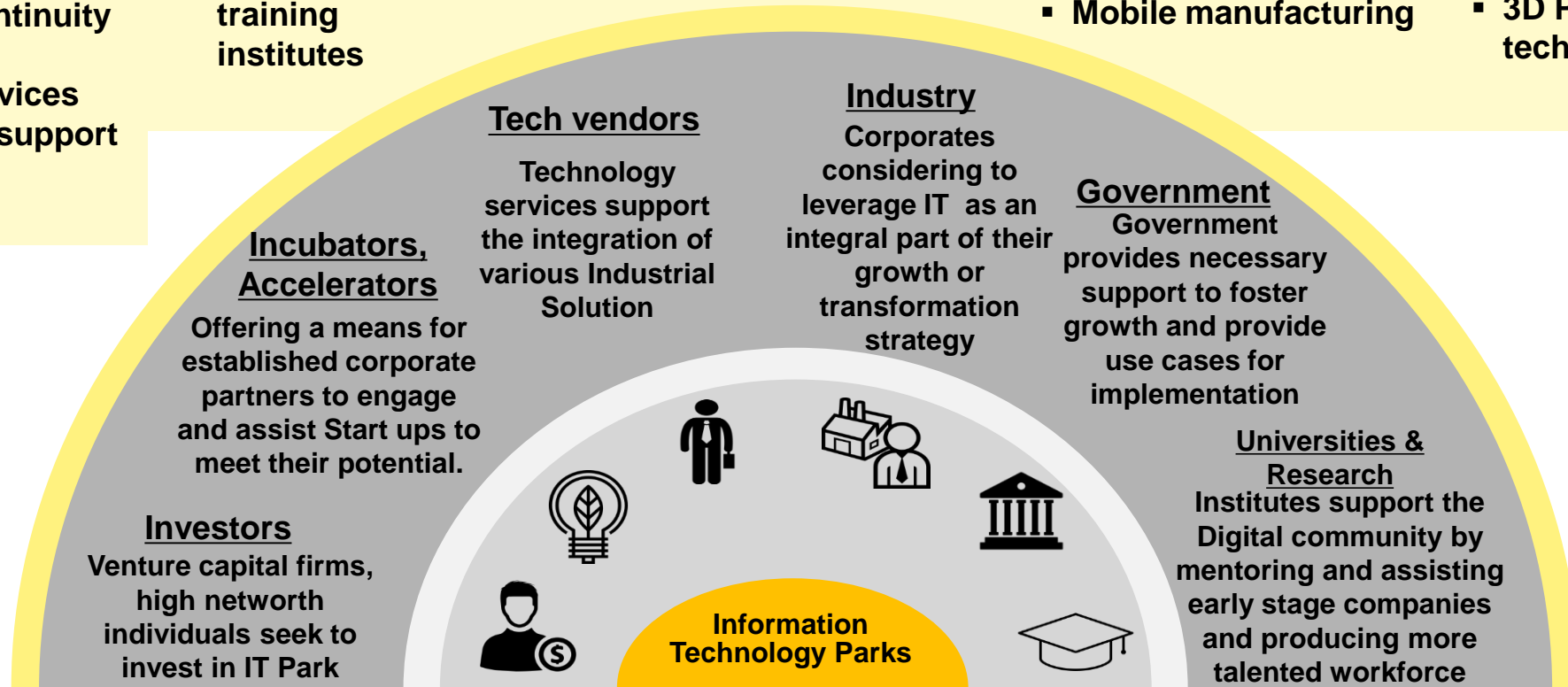
Hardware Manufacturing such as

- Computer Cases
- Mother boards
- Chipsets
- Mobile manufacturing

5

Disruptive Technologies

- Internet of things
- Artificial Intelligence
- Robotic Process Automation
- 3D Printing and other technologies



Proposed Fiscal Incentives - IT, ITeS Enterprises (1/2)



S. No.	Incentives	Details
1.	Subsidy on Preparation of DPR	Reimbursement of 50% of expenditure, limited to INR 1 lakh
2.	Lease Rental Subsidy	@ 75% for first year, limited to INR 15 lakhs @ 50% for second year, limited to INR 10 lakhs @ 25% for third, fourth and fifth year, limited to INR 5 lakhs
3.	Capital Subsidy	@ 25% of Fixed Capital Investment, excluding the cost of Land, limited to INR 1 Crore
4.	Interest Subvention	@ 5% on term loan for 5 years, limited to INR 25 lakhs per annum
5.	SGST Reimbursement	Reimbursement of 100% of Net SGST paid for 7 years, limited to 100% of Fixed Capital Investment
6.	Exemption on Stamp Duty and Registration Fee	100% exemption
7.	Exemption on Change in Land use fee	100% exemption
8.	Assistance for Patent Filing	Domestic Patents – Reimbursement of 75% of expenditure, limited to INR 5 lakhs per patent for 5 patents International Patents - Reimbursement of 100% of expenditure, limited to INR 10 lakhs per patent for 5 patents

Proposed Fiscal Incentives - IT, ITeS Enterprises (2/2)



