RISING HIMACHAL
INVESTORS’ HAVEN

MANUFACTURING AND PHARMACEUTICALS

INVESTIBLE PROJECTS

GLOBAL INVESTORS MEET
07th - 08th Nov 2019, Dharamshala
Manufacturing and Pharmaceuticals
Haven of Opportunities!
TABLE OF CONTENTS

1 Himachal Pradesh – An overview 1
2 Highlights of Indian Pharma Sector 2
3 Himachal Pradesh – India’s emerging Pharma Hub 3
4 Why Himachal - reasons to invest in Himachal Pradesh 4
5 Himachal Pradesh – Investible Projects 6
6 Bulk Drug Pharma Park 6
7 Bio Tech Park 8
8 Chanour Industrial Area (MSME) 9
9 Policy Support 10
10 Clearances/Approvals for setting up of industry and notified timelines 11
HIMACHAL PRADESH
OVERVIEW

Himachal Pradesh, known for its pristine beauty, is one of the most visited states in Northern India and is bordered by Jammu and Kashmir on north, Punjab on west and South-West, Haryana on South, Uttarakhand on South-East, and China on East. The State has made a significant transition from agrarian to an industrial economy with a quantum jump from a mere 7% contribution of secondary sector to GDP in 1960-61 to 43.01% in 2017-18.

- The State GDP at current prices is INR 1.51 lakh crore (USD 21.57 billion) in FY 2019
- Compounded Annual Growth Rate (CAGR) of GDP of Himachal Pradesh grew at 11.02% from FY 2012 to FY 2018
- Per Capita Income at current prices is INR 1.76 Lakhs (USD 2,528) in FY 2019 (National USD 2,000)
- YoY Per Capita Income growth rate in FY 2019 was 10% (National 6%)
HIGHLIGHTS OF INDIAN PHARMA SECTOR

- India has second highest number of US FDA (US Food and Drug Administration) approved facilities and labour cost in India is lower than other manufacturing hubs by up to 40%
- India accounts for 20% of global export in generics with export at USD 17.27 billion in 2017-18 and is expected to reach USD 20 billion by 2020.
- The domestic generics market is expected to reach USD 27.9 billion by 2020. Indian pharmaceutical companies have received record 300 generic drug approvals in USA during 2017; whereas the generic market is expected to reach USD 88 billion by 2021.

Growth Drivers of Indian Pharma Sector

I. Supply Side Drivers:
   - Cost advantage
   - Skilled manpower
   - Patentable for a manufacturing hub for generics
   - Accounts for 22% of overall USFDA approved plants

II. Demand Side Drivers:
   - Increasing penetration of chemists
   - Increasing fatal diseases
   - Improvement in accessibility of drugs
   - Increasing penetration of health insurance
   - Growing number of stress-related diseases due to lifestyle changes
   - Better diagnostic facilities

iii. Policy Support
   - National Health Policy 2015, increased public expenditure on healthcare segment
   - Reduction in approval time for new facilities
   - Plans to set up new pharmaceutical education and research institutes
   - Exemptions to drugs manufactured through indigenous R&D from price control under NPPP-2012

Government of India Initiatives

Government of India is planning a new bulk drug policy (based on the recommendations of Kaloch committee) with an aim to produce 100% of bulk drugs domestically. The incentives include:

- Setting up of 3 large API manufacturing clusters/ mega parks across states; to be equipped with facilities such as common effluent treatment plants, testing facilities, assured power supply, IPR management
- Multiple financial Incentives (such as 15-year tax holiday for cluster developers/participants), land and other infrastructural facilities at concessional rates, interest subsidies on bank loans (through interest subvention up to 7.5%), and import duty exemption on capital goods in respect of API manufacturing
- Income tax benefits for an initial period of 10 years for each product from date of launch of product
- Single-window environmental clearance to API manufacturers for all drugs once the plant is approved by the Ministry of Environment
- Proposal to set up adventure capital fund with a corpus of around INR 500 Cr (USD 71.4 million) to aid pharma SMEs

