

**paper Allotted to Hindustan Paper Corporation Ltd.**

8692. SHRI H.C. SRIKANTIAH: Will the Minister of INDUSTRY be pleased to state:

(a) the total quantity of paper allotted for supply to Karnataka at concessional prices during 1989 by the Hindustan Paper Corporation Ltd. and other Paper Mills;

(b) the total quantity of paper so far supplied;

(c) the names of the Paper Mills who have yet to supply the allotted quantity of paper to the State; and

(d) when the remaining quantity of paper will be supplied?

THE MINISTER OF INDUSTRY (SHRI AJIT SINGH): (a) to (d). As per the existing scheme of the Government, HPC is the only source of supply of subsidised white printing paper to the States/Union Territories for printing of text books etc. As against the total allotment of 5480 MTs of paper by the Department of Education during 1989 to the State of Karnataka, Hindustan Paper Corporation could supply about 1290 MTs of paper only. The shortfall in supply is due to certain difficulties faced by the Corporation. The Corporation has, however, been advised to make all possible efforts to complete the supplies.

[Translation]

**Dieselisation of N.G. Line Between Dhaulpur and Saramathra (CR)**

8693. SHRI THAN SINGH JATAV: Will the Minister of RAILWAYS be pleased to state:

(a) whether the trains hauled by steam

locomotives on Dhaulpur-Saramathra and Dhaulpur-Tantpur (Central Railway) Sections are incurring losses;

(b) whether a proposal to run diesel locomotives in place of steam locomotives is under Consideration of Government; and

(c) if so, when dieselisation of these trains running on the above lines is likely to be done?

THE MINISTER OF RAILWAYS (SHRI GEORGE FERNANDES): Train services on the branch line are incurring losses.

(b) and (c). All Narrow Gauge Steam Locomotives on Indian Railways are likely to be replaced by Diesel Engines by 1995-96, subject, however, to availability of funds and manufacturing capacity in Railway Production Units. In pursuance of this, Steam Locomotives on the Narrow Gauge Sections of Central Railway will be replaced as and when more Narrow Gauge Diesel Locomotives become available.

**Facilities to Small Industrial Units**

8694. SHRI BALESHWAR YADAV: Will the Minister of INDUSTRY be pleased to state:

(a) whether a demand has been made to provide some facilities to small industrial units as are being provided to the Khadi and Village Industries;

(b) if so, whether Government have considered this demand and taken any decision thereon; and

(c) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF INDUSTRY (SHRI AJIT SINGH): (a) Yes Sir. It was suggested that SSI units with investment in plant and

machinery of Rs. 5 lakhs or less may be segregated under SSI Sector, protected and encouraged by providing benefits which are available to Khadi and Village Industries.

(b) and (c). Already, smaller amongst the small scale units are being provided better relief in respect of interest rates chargeable and in the levy of Central excise duty.

Composite loans upto Rs. 25,000/- are advanced by the commercial banks at an interest rate of 10 per cent in backward areas and 12 per cent in non-backward areas to smaller units. Composite loans upto Rs. 50,000/- in tiny, cottage and village sectors are also charged concessional rates by term-lending institutions. Loans advanced by banks upto Rs. 2 lakhs are charged interest at a rate ranging between 12.5 and 14 per cent which is lower than the rate of interest exceeding this amount.

To provide additional support, several measures have been initiated in the recent past for augmentation of credit to the smaller amongst small scale units. A National Equity Fund was set up in 1987 for providing equity type support for new projects in tiny/small scale sector having project cost of Rs. 5 lakhs and located in a village town with population not exceeding 5,00,000. A single Window Scheme was introduced in 1988 under which tiny and small scale units whose project cost does not exceed Rs. 5 lakhs, are provided term loan for fixed assets as well as working capital loans. Besides providing term loan for fixed assets, SFCs/SIDCs would also provide to these SSI units working capital loan upto Rs. 2.5 lakhs.

There is full excise exemption for units having clearances upto Rs. 15 lakhs (Rs. 30 lakhs in case of units manufacturing goods falling under more than one Chapter heading of Central Excise Tariff). For clearances above Rs. 15 lakhs and upto Rs. 75 lakhs, normal duty is reduced by 10 percentage

points, subject to a minimum of 5% *ad valorem*. The full exemption limit of Rs. 15 lakh is proposed to be enhanced to Rs. 20 lakhs in the budget proposals for 1990-91 while the licensing limit is proposed to be raised from Rs. 10 lakhs to Rs. 15 lakhs.

It is the policy of the Government to give a separate package for Khadi and Village Industries.

### Allocation of Coal

8698. SHRI RAMESHWAR PATIDAR: Will the Minister of ENERGY be pleased to state:

(a) whether Government have any policy for allocation of coal to power plants in the country, if so, the criteria therefor; and

(b) the reasons for which coal is being transported to far flung power stations as against the Government policy of setting up major thermal-power projects in such areas of Madhya Pradesh where coal is found in abundance?

THE MINISTER OF ENERGY AND MINISTER OF CIVIL AVIATION (SHRI ARIF MOHAMMAD KHAN): (a) and (b). The allocation of coal to various thermal power plants in the country is decided upon by a Standing Linkage Committee (Long-Term) consisting of representatives from Department of Coal, Department of Power, Planning Commission, Ministry of Railways, Central Electricity Authority, Coal India Limited, Central Mine Planning and Design Institute etc. The supplies of coal to the Thermal Power Plants are planned taking into account factors like priority allotted to the power station by the Planning Commission, location of the plant, distance and mode of transportation from the coalfield and the development plan for the mine (s) from which coal could be supplied. To reduce the coal transportation