

**GOVERNMENT OF INDIA
HOME AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:3538
ANSWERED ON:11.08.2015
Benefits for Entrepreneur in Border Areas
Brahmpura Shri Ranjit Singh

Will the Minister of HOME AFFAIRS be pleased to state:

- (a) whether the Government is planning to extend fiscal and monetary benefits to entrepreneurs interested to set up their units in the bordering areas of Punjab and Rajasthan;
- (b) if so, the details thereof;
- (c) whether the Government had extended similar benefits to the industrialists for setting up their units in Jammu and Kashmir and Himachal Pradesh;
- (d) if so, the details thereof; and
- (e) whether the Government has made an analysis of the total number of industries which have moved their base from normal category States to special category States due to such benefits extended and if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS
(SHRI KIREN RIJU)

(a) : There is no such proposal in the Ministry of Home Affairs.

(b) : Question does not arise.

(c) & (d) : (i) Ministry of Home Affairs does not extend fiscal and monetary benefits to any entrepreneur interested to set up their units. However, as per the information provided by the Department of Revenue, Ministry of Finance, exemption from excise duty is available to new units

-2/-

-2-

LS.US.Q.NO. 3538. For 11.08.2015

and units undertaking substantial expansion in the State of Jammu & Kashmir and Himachal Pradesh for a period of ten years from the date of commencement of commercial production. Cut-off dates for setting up or for substantial expansion of such units in the State of Himachal Pradesh was 31.03.2010. There is no cut-off date in the case of State of Jammu & Kashmir. These exemptions are based on a package of incentives under the Industrial Policies formulated by Department of Industrial Policy and Promotion (DIPP) for these States, and excise duty concession is one of the elements in such policies.

(ii) As per the information provided by DIPP, the Government is implementing a package of economic incentives for the special category States of Jammu & Kashmir, Himachal Pradesh and Uttarkhand under various schemes like Central Capital investment Subsidy Scheme, Central Interest Subsidy Scheme and Central Comprehensive Insurance Scheme since these States suffer from location disadvantages and topographical adversities. The present package extended to the States of Jammu & Kashmir, Uttarkhand and Himachal Pradesh is already a tapered one, intended only to consolidate the gains of the erstwhile Package.

(iii) As per the information provided by the Ministry of Micro, Small & Medium Enterprises (MSME), MSME is implementing a credit-linked subsidy programme namely Prime Minister's Employment Generation Programme (PMEGP) since 2008-09. Under PMEGP, general category beneficiaries can avail of margin money subsidy of 25% of the project cost in rural areas and 15% in urban areas. Beneficiaries belonging to Scheduled Castes, Scheduled Tribes, OBCs, Minorities, Women, Ex-Servicemen, Physically Handicapped, beneficiaries belonging to North Eastern Region, hill and border areas, etc., can avail the margin money subsidy of 35% in rural areas and 25% in urban area. The maximum cost of project is Rs. 25 lakh in the manufacturing sector and Rs. 10 lakh in the service sector.

(e) As per the information provided by the Department of Revenue, Ministry of Finance and DIPP, no such analysis has been made.