HIMACHAL PRADESH—INDIA’S EMERGING PHARMA HUB

Himachal Pradesh has emerged as one of the fastest-growing region in pharmaceutical sector in India. Major highlights of Pharma Industry in Himachal Pradesh are:

- 35% of Pharma products in Asia
- 60% India’s Pharma formulation
- 300+ Pharmaceutical companies including Sun Pharma, Dr. Reddy’s, Morepen, Torrent Pharmaceuticals, Abbott etc. have operations in the state
- 2 API Units (Morepen & Fermento Biotech)

Key Investment Opportunities

- API/ Bulk Drug manufacturing unit
- Food & drug testing and Contract research lab
- Biosimilars manufacturing unit
- Vaccines manufacturing unit
- Nutraceuticals manufacturing unit
- Lifesciences reagent manufacturing unit focused on research labs
WHY HIMACHAL - REASONS TO INVEST IN HIMACHAL PRADESH

• Adequate Land Bank
The State has abundant land bank for setting up industries across sectors, with more than 600 hectares of industrial land available for expansion of industries as well as for new industries. In addition to Government land, the State Government has developed an online platform wherein an investor would be provided assistance in identification of available private land for investment. Land availability (including private land) information can be accessed at www.rieshimachal.in

• Congenial Industrial Relations
The State has never witnessed any loss of productivity/ work hours due to State Government’s constant emphasis on maintaining excellent industrial relations with the workers and trade unions. The State has been recognized as one of the most consumer-friendly State in India by PHD Chambers of Commerce (2018).

• Fastest Moving State in the Ease of Doing Business
The State has been adjudged as the Fastest Moving State in EODB under DPIT-World Bank EODB Ranking, 2017. The State has implemented a web based Single Window Clearance System, that provides investors an online platform to obtain the necessary approvals for starting an Industry. Main features of this system are

- Common Application Form (CAF) - A single form for obtaining all necessary approvals through online mode for setting up or expansion/diversification of Industry

- 337 reforms have already been implemented under BRAP 2017 and the State has achieved an implementation score of 94.13%. More than 100 timelines have been nullified under state Single Window Act, 2018 and Public Service Guarantee Act, 2011.

- 37 services from 11 line departments have been made online, with online application submission, payment, tracking and processing of applications

• Salubrious Environment
The State is home to a variety of natural flora and fauna with favorable climatic conditions. The State Government is taking several measures to ensure a clean and pollution-free environment.

• Fruit Bowl of the country – Abundance of raw material for Food Processing Industry
The State is the leading fruit producer in the country and is the 2nd largest producer of Apple along with stone fruits such as Pkhm, Peach etc. and Citrus in India. The State is a major producer of vegetables, known for off-season vegetables i.e. Tomato Capsicum, Cabbage, Cucumber and Mushroom. Spread over 60 acres of land in Una, the State has supported development of Food Park through private sector participation. With abundant raw material and better connectivity, the State Government envisages development of more Food Parks.

• Reliable and Affordable Power
Himachal Pradesh is a “power surplus state” and provides round the clock power at competitive rates to the industry.

• Largest Pharma Hub of Asia
Himachal Pradesh is the pharmaceutical manufacturing hub of the country. Almost all the leading Pharma majors have set up their units here or are in process of setting up units. The State has presence of over 300 pharma companies. State’s Baddi Industrial area is known as “Pharmaceutic hub of Asia”. Baddi industrial area on its own meets 35% of demand of Pharma formulation in Asia. To support the continuous growth in pharma sector, Bulk Drug Pharma Park has been proposed at Nalagarh in district Solan. An ultra-modern laboratory assisted by NIFER is also proposed to be set up at Baddi.

• Availability of Skilled Manpower
Himachal Pradesh is home to premier educational and technical institutions providing high-quality education in various disciplines. Prominent technical institutes in the State for providing support to industry are – NIT, Hamirpur, IT Mandi, CPET Baddi, NIT, Una and upcoming Mini Tool Room, Baddi. There are 165 ITIs in the State for providing continuous flow of skilled manpower for the manufacturing sector. The State has one of the highest technical manpower in the country per million.

