

22.60 lakhs) for the period from 11.11.89 to 14th December, 1989 have been paid to World Bank in March, 1990 towards undischursed loan for the Kandla-Bhatinda Pipeline Project.

(c) The loan for Kandla-Bhatinda Pipeline project is likely to be utilised within about 40 months from the date of approval of the project by the Government. The project is still under consideration of the Government.

Bagasse Based Paper Plants

*831. SHRIBALASAHEB VIKHE PATIL: Will the Minister of INDUSTRY be pleased to state:

(a) the general economic viability of the Bagasse based paper plants for writing, printing, craft paper and low grammage paper;

(b) whether there is a persistent demand for providing more incentives for economic viability of the paper industry taking into consideration the expenditure involved in water pollution control measures in the paper industry;

(c) if so, the reaction of Government thereto; and

(d) the additional incentives proposed to be given to this industry in addition to the existing concessions/incentives?

THE MINISTER OF INDUSTRY (SHRI AJIT SINGH): (a) Economic viability of a bagasse-based pulp/paper project would differ from project to project. However, having regard to the availability of cellulosic raw materials resource constraints and foreign exchange savings etc., manufacture of pulp/paper from bagasse is considered desirable.

(b) to (d). Paper Industry, in its various representations to the Government, has been pleading for more fiscal concessions/incen-

tives. The suggestions made in the this behalf are kept in view by the Government while evolving policies for the long-term growth of the Paper Industry, from time to time. Some specific concessions/incentives that have been allowed are:

- i) Paper containing not less than 75% by weight of pulp made from bagasse, raw jute and mesta is exempt from excise duty;
- ii) Large/Medium/Small paper mills using ago-residue and other non-conventional raw materials at least upto 50% are charged excise duty at concessional rates;
- iii) The Paper and Paper Board Industry, based on agricultural residue, has been brought under the scheme of Minimum Economic Capacity, which has been fixed at 33,000 TPA.
- iv) Import of wood pulp, wood chips, logs and waste paper has been allowed under OGL at a nominal or low rate of customs duty;
- v) The non-MRTP/non-FERA companies have been exempted from obtaining industrial licence, provided the investment in the project is upto Rs. 50 crores if the unit is located in a Centrally declared backward area, or upto Rs. 15 crores, if the unit is located in non-backward area, subject to fulfilment of certain standard conditions.

Kharagpur-Digha Rail Line

*832. DR. DEBI PROSAD PAL: Will the Minister of RAILWAYS be pleased to state:

(a) whether there is a persistent public demand for completion of the railway line