

commodities and programmes for development and post-harvest quality improvement for stabilizing market prices are also undertaken as part of approved development schemes.

Setting up of new industrial units

665. SHRI K.C. TYAGI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government has any proposal for setting up new industrial units in the country including backward districts of the country; and

(b) if so, the details thereof and the names of the locations proposed for the said units along with the time-limit within which these units are proposed to be set up?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a) and (b) The State Government is primarily responsible for industrial development in their State. The Union Government supplements their efforts through various schemes launched by it with a view to promote industrialization in industrially backward areas of the country.

To attract investments in the setting up of new industrial units, the Government has worked out Schemes for Special Category States and for the North Eastern Region. The details of the Scheme(s) are given in Statement-I and Statement-II respectively (*See below*).

Statement-I

I. North East Industrial and Investment Promotion Policy (NEIIPP), 2007

- 1.1 With a view to give a further boost to industrialization in the North Eastern Region, the erstwhile North East Industrial Policy (NEIP), 1997 was revised and a new policy, namely North East Industrial & Investment Promotion Policy (NEIIPP) 2007, was notified *w.e.f.* 1.4.2007 which will remain in force up to 31.03.2017. Benefits under NEIIPP, 2007 have also been extended, for the first time, to the select Service Sector units, Bio-technology units and Power Generating units (up to 10 MW), besides industries in the manufacturing Sector. This policy replaces the erstwhile NEIP, 1997.
- 1.2 NEIIPP, 2007 is applicable to all industrial units (barring the units producing tobacco and manufactured tobacco substitutes, pan masala and plastic carry bags of less than 20 microns, refineries and units engaged in peripheral

activities like preservation during storage, cleaning operations, packing, re-packing, labeling or re-labeling, sorting, alteration of retail sale price etc.).

1.3 NEIIPP, 2007 covers the entire North East Region comprising States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and Sikkim.

1.4 Benefits available under the policy are:

- **Central Capital Investment Subsidy Scheme, 2007:-** The Scheme provides for subsidy @ 30% of the investment in plant and machinery or additional investment in Plant and Machinery by way of substantial expansion to all new units as well as existing units which go in for substantial expansion.
- **Central Interest Subsidy Scheme:-** The Scheme provides for interest subsidy @ 3% on the working capital loan availed by an eligible unit from scheduled banks or Central/State financial institutions for a maximum period of 10 years from the date of commencement of production.
- **Central Comprehensive Insurance Scheme:-** The Scheme provides for reimbursement of 100% insurance premium for a maximum period of 10 years from the date of commencement of production.

1.5 North Eastern Development Finance Corporation (NEDFC), Guwahati is the nodal agency for disbursal of subsidies under various subsidy schemes of NEIIPP, 2007.

1.6 Under NEIIPP, 2007, since inception ₹ 971.04 crores have been released to the States of NER (upto 25.02.2016) out of which an amount of ₹149.99 crores during 2013-14 and ₹221.90 crores during 2014-15 have been released.

1.7 **Suspension of fresh registration under NEIIPP:**

The anticipated liabilities under the scheme in the current FY 2015-16 are to be around ₹720.10 crore. DIIPP has incurred liabilities far in excess of the Plan outlay. In view of the resource crunch and to curtail further liabilities under the scheme, fresh registrations under NIIPP have been suspended *w.e.f.* 1.12.2014. It has, however, been clarified that the scheme has neither been withdrawn nor discontinued.

II. Transport Subsidy Scheme (TSS,1971)/ Freight Subsidy Scheme (FSS), 2013:

- 2.1 The Transport Subsidy Scheme (TSS) was introduced on 23.7.1971 to develop industrialization in the remote, hilly and inaccessible areas. The scheme is applicable to all industrial units (barring plantations, refineries and power generating units both in public and private sectors irrespective of their size). Under the scheme, transportation cost on movement of raw material/ finished goods to and from the location of the unit to the designated rail head is reimbursed for a period of 5 years from the date of commencement of commercial production.
- 2.2 Transport Subsidy Scheme has been modified and notified as "Freight Subsidy Scheme (FSS) - 2013, w.e.f. 22.1.2013. Salient features of this Scheme are as follows:
 - (i) Definition of 'manufacturing activity' adopted from the Union Budget 2009-10;
 - (ii) Subsidy on transportation of fly ash disallowed;
 - (iii) Sunset clause introduced so that the Scheme terminates after 5 years from its date of notification;
 - (iv) Provision for subsidy for an additional period of 5 years to MSME; and
 - (v) Plantations, Refineries, Power generating units, Coke (including Calcined Petroleum Coke) industry and the units producing tobacco and manufactured tobacco substitutes, pan masala and plastic carry bags of less than 20 microns have been placed in the negative list.
- 2.3 The scheme covers eight States of the North East, Himachal Pradesh, Jammu & Kashmir, Uttarakhand, Andaman & Nicobar Administration, Lakshadweep Administration and Darjeeling District of West Bengal.
- 2.4 The disbursement of subsidy to the eligible industrial units in the States is made through the nodal agencies appointed for the purpose. These are:
 - (i) North East Development Financial Corporation (NEDFC), Guwahati for the eight states of North Eastern Region;
 - (ii) JKDFC for Jammu & Kashmir;

(iii) Himachal Pradesh State Industrial Development Corporation (HPSIDC) for Himachal Pradesh;

(iv) State Infrastructure & Industrial Development Corporation of Uttarakhand Ltd. (SIIDCUL) for Uttarakhand.

The disbursement of subsidy to the industrial units in the Union Territories is made through the UTs Administrations. In Darjeeling district of West Bengal, the disbursement of subsidy is made through State Government of West Bengal.

2.5 Under TSS, 1971, since inception an amount of 3416.84 crore (approx.) has been released to the States/UTs. 220.00 crore during 2013-14 and 124.49 crores during FY 2014-15 were released.

Statement-II

Brief Note on important issues in respect of the schemes being implemented by the Special Package

Jammu and Kashmir

New Industrial policy and other concessions for the State of J&K were introduced by the DIPP on 14th June, 2002 for a period of ten years. The incentives/concessions provided for industrial development in the State are (i) Central Capital Investment Subsidy Scheme, 2002; (ii) Central Interest Subsidy Scheme, 2002; (iii) the Central Comprehensive Insurance Scheme, 2002; (iv) 100% Income tax exemption allowed to all new units for initial period of 5 years and thereafter, 30% for Companies and 25% for units other than Companies, for a further period of five years, under Section 80- IB of Income Tax Act, 1961 and (v) Excise Duty exemption. The package of incentives for the State of J&K expired on 14th June, 2012. However, the package has been extended for a further period of five years *w.e.f.* 15.06.2012 to 14.06.2017 with certain modifications. The new package provides the following incentives:-

1. **Central Capital Investment Subsidy Scheme:** All new industrial units and existing industrial units on their substantial expansion, would be eligible for Capital Investment Subsidy @ 15% of the investment of Plant & Machinery, subject to a ceiling of 30 lakh. Micro, Small and Medium enterprises would be eligible for Capital Investment Subsidy of 30% of the investment of plant & machinery, subject to ceiling of 3.00 crore and 1.50 crore for manufacturing and service sector respectively.

2. **Central Interest Subsidy Scheme:** An interest subsidy of 3% on the average of daily working capital loan would be provided to all new industrial units for a period of five years from the date of commencement of commercial production.
3. **Central Comprehensive Insurance Subsidy Scheme:** An Insurance subsidy to the extent of 100% would be admissible during the extended package to all new units and to the existing units on substantial expansion for a period of five years from the date of commencement of commercial production.

Progress made

As per the reports received from the State Government, 10600 units were set up involving an investment of 4219.501 crore which generated employment of 107541 persons since inception of the scheme in the State.

Himachal Pradesh and Uttarakhand

New Industrial policy and other concessions for the States of Himachal Pradesh and Uttarakhand were introduced by the DIPP on 7th January, 2003 for a period of ten year from 7.1.2003 to 6.1.2013. Details of incentives/concessions provided for industrial development in the States are (i) Central Capital Investment Subsidy Scheme, 2003; (ii) 100% income tax exemption for an initial period of five years and thereafter 30% for companies and 25% for other than companies for a further period of five years under Section 80-C of Income Tax Act, 1961 and (iii) Central Excise Duty exemption: 100% exemption on outright basis to the industrial units set up or expanded in these States was available till 31.03.2010. The scheme expired on 06.01.2013. However, Package has been further extended during the 12th Plan period for a further period *w.e.f.* 07.01.2013 to 31.03.2017. The new package includes the following:-

Central Capital Investment Subsidy Scheme 2013. All new industrial units and existing industrial units on their substantial expansion, would be eligible for Capital Investment Subsidy @ 15% of the investment of Plant & Machinery subject to a ceiling of 30 lakh. Micro, Small and Medium enterprises would be eligible for Capital Investment Subsidy of 15% of the investment in plant & machinery subject to a ceiling of 50 lakh.

Progress Made

As per the reports received from the Himachal Pradesh Government, 10864 units with an investment of 15324.25 crore were set up in the State, since inception of the scheme. This has led to generation of employment for 129443 persons.

As per the reports received from the Uttarakhand Government, 30244 units with an investment of 35343.41 crore were set up in the State, since inception of the scheme. This has led to generation of employment for 245573 persons.

Withdrawal of incentives on silk exports

666. SHRIMATI RENUKA CHOWDHURY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether Government has withdrawn the incentives on silk exports under the new export-import policy;
- (b) if so, the details thereof along with the reasons therefor; and
- (c) the fresh steps taken by Government to protect the interests of country's silk exporters which create huge employment opportunities to craftsmen and artisans?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a) and (b) The Government has not withdrawn the incentives on silk exports under the new export-import policy.

₹

(c) The Merchandise Exports from India Scheme (MEIS) under the Foreign Trade Policy 2015-2020 notified on 01.04.2015. Under the scheme, many silk products as notified *vide* Public Notice No. 2 dated 01.04.2015 are eligible for rewards on their export. Further *vide* Public Notice No. 27 dated 14.07.2015 and Public Notice No. 44 dated 29.10.2015, the rates, if it is a handicraft item, and country coverage of certain silk products were enhanced. MEIS list includes 21 Tariff lines relating to silk sector. Certain handloom products of silk like scarves, other furnishing articles etc. have been given higher rate of incentive @ 5% keeping in view its high employment generating potential. Duty Credit Scrips are granted under MEIS as rewards to silk products, irrespective of variety, for their export in the notified markets at notified rates. The rewards under MEIS are available to both manufacturer as well as Merchant exporters.

Licences to A.P. through Patents Act for BT cotton seed production

667. SHRI MOHD. ALI KHAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether Government is aware that Guntur District, Andhra Pradesh is famous for the production of cotton in the country, if so, the details thereof; and
- (b) whether the Government of Andhra Pradesh has sent any proposal to grant