• Good Governance
Himachal has been recognised as the top performing state in UN Sustainable Development Goals Index, 2018 by NITI Aayog Government of India. The State has also been awarded for “Good Governance” in Public Affairs Index among small states in 2018.
BULK DRUG PHARMA PARK

Growth Drivers for Bulk Drug Pharma Park
- Huge demand as more than 1000 Pharma Formulation units in the vicinity
- Industrial belt with robust infrastructure
- Skilled manpower available

Potential Collaboration Opportunities
- The API manufacturing units can collaborate with education institutes (like NIPER Mohali) for R&D as well as for providing practical training to students
- The manufacturing units may collaborate with leading foreign players to leverage their technology

Manufacturing of Bulk Drugs Overview
- The drug manufacturing industry entails manufacture, extraction, processing, purification and packaging of chemical material to be used as medications.
- It can be primarily classified in to two stages
  - Primary processing: Production of Active Pharmaceutical Ingredient (API) or bulk drug
  - Secondary processing: Conversion of the API into products suitable for administration
- Bulk drug API is the biologically active ingredient in a pharmaceutical drug. It is used in a finished pharmaceutical product (FPP) intended to be used for pharmacological activity.

Types of Bulk Drugs

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Particular</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Location</td>
<td>Kripalpur, Tehsil Nalagarh, Distt Solan</td>
</tr>
<tr>
<td>2</td>
<td>Total Area</td>
<td>53.87 Ha</td>
</tr>
<tr>
<td>3</td>
<td>Rail Connectivity</td>
<td>Ghansuli – 6 km, Kalka – 43 km, Chandigarh – 55 km, Chandigarh – 74 km</td>
</tr>
<tr>
<td>4</td>
<td>Air Connectivity</td>
<td>Express highway (Ropar To Manali) – 6 km, National Highway NH 105 (Punjpi – Buddhi - Nalagarh-Swaraghat – 5 km)</td>
</tr>
<tr>
<td>5</td>
<td>Road Connectivity</td>
<td>Common Effluent Treatment Plant (10 km from Project site)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Island Container Depot (15 km from Project site)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Hazardous Waste Treatment Plant (68 km from Project site)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Skill Development Centre, Buddhi</td>
</tr>
</tbody>
</table>

Pharma Facility
- The facility will have 5追溯 glass assemblies to carry out production of API in small batch sizes. Besides this, the section would be equipped with 3 separate modules where 3 separate products could be processed at the same time maintaining all GMP and FDA norms
- The Pharma area will have equipment for handling finished products such as Tray Dryer, Air Jet Mill, Sifter, Blender, Multi Mill and packing area. Pharma area will also have separate facilities to store materials of different stages.

Quality Control Facility
- The proposed facility would have a Quality Control department, which can perform visual, dimensional, mechanical and analytical tests

Supply Chain Management (SCM) Facility
- Key instruments would include TOC Analyzer, Gas Liquid Chromatograph, Total Organic Carbon analyzer, Ultra-pure water purification system. Video Microscope, Fourier Transform Infrared Spectrophotometer, Automatic Glass Ware Washing and Drying Machine, High Performance Liquid Chromatograph
- SCM activities will include: production planning, inventory control, warehousing and bonded storage management and information technology to generate EG and MRS reports for analysis

Engineering Services Facility
- The department works as support function for the entire plant activity, including new project, API production, administration, estate up keep, environmental Controls and ensures compliance of all statutory as well as regulatory directive
Raw Material Storage
- Raw Material Storage will have 100% controlled environment storage and inactive raw materials dispensing will be carried out as per prevailing GMP norms and Standard Operating Procedures (SOPs).

Indicative Project Structure & Approvals
- Incumbent investor will fund, build, operate and maintain the facility. The State Government will facilitate in land procurement, obtaining approvals through single window system.
- The State Government under PPP mode will Build Operate and Transfer (BOT Model) to individual investor.

Bio Tech Park
Growth Drivers for Bio Tech Park
- The State Government is poised to make Himachal Pradesh a prosperous Himalayan Bio-Business hub through promotion of Biotechnology in the areas of Agriculture, Horticulture, Animal Husbandry, Health and Bio-resource utilisation. The State houses 7.32% of countries’ bio-resources in the form of high value plants with important medicinal and aromatic properties.
- In agriculture sector, there is a need for diversification in farming by growing high yielding improved crop varieties and trans-gensics especially stress tolerant (cold, rain fed conditions), bio-fertilizer, bio-pesticide etc. are other areas where biotechnology can play major role.
- There is a large pool of highly skilled manpower in biotechnology field produced each year by several universities and colleges in the state.
- More than two dozen R&D Institutions/ Department are engaged for innovations, dissemination and promotion of biotechnology in various areas.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Particular</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Location</td>
<td>Village Aduwal, Tehsil Nalagarh, Distt. Solan H.P.</td>
</tr>
<tr>
<td>2</td>
<td>Total Area</td>
<td>14.1 Ha</td>
</tr>
<tr>
<td>3</td>
<td>Air Connectivity</td>
<td>Chandigarh – 74 km</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Express highway (Popal To Manali) – 16 km</td>
</tr>
<tr>
<td>4</td>
<td>Road Connectivity</td>
<td>National Highway NH 105 (Pirajre – Baddi - Nalagarh-Swaraghat) – 8 km</td>
</tr>
</tbody>
</table>

Chanour and Chakwan Khani Industrial Area

Growth Drivers for Industrial Areas
- Availability of local F&V (Fruit & Vegetables) for agri-processing industry.
- Liberal state incentives and subsidies under State Mission on Food Processing.
- Availability of local workforce.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Particular</th>
<th>Chanour Industrial Area</th>
<th>Chakwan Khani Industrial Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Location</td>
<td>Chanour, Tehsil Dadasiba, District Kangra</td>
<td>Chakwan Khani, Tehsil Npur, District Kangra</td>
</tr>
<tr>
<td>2</td>
<td>Total Area</td>
<td>23 Ha</td>
<td>85 Ha</td>
</tr>
<tr>
<td>3</td>
<td>Air Connectivity</td>
<td>• Approach time to Gaggal Airport – 1 hr</td>
<td>• Approach time to Gaggal Airport – 1.20 hr</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Approach time to Bhuntar Airport – 3 hr</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Road Connectivity</td>
<td>• Approach time to NH – 1 hr</td>
<td>• Approach time to NH – 1.2 hr</td>
</tr>
</tbody>
</table>
Policy Support

There are various special incentives/financial assistance being offered to the State by the Central Government:

A. **Industrial Development Scheme- Himachal Pradesh (HP) & Uttarakhand, 2017 States:**

   This scheme is for new and existing units undergoing expansion. The operative period of the scheme is 1st April 2017 to 31st March 2022. Incentives under this scheme are:

   • Capital Investment Incentive for access to credit @ 30% of investment in plant and machinery. A maximum of up to INR 5 Cr (US$ 0.71 million).
   • Central Comprehensive Insurance Incentive @ 100% insurance premium on insurance of building and Plant & Machinery for a maximum period of 5 years.

B. **International Cooperation Scheme:**

   **Incentives under Ministry of MSME**

   Financial Incentive for visit and participation by Indian MSMEs in international exhibitions, trade fairs, and buyer-seller meets in foreign countries are:

   • Airfare: 100% of the economy class airfare subject to a maximum of INR 1.50 lakh (US$ 2,143) or actual fare paid, whichever is lower.
   • Space Rent: 100% of the space rent subject to a maximum of INR 1.00 lakh (US$ 1,429) or actual rent paid, whichever is lower for one representative from each participating enterprise.

C. **Development of Common Facility Centre for Bulk Drug (DCFC-BD)**

   • The purpose of the grant is to render the financial assistance for establishment of common facilities in any upcoming Bulk Drug Park promoted by State Governments/State Corporations.

D. **Development of Common Facility Centre for Medical Device (DCFC-MD)**

   • The purpose of the grant is to render the financial assistance for establishment of common facilities in any upcoming Medical Device Parks promoted by State Governments/State Corporations.

E. **Cluster Development Programme for Pharma Sector (CDP-PS)**

   • The total size of the scheme is proposed as Rs. 20 Crs for CDP-PS for 2018-2020.
   • The scheme would be implemented on a Public Private Partnership (PPP) basis and is to be released in various phases for creation of identified infrastructure and common facilities to a Special Purpose Vehicles (SPVs) set up for the purpose.

For scheme details, you may log on to: http://pharmaceuticals.gov.in
For details on approvals, timelines, policy, framework, please visit website: risinghimachal.in

### CLEARANCES/APPROVALS FOR SETTING UP OF INDUSTRY AND NOTIFIED TIMELINES

<table>
<thead>
<tr>
<th>S.No</th>
<th>Department</th>
<th>Service Type</th>
<th>Approval Timelines (days)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Energy</td>
<td>New Electricity Connection</td>
<td>15 days (only where there is no extension of distribution mains or commissioning of new substation is required)</td>
</tr>
<tr>
<td>2</td>
<td>Chief Electrical Inspectorate</td>
<td>Certification of Electrical Installation</td>
<td>Inspection of installations will be carried out within 21 days after completion of civil formalities and the approval will be granted within 7 days from the date of receipt of compliance report, if required from the owner of installation</td>
</tr>
<tr>
<td>3</td>
<td>Industries</td>
<td>Registration of Boilers under Boilers act,1923</td>
<td>30 days</td>
</tr>
<tr>
<td>4</td>
<td>Industries</td>
<td>Renewal of Boilers License under Boilers act,1923</td>
<td>Within 48 hours of successful completion of inspection</td>
</tr>
<tr>
<td>5</td>
<td>Industries</td>
<td>Incentives disbursed at District Level</td>
<td>22 days from clearance by SLC/ DLC</td>
</tr>
<tr>
<td>6</td>
<td>Industries</td>
<td>Incentives disbursed at State Level</td>
<td>60 days from clearance by SLC/ DLC within 15 days from submittal of documents by applicant</td>
</tr>
<tr>
<td>7</td>
<td>Industries</td>
<td>Allotment of plots in Industrial Areas</td>
<td>15 days</td>
</tr>
<tr>
<td>8</td>
<td>Industries</td>
<td>Registration of Partnership firms</td>
<td>7 days</td>
</tr>
<tr>
<td>9</td>
<td>Labour</td>
<td>Factory Building Plan Approval under Factories act,1948</td>
<td>30 days</td>
</tr>
<tr>
<td>10</td>
<td>Labour</td>
<td>Registration of Factories under Factories act,1948</td>
<td>20 days</td>
</tr>
<tr>
<td>11</td>
<td>Labour</td>
<td>Renewal of Factories License under Factories act, 1948</td>
<td>7 days</td>
</tr>
</tbody>
</table>
## CLEARANCES/ APPROVALS FOR SETTING UP OF INDUSTRY AND NOTIFIED TIMELINES

<table>
<thead>
<tr>
<th>S.No</th>
<th>Department</th>
<th>Service Type</th>
<th>Approval Timelines (days)</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>Labour</td>
<td>Registration under Building and Other Construction Workers’ Welfare (BOCW) Act, 1996</td>
<td>20 days</td>
</tr>
<tr>
<td>13</td>
<td>Labour</td>
<td>Registration under Contract Labour (Regulation and Abolition) Act, 1970 (Contractor/Principal Employer)</td>
<td>20 days</td>
</tr>
<tr>
<td>14</td>
<td>Labour</td>
<td>Registration under Inter-State Migrant Workers (RE &amp; CI) Act, 1978 (Contractor/Principal Employer)</td>
<td>20 days</td>
</tr>
<tr>
<td>15</td>
<td>Labour</td>
<td>Registration under HP Shops and Commercial Establishments acts, 1969</td>
<td>15 days after completion of all legal formalities</td>
</tr>
<tr>
<td>16</td>
<td>Labour</td>
<td>Renewal under Contract Labour (Regulation and Abolition) Act, 1970 (Contractor/Principal Employer)</td>
<td>20 days</td>
</tr>
<tr>
<td>17</td>
<td>Labour</td>
<td>Renewal under Inter-State Migrant Workers (RE &amp; CI) Act, 1978 (Contractor/Principal Employer)</td>
<td>20 days</td>
</tr>
<tr>
<td>18</td>
<td>Labour</td>
<td>Renewal under Motor Transport Workers act, 1961</td>
<td>20 days</td>
</tr>
<tr>
<td>19</td>
<td>Labour</td>
<td>Renewal under HP Shops and Commercial Establishments acts, 1969</td>
<td>15 days after completion of all legal formalities</td>
</tr>
<tr>
<td>20</td>
<td>Fire</td>
<td>NOC from Fire Department</td>
<td>30 days</td>
</tr>
<tr>
<td>21</td>
<td>Irrigation and Public Health</td>
<td>New Water Connection</td>
<td>30 days with reference to Central Ground water authority rules</td>
</tr>
<tr>
<td>22</td>
<td>Pollution Control Board (HPPCB)</td>
<td>Consent to Establish under HPPCB Act, 1981, Water Act, 1974</td>
<td>Within 15 days on receipt of complete application in all respects by Senior Environment Engineer/Environment Engineer concerned.</td>
</tr>
</tbody>
</table>

### S.No 23-33

<table>
<thead>
<tr>
<th>S.No</th>
<th>Department</th>
<th>Service Type</th>
<th>Approval Timelines (days)</th>
</tr>
</thead>
<tbody>
<tr>
<td>23</td>
<td>Pollution Control Board (HPPCB)</td>
<td>Consent to operate under act, 1981, Water Act, 1974</td>
<td>Within 40 days on receipt complete application in all respects by Senior Environment Engineer/Environment Engineer concerned.</td>
</tr>
<tr>
<td>24</td>
<td>Pollution Control Board (HPPCB)</td>
<td>Consent to establish under act, 1981, Water Act, 1974 (Renewal)</td>
<td>Within 15 days on receipt complete application in all respects by Senior Environment Engineer/Environment Engineer concerned.</td>
</tr>
<tr>
<td>25</td>
<td>Pollution Control Board (HPPCB)</td>
<td>Consent to Operate under act, 1981, Water Act, 1974 (Renewal)</td>
<td>Within 30 days on receipt complete application in all respects by Senior Environment Engineer/Environment Engineer concerned.</td>
</tr>
<tr>
<td>26</td>
<td>Revenue</td>
<td>Change of Land use</td>
<td>60 days</td>
</tr>
<tr>
<td>27</td>
<td>Urban Development/ TCP</td>
<td>Building Map approval</td>
<td>90 days</td>
</tr>
<tr>
<td>28</td>
<td>Urban Development/ TCP</td>
<td>Change of Land use</td>
<td>60 days</td>
</tr>
<tr>
<td>29</td>
<td>Urban Development/ TCP</td>
<td>Construction Permit</td>
<td>90 days</td>
</tr>
<tr>
<td>30</td>
<td>Urban Development/ TCP</td>
<td>Completion Plan (after completion of building in all respects)</td>
<td>90 days</td>
</tr>
<tr>
<td>31</td>
<td>Forest</td>
<td>Tree transit permission</td>
<td>15 days (other than exempted species)</td>
</tr>
<tr>
<td>32</td>
<td>Forest</td>
<td>Permission for Felling of Tree</td>
<td>Up to 50 trees-15 days, Up to 100 trees-30 days, Up to 200 trees-45 days</td>
</tr>
<tr>
<td>33</td>
<td>Legal Metrology</td>
<td>Registration of Manufactures, Packers, and Importers</td>
<td>30 days</td>
</tr>
</tbody>
</table>
Details of concerning nodal officer of the "Manufacturing & Pharmaceuticals" sector

**Anil Thakur**
Deputy Director
Department Of Industries, Udyog Bhawan, Bemloe 171 001
Phone: +91-177-2813414, +91-7018550415
Email: dirindus-hp@nic.in

For more information, please log on [www.risinghimachal.in](http://www.risinghimachal.in) or download the App rising himachal from Google Play Store/IOS