S. No.	Incentives	Details
9.	Assistance for Environment Protection	<p>a) Reimbursement of 25% of expenditure incurred for purchase of P&M for setting up Effluent Treatment Plant & Rain Water Harvesting System, limited to INR 3 lakhs</p> <p>b) Reimbursement of 50% of Power Tariff paid for running ETP for 4 years, limited to INR 1 lakh per annum</p>
10.	Assistance for Quality Certification	Reimbursement of 50% of expenses, limited to INR 7 lakhs
11.	Market Development Support	Reimbursement of 50% of expenses incurred for participation in International Trade fairs outside India, limited to INR 5 lakh per enterprise twice during the operative period of policy

Proposed Additional Fiscal Incentives - ESDM Enterprises



S. No.	Incentives	Details
1.	Lease Rental Subsidy	@ 85% for first year, limited to INR 20 lakhs @ 60% for second year, limited to INR 15 lakhs @ 35% for third, fourth and fifth year, limited to INR 10 lakhs
2.	Capital Subsidy	@ 50% of Fixed Capital Investment, excluding the cost of Land, limited to INR 2 Crore
3.	Interest Subvention	@ 5% on term loan for 5 years, limited to INR 30 lakhs per annum
4.	Assistance for Transportation of Plant and Machinery	Reimbursement of 50% of cost incurred in inland transit charges and inland transit insurance of P&M, limited to INR 7 lakhs

Assistance for Setting up Co-Working Space

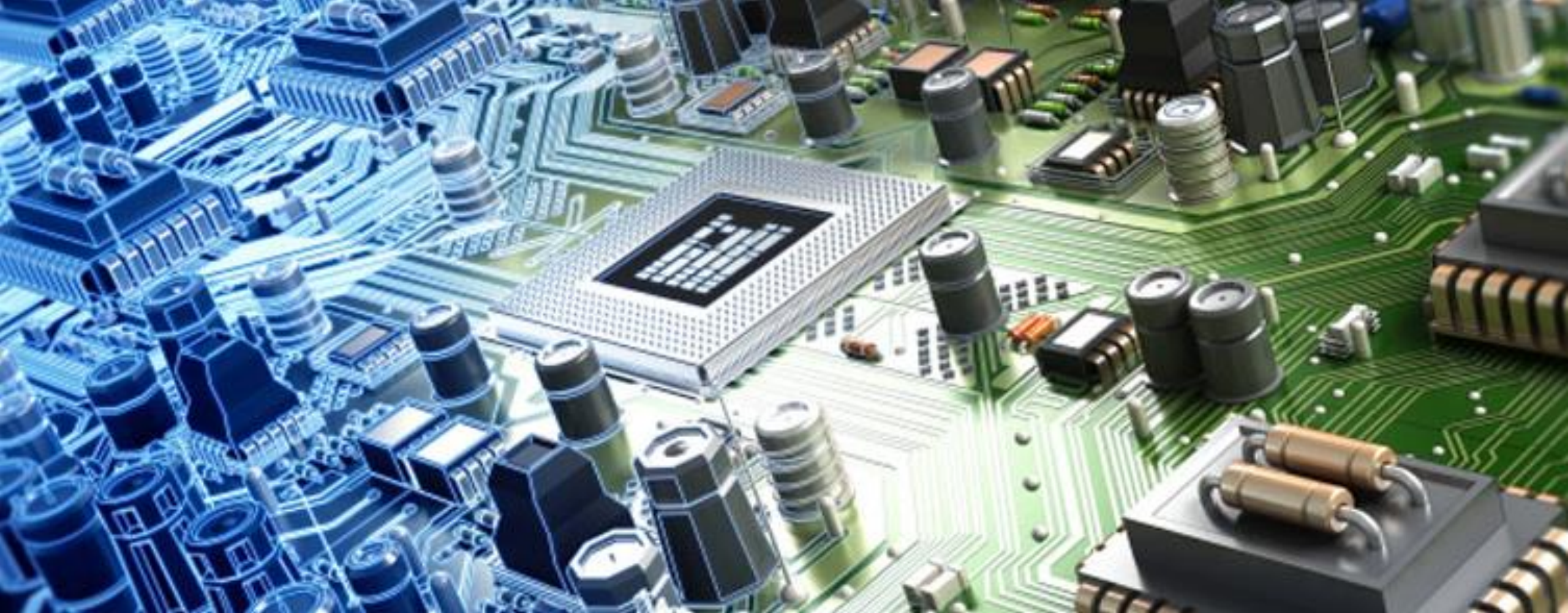
S. No.	Incentives	Details
1.	Reimbursement of Project Cost	@50% of project cost, limited to INR 20 lakhs
2.	Lease Rental Subsidy	@ INR 10 per square feet per month, limited to 25% of actual rent paid for a period of 3 years.

Proposed Non-Fiscal Incentives



- 1 Essential and Continuous Process Industry
- 2 Creation of Land Banks
- 3 NOC Exemption from Pollution Control Board
- 4 Time Bound Clearances

- 5 Self Certification
- 6 Relaxation in Inspection from various Departments
- 7 Late Shifts for Women
- 8 Local Preference



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THANKS

