

Karnataka, Rs. 93 lakhs have been provided by the State Government and the Cooperative Society has collected Rs. 27 lakhs from the members towards share capital. The Cooperative Society has submitted an application for term loan of Rs. 418 lakhs to the financial institutions in September, 1980.

Encouragement for Setting up of New Sugar Mills

133. SHRI JANARDHANA POOJARY: Will the Minister of AGRICULTURE be pleased to state:

(a) whether there is any proposal under consideration to encourage the setting up of new sugar mills and motivate the existing mills to expand their capacity; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI R. V. SWAMINATHAN):

(a) and (b). On the 4th October, 1980, Government has announced a revised incentive scheme for new sugar factories and expansion projects established at high capital cost. The details of the scheme are enclosed at Appendix I.

APPENDIX I

REVISED INCENTIVE SCHEME FOR NEW FACTORIES AND FOR EXPANSION OF EXISTING FACTORIES

The Government of India had been considering the matter of giving relief of newly licensed sugar factories and expansion projects in the context of the increased investment cost in plant and machinery to make them economically viable. The Inter-ministerial Group, appointed under the Chairmanship of Shri C. N. Raghavan, Joint Secretary (Sugar) in the Ministry of Agriculture to revise an earlier scheme in operation from 1975, had submitted a report to the Government after a detailed and careful consideration of the report, the Government have now decided to provide incentives to new sugar factories and expansion projects consist-

ing partly of higher levy free sugar quotas and partly of excise duty concessions. The principal features of the revised scheme of incentives are mentioned below:—

1. Scheme would be effective from the sugar year 1980-81 and apply to the following categories of sugar factories in case of new units:

(a) all units covered by the previous incentive scheme *viz.*, commencing production during the period between November 1, 1975 and October 31, 1980. New units which commenced production after October 1, 1973 and before November 1, 1975 are also eligible to get the benefits of the scheme but in such cases, the concessions would apply for the balance period from the date of commissioning.

(b) New sugar factories already licensed which commence production within a maximum period of 39 months from 1-10-80 would also be eligible to the benefits of the scheme.

(c) New sugar factories to be licensed in the Sixth Plan starting production within a period of 39 months from the date of their licence or letter of intent, whichever is earlier, will also be entitled to grant of incentives.

(d) In case of expansion projects, the following categories will be covered:

(i) All units covered by the previous incentive scheme *i.e.* commencing production during the period between November 1, 1975 and October 31, 1980.

(ii) Expansion projects already licensed which commence production within a maximum period of 39 months from 1-10-80 would also be eligible to the benefits of the scheme.

(iii) Licensed expansion projects to be licensed in the Sixth Plan starting production within a period of 39 months from the date of their licence or letter of intent, whichever is earlier will also be entitled to grant of incentives.

(iv) Incentives to expansion projects costing Rs. 1 crore and above may be granted subject to approval of the expansion by the Committee to be set up in the Department of Food and obtaining by the sugar factory concerned of prior approval of the Directorate of Sugar to the items of plant and machinery to be installed for the purpose of expansion.

Since expansion projects involve installation of machinery to serve the joint needs of replacement/modernisation and replacement, but incentives on expansion projects would include modernisation and replacement, but incentives would be applicable to "Additional Production" which is attributable to expansion only.

2. Higher levy free quotas

(A) New Units:

Higher percentage of levy free sugar quota linked to a total f.o.r. cost of plant and machinery of Rs. 400 lakhs and above will be allowed as follows:

Year	HRA	MRA	LRA
First	90	100	100
Second	80	100	100
Third	70	100	100
Fourth	60	100	100
Fifth	55	65	100
Sixth	35	35	100
Seventh	35	35	100
Eighth	35	35	75

The incentives are proposed for a period of five years in case of high and medium recovery areas and eight years in case of low recovery areas. These levy free quotas will be calculated suitably in cases of new units whose cost of plant and machinery is between Rs. 200 lakhs and Rs. 400 lakhs. This concession will not be admissible if the cost of plant and machinery is below Rs. 200 lakhs.

(B) Expansion Projects:

The higher percentage of levy free sugar quota admissible to expansion projects will be as follows:

Year	HRA	MRA	LRA
First	40	60	90
Second	40	60	90
Third	40	50	75
Fourth	40	50	70
Fifth	40	50	60

The incentives are proposed to be given over a period of five years. The higher free sale quota indicated above would apply only to that much of "Additional Production" in a sugar season, which is either (i) in excess of production over the average of the last three years before the years of completion of expansion or (ii) the excess of actual production (such actual production being limited to the norms of post expansion capacity) over the norms of pre-expansion capacity, whichever is lower. This will apply from the date of inception of the scheme.

3. Applicability of scheme to the factories who have already availed of some incentives

Factories which are eligible for incentives under the original scheme but had not availed of the incentive benefits or have partly availed of them would be fitted in the new scheme. Suitable compensation for shortfall in the quantum of incentives already availed would also be given.

4. Excise duty relief

In spite of higher free sale quotas allowed, the new sugar factories, as well as the expanded units will be required to pay excise duty at levy sugar rates on the extra free sale quota of sugar.

5. Further details of scheme will be communicated to the industry and the

State Government, shortly. It is hoped that entrepreneurs having licences for establishing new units or for expansion of their existing units would now be able to obtain requisite financial assistance from financial institutions and implement their licences without undue delay.

Compulsory Education

134. SHRI D. P. JADEJA:

SHRI RAM LAL RAHI:

SHRI NAND KISHORE SHARMA:

SHRI KESHORAO PARDHI:

Will the Minister of EDUCATION AND SOCIAL WELFARE be pleased to state:

(a) whether Compulsory Education Act applies to all the States and Union Territories;

(b) if not, the names of the States which have not so far adopted it; and

(c) the reasons therefor and what steps Government are taking to implement it throughout the country?

THE MINISTER OF EDUCATION AND SOCIAL WELFARE (SHRI S. B. CHAVAN): (a), (b) and (c). There is no Central legislation on this subject. Such Acts have been enacted by 19 States/Union Territories. The following States/Union Territories have not enacted any such legislation:

Bihar, Manipur, Meghalaya, Nagaland, Sikkim, Tripura, Arunachal Pradesh, Dadra & Nagar Haveli, Goa, Daman & Diu, Mizoram, Lakshadweep and Pondicherry.

The reasons for not legislating on this subject have not been reported by them.

Change in Complexion of Food for Work Programme

135. SHRI D. P. JADEJA:

SHRI P. K. KODIYAN:

SHRI SURYA NARAYAN SINGH:

Will the Minister of RURAL RECONSTRUCTION be pleased to state:

(a) whether Government are considering to change the complexion of Food for Work Programme; and

(b) if so, the broad outlines of the new scheme?

THE MINISTER OF AGRICULTURE & RURAL RECONSTRUCTION AND IRRIGATION (SHRI BIRENDRA SINGH RAO): (a) The Food for work Programme has already been replaced by National Rural Employment Programme.

(b) A copy of the guidelines giving broad outlines of the scheme is enclosed.

Guidelines on National Rural Employment Programme—1980-81

The 'Food for Work' programme was conceived early in January 1977. Its main objectives to utilise available foodgrains for generating employment in rural areas and creating durable community assets in order to strengthen the rural infrastructure for socio-economic development.

2. In the implementation process of the programme during the last 3 years, a number of defects/shortcomings were noticed. It has, therefore, been suitably modified and restructured. The new programme will be known as the National Rural Employment Programme.

Objectives:

3. The programme will have three basic objectives as under:—

(i) generation of additional gainful employment for the unemployed and under-employed persons, both men and women, in the rural areas;