

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3434
ANSWERED ON:20.08.2004
EXCISE EXEMPTION FOR KUTCH DISTRICT
Gadhavi Shri Pushpdan Shambhudan

Will the Minister of FINANCE be pleased to state:

- (a) whether the State Government of Gujarat has made representation to the Union Government several times to extend excise exemption to Kutch district till December 31,2006;
- (b) if so, the Government's reaction thereto;
- (c) whether the matter is under consideration; and
- (d) if so, the likely time by which a decision will be taken?

Answer

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

- (a) Yes, Sir.
- (b) Initially, the exemption was made applicable for setting up of new units on or before 31st July, 2003. However, on request of the Government of Gujarat, the period was extended twice, first from 31st July 2003 to 31st July, 2004, and then upto 31st December, 2004. As the purpose of the exemption was to attract immediate fresh investment, the requests for extending the period beyond 31.12.2004 were not agreed to, as it would have defeated the very purpose of the exemption.
- (c) No, Sir. There is no change in the position of the Government.
- (d) Does not arise in view of (c) above.