

**Fiscal Incentives to SSI in Almora and Nainital**

1415. SHRI T. S. NEGI: Will the Minister of INDUSTRY be pleased to state:

(a) the types of fiscal incentives for establishing small scale industries in hill districts of U.P.; and

(b) facilities for establishing small scale industries in Almora, Nainital etc.?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRIMATI ABHA MAITI): (a) A statement is attached.

(b) Almora district is covered under the new scheme of District Industries Centre. Prior to this, this District was covered/included under the Rural Industries Programme. The District Industries Centre will provide all the services and facilities to the entrepreneurs for setting up small and village industries. The centre will provide all services and support required to small entrepreneurs including identification of a suitable schemes, preparation of feasibility report, arrangement for supply of machinery and equipment, provision of raw materials, credit facilities and inputs for marketing and extension services.

**Statement**

The facilities/incentives provided by the Central Government and other agencies to the backward districts (including some of the hill districts) are as under:—

1. **Concessional Finance:**—Concessional finance assistance to Small Scale Industries is provided through Industrial Development Bank of India's scheme for re-finance. Industrial Development Bank of India provides refinance at a concessional rate of 6 per cent on all eligible loans upto Rs. 30.00 lakhs in respect of State Financial Corporations and Commercial Banks so that their effective lending rates to small and medium projects does not exceed 9.5 per cent. This facility is available in the hilly districts of Almora, Tehri

Garhwal, Pithoragarh, Uttar Kashi and Chamoli.

2. 15 per cent Central Subsidy on fixed capital investment in Almora district only.

3. **Relief in income tax:**—New Industrial projects, including hotels, proposed to be located in specific backward district areas are allowed a deduction of 20 per cent of the profit for computation of assessable income w.e.f. April, 1974. This concession is available to all industrial units/hotels which commenced operations on or after 31st December, 1970 for a period of 10 years from the date of commencement of manufacturing/service operations.

4. **Free technical consultancy services:**—The entire amount of consultancy fee of approved private consultants through the small Industries Development Organisation is paid in backward areas and in other areas. This assistance is restricted to 25 per cent of the fees.

5. **Interest Subsidy:**—The interest subsidy eligible under the scheme of Engineer Entrepreneur Training Programme is limited to an enhanced period of 5 years in backward areas and for three years in non-backward areas. Interest subsidy would be equivalent to the difference in interest rates charged by financial institutions and 7 per cent subject to a maximum of Rs. 20,000 per year.

6. **Special facilities for import of raw materials:**—In the case of small scale units set up in backward areas (as indicated in appendix 28 of the Hand Book on Import Export Procedure 1978-79), the maximum value of licence is Rs. 5 lakhs instead of the normal Rs. 3 lakhs. They are also eligible for preferential treatment in the matter of canalised items.

7. **Transport Subsidy:**—The scheme envisages the grant of transport subsidy to industrial units selected areas to the extent of 50 per cent of the

transport cost of raw materials which are brought into and finished goods which are taken out of selected areas. The scheme is available to all the hilly areas of U. P. viz. Dehradun, Almora, Nainital, Phauri Garhwa, Pithoragarh, Uttar Kashi and Chamoli.

8. **Hire Purchase of Machinery:**—The NSIC has liberalised the terms and conditions for supplying machinery on hire purchase basis to small scale industries in backward areas which qualify for investment subsidy.

9. **Margin Money:**—Financial assistance is to provide for margin or seed money to the State Government for expanding their activities for promotion of small industries in semi-urban and rural areas. The funds to be utilised for margin money assistance i.e. upto 10 per cent of the total fixed capital investment of small units with investment on plant and machinery not exceeding Rs. 1 lakh.

In addition to the Central incentives the State Government also provides certain facilities. These are:

- (a) Power Subsidy.
- (b) Interest subsidy on loans.
- (c) Subsidy on cost of preparation of project report in all hill districts except Nainital and Dehradun.
- (d) Concession on sales tax.
- (e) Conversion of sales tax amount in interest free loan for new units for 5 years.
- (f) Exemption of Octroi duty on plant and machinery and building materials for new units.

#### **Crimes in North Eastern Borders Regions**

1416. **SHRI AHMED HUSSAIN:** Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether effective steps have been taken to provide security and save the property of people of Assam and other parts of the North Eastern Region from Border Dacoity, Cow lifting and theft in the border areas;

(b) the reasons why Government have failed to ensure security to the poor people of the border area of Goalpara District in Assam;

(c) whether Government propose to intensify proper patrolling by B.S.F and involve local people in it; and

(d) whether a Pilot project of the Civil Defence Organisation is proposed to be brought out on an experimental basis for this border District of Goalpara in Assam to enroll full time volunteers from among the unemployed youth belonging to each village and Gaon Panchayats to provide adequate security?

**THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI DHANIK LAL MANDAL):** (a) to (d). The information is being collected from the State Governments concerned and would be placed on the Table of the House.

#### **Cell to gather Data on States**

1417. **SHRI G. S. REDDI:** Will the Minister of PLANNING be pleased to state:

(a) whether the Planning Commission has created a Cell to gather data on the States;

(b) if so, the procedure the Cell will follow; and

(c) whether upto-date data both on financial and physical targets will be available with the Cell?