

A map of India and its neighboring countries is shown in the background. The map is light green and white, with major cities and states labeled. Overlaid on the map is the text 'Industrial Infrastructure Upgradation Scheme (IIUS)' in a large, bold, green font. On the left side of the image, there are several decorative green circles of varying sizes and a white curved line.

# Industrial Infrastructure Upgradation Scheme (IIUS)

# Introduction:



- Launched in December, 2003 as a Central Sector Scheme.
- Objective - to enhance competitiveness of the industry by providing quality infrastructure to existing industrial clusters through Public-Private Partnership mode (PPP).
- A cluster is identified by a product or similar products manufactured mostly by a large number of Small and Medium Enterprises that are located in specific geographical region.
- The Scheme targets existing industrial clusters with high growth potential requiring assistance for upgradation of infrastructure to world class standards
- On the basis of outcome of an independent evaluation the Scheme was recast in Feb, 2009.

# Eligible Activities:



- Physical infrastructure activities like Transport , Road , Water Supply, Common captive power generating units , Transmission and distribution infrastructure , Common fuel/gas supply system, Common effluent treatment plant , Solid waste management facilities
- Information and Communications Technology (ICT) Infrastructure, ICT-induction and Management Consultancy Service Centre.
- Common Facilities Centre. (such as:- Tool Room, Display Centre, Testing Centre, Training Centre etc.)
- Quality Certification & Benchmarking Centre.
- R & D Infrastructure

# Funding pattern:



Source	% age of project	Remarks
Central Grant	Up to 75% of the project cost with a ceiling of 50 crore. The Ceiling has been raised to Rs. 60 crore under recast IIUS	Up to 90% of the project in case of North Eastern States, Jammu & Kashmir, Himachal Pradesh and Uttrakhand
Industry Contribution/user contribution	Minimum 15% of the project cost is mandatory. The SPV has to arrange the additional fund.	Minimum 5% of the project cost in case of North Eastern States, Jammu & Kashmir, Himachal Pradesh and Uttrakhand
State Govt.	May contribute if it likes	
Central grant for creation of capital assets only, not for working capital		

# Approval procedure(Two-stage mechanism)



- **Formulation of Project Proposal:** after conducting detailed survey, indentifying critical gaps and clearly spelling out positively impact of the project. It should also suggest the mechanism for operation and maintenance of the infrastructure by levying user charges to make the project sustainable.
- An independent agency called Project Management Agency (PMA) engaged by DIPP, carries out both technical and financial appraisal of the project.

# Approval procedure contd.



- In principle approval: on the basis of DPR and comments of PMA , the Apex Committee chaired SIPP decides on “in-principle” approval to a project.
- The SPV has to achieve within 6 months (+3 month of extension) the certain milestones like formation of the SPV, procurement of land, financial closures, collection of at least 10% of the stipulated financial contribution from industrial units/association , a firm implementation schedule(component/activity-wise) specifying milestones and timelines etc before final approval.

# Implementation



- The project will be implemented through a Special Purpose Vehicle (SPV), a non-profit making company registered under section 25 of the Companies Act.
- It will have the representatives from local industries, financial institutions, State & Central Government and R&D organisation. The SPV shall have full operational autonomy to develop, operate and maintain the infrastructure

# Monitoring:



- The SPVs are required to furnish Monthly and Quarterly progress reports to the Department.
- The Department regularly calls the SPV representatives for review meetings.
- Under recast IIUS, PMAs have been appointed for technical and financial appraisal of projects, handholding with the SPVs, monitoring the progress of the projects etc in order to ensure timely implementation of the projects

# Outlays and Expenditure



10th Five Year Plan Outlay	Rs. 675 crore
11 <sup>th</sup> Five Year Plan Outlay	Rs. 600 crore for pre-recast IIUS projects, Rs. 450 crore for recast IIUS
	Total Rs. 1050 crore
Number of projects sanctioned so far Including 8 projects under recast IIUS	38
Total sanctioned Cost	Rs. 2526 crore
Total sanctioned central grant	Rs. 1507 crore
Total central grant released	Rs. 1032 crore
Physically complete projects	14



**Thank You!**