

**GOVERNMENT OF INDIA  
COMMERCE AND INDUSTRY  
LOK SABHA**

UNSTARRED QUESTION NO:4938  
ANSWERED ON:20.12.2002  
SPECIAL ECONOMIC PACKAGE TO INDUSTRIES  
BHAN SINGH BHAURA

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

e:

- (a) whether the Union Government have granted a special economic package for industries in the States of Jammu and Kashmir and Himachal Pradesh;
- (b) If so, the details thereof;
- (c) Whether the Government have received any request from the Punjab Government to accord same facilities on the same lines for three border districts of the State, namely Amritsar, Ferozepur and Gurdaspur; and
- (d) if so, the steps taken by the Government so far in that direction?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH)

(a) & (b): The Union Government have granted a Special Economic Package for industries for the state of Jammu and Kashmir vide O.M. No. 1(13)/2000-NER dated 14th June, 2002. The salient features of package are in Annexure-I. Consequent to the announcement made by the Prime Minister, a package for providing various fiscal incentives for the special category states of Himachal Pradesh and the state of Uttaranchal is under consideration.

(c) & (d) : A proposal for extending incentives for industries in the border districts of Punjab namely Amritsar, Ferozepur and Gurdaspur received from the Government of Punjab, was examined but it was not found feasible to accede to the same as special packages are being provided to special category states, which are hilly, remote and inaccessible.

Annexure

Statement referred to in reply of part (a) & (b) of Lok Sabha Unstarred Question No. 4938 for answer on 20.12.2002 tabled by Shri Bhan Singh Bhaura regarding Special Economic Package to Industries

Introduction : The Government of Jammu & Kashmir requested for a special package for development of industries in the state on the lines for the North East Industrial Policy. Keeping in view the fact that the State of Jammu & Kashmir lags behind in industrial development, need has been felt for structured interventionist strategies to accelerate industrial development of the state and boost investors' confidence.

Salient features of the package: New Industrial policy and other concessions for the state of J&K was issued on vide OM dated 14th June, 2002. The salient features of the package are :

` 100% excise duty exemption for a period of 10 years from commencement of commercial production to New industrial units and existing units on their substantial expansion The Notification regarding the Excise exemptions has been issued by the Ministry of Finance on 14th November, 2002.

` Capital Investment Subsidy @ 15% for investment in plant & machinery subject to a maximum of Rs.30 lakhs would be provided to all new units and the existing units on substantial expansion under the Central Capital Investment Subsidy Scheme, 2002 notified on 22nd October, 2002.

` Interest subsidy of 3% on working capital loan would be allowed to all new units and the existing units on substantial expansion under the Central Interest Subsidy Scheme, 2002 notified on 22nd October, 2002.

` The insurance premium to the extent of 100% on capital investment would be available to all new units and the existing units on substantial expansion under the Central Comprehensive Scheme, 2002 notified on 22.10.2002.

` The Income tax exemption would continue as per existing dispensation applicable to Jammu & Kashmir.

` The financing pattern of Integrated Infrastructure Development Centres between Govt of India and SIDBI will change from 2:3 to 4:1.

` Design-cum-Resource Centre for footwear and leather industry would be set up with the initial contribution of Govt. amounting to

Rs.1.00 crore.

` Ministry of Textile will extend their package of assistance as applicable to NER, to the State of J&K also.

Industries ineligible for concession under the package are cigarettes/cigars of tobacco, manufactured tobacco and substitutes, distillation/brewing of alcoholic drinks and manufacture of branded soft drinks.