

**GOVERNMENT OF INDIA  
COMMERCE AND INDUSTRY  
LOK SABHA**

UNSTARRED QUESTION NO:2635  
ANSWERED ON:04.12.2007  
INTEREST FREE LOAN TO INDUSTRIAL BACKWARD DISTRICTS  
Owaisi Shri Asaduddin

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

- (a) whether the Government has given concession/ special packages and interest free loans to industrial backward districts in the country;
- (b) if so, since when these concessions/special packages are under implementation and the duration thereof;
- (c) whether after giving concessions in taxes/special packages, interest free loans to State Governments to develop these districts, there has been any improvement in industrialization of these districts;
- (d) if so, the details thereof;
- (e) if so, whether growth center promotion scheme has shown fruitful results; and
- (f) if so, the extent to which the present policy of the Government has help in the industrialisation of backward districts in the country and the future strategy adopted or likely to be adopted by the Government during 11th plan period for industrialisation of backward districts in the country?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR)

(a) & (b): Government has been providing a package of economic incentives by way of subsidy and tax concessions to the North Eastern Region including the State of Sikkim and to the Special Category States of Jammu & Kashmir, Himachal Pradesh and Uttarakhand. The North East Industrial Policy was under implementation since 1997 till 31st March, 2007 i.e. for 10 years. Subsequently, the scheme got modified as North East Industrial and Investment Promotion Policy and is under implementation since 1st April, 2007. The Scheme of Special Package for Special Category States has been announced for the States of Jammu & Kashmir (J&K) in the year 2002, Himachal Pradesh (HP) and Uttarakhand in the year 2003.

(c) & (d): The district-wise details are not available, however, as per the report submitted by the State Governments, investment and employment for States of Uttarakhand, HP & J&K are as follows:-

State Investment Employment

Uttarakhand	Rs.7119 crores	88,000 persons
	(upto September, 2007)	(upto September, 2007)
Himachal Pradesh	Rs.3064 crores	47,435 persons
	(upto September 2007)	(upto September, 2007)
Jammu & Kashmir	Rs.1364 crores	34,139 persons
	(upto March, 2007)	(upto June, 2007)

The details of investment made and employment generation in the North-Eastern region after announcement of North East Industrial Policy (NEIP), 1997 on 24/12/1997 as assessed by the Tata Economic Consultancy Services (TECS) and currently available is as under :

(upto September, 2004)

State	Investment	Direct Employment
	(Rs. In crores)	Generated

Assam	528.19	12,422
Meghalaya	441.01	6,056
Arunachal Pradesh	39.86	577
Tripura	31.58	665
Nagaland	19.64	439

Mizoram	4.00	300
Manipur	3.00	250
Total	1,067.28	20,709

(e): In a sample evaluation of the Growth Centre Scheme conducted by the Planning Commission and subsequent impact evaluation study by National Productivity Council, it was indicated