

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1813

ANSWERED ON:10.12.2004

REBATE ON DUTIES

Chandel Shri Suresh;Chander Kumar Prof. ;Singh Smt. Pratibha

Will the Minister of FINANCE be pleased to state:

(a) whether a rebate in excise duty and other duties was announced initially for ten years for setting up industrial units in Baddi Industrial area with a view to develop Himachal Pradesh industrially but the period of rebate has been reduced this financial year to seven years;

(b) if so, the reasons therefor;

(c) whether the Ministry have received any request from the State Government of Himachal Pradesh for continuing the above facility upto a period of 10 years as before;

(d) if so, when and what action was taken in this regard; and

(e) if not, whether the Union Government will consider continuing the above facility for ten years as before?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

(a) Government had announced excise duty exemptions to new units or existing units undertaking substantial expansion in the State of Himachal Pradesh subject to certain conditions. The exemption is valid for a period of ten years from the date of commencement of commercial production by such units. Government has now provided that the exemption will apply only if the unit is set up or substantial expansion takes place on or before 31st March, 2007. However, the period of exemption under the scheme continues to be ten years from the date of start of commercial production by eligible units.

(b) Does not arise, in view of (a) above.

(c) Yes, sir.

(d)&(e) No further, change in the scheme is contemplated since all eligible units, that is to say new units which are set up or existing units which undertake substantial expansion on or before 31.3.2007, will continue to enjoy benefit of the exemption for a period of ten years from the date of start of commercial production.