

Increasing of Excise Duty on Small Scale Units

5324. DR. VASANT KUMAR PANDIT: Will the Minister of INDUSTRY be pleased to state:

(a) whether the bolts and nuts manufacturers Association has approached Government in February, 1980 to raise the excise duty exemption limit from 5 lacs to 15 lacs in case of small scale units of bolts and nuts;

(b) whether the feasibility study conducted by SISI in 1977 has established that such small scale units can be viable only when their production goes beyond 8.5 lacs;

(c) whether Government consider to transfer small scale units of bolts and nuts from C.E.T. No. 52 to C.E.T. No. 68; and

(d) if not, what other relief and in what manner do Government propose to protect small scale manufacturers?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI CHARANJIT CHANANA): (a) Yes, Sir.

(b) The feasibility study has revealed that small scale units can be viable only with the annual production of at least Rs. 7.5 lakhs and suggested exemption limit for excise duty may be raised to Rs. 7.5 lakhs

(c) and (d). The matter was recently examined in the context of the liberalised dispensation under the scheme of General Exemptions proposed in the Finance Bill, 1980 under which a relief of 25 per cent on the normal excise duty is applicable on clearance between Rs. 5 lakhs and 15 lakhs.

The proposed liberalised concessions under the General Exemption Scheme (which covers nuts and bolts industry) is considered adequate for protecting the interests of the small scale manufacturers.

Assistance to M.P. for Development of Backward Areas

5325. SHRI DILEEP SINGH BHURIA: Will the Minister of INDUSTRY be pleased to state:

(a) the type of assistance rendered to the State of Madhya Pradesh for the development of backward areas during the year 1979-80; and

(b) the type of assistance requested by the State for the year 1980-81?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI CHARANJIT CHANANA): (a) and (b). The State of Madhya Pradesh is eligible to the following Central Incentives to entrepreneurs setting up industries in backward areas. In respect of the Central Investment Subsidy Scheme directly administered by the Ministry of Industry, a sum of Rs 60,04,638 had been released as Central Subsidy to Madhya Pradesh Government during 1979-80;

- (i) Central Scheme of Investment Subsidy.
- (ii) Concessional Finance facilities from the All India Term Lending Financial Institutions.
- (iii) Tax concessions.
- (iv) Hire purchase of Machinery by small scale industries.
- (v) Consultancy for technical services.
- (vi) Interest Subsidy.
- (vii) Special facilities for import of raw materials.
- (viii) Rural Industries Projects Programme.
- (ix) Rural Artisans Programme.
- (x) District Industries Centre.
- (xi) Seed/Margin Money Assistance.

In the State Plan 1980-81, Government of Madhya Pradesh have proposed an outlay of Rs. 30 lakhs for industrial development. As and when specific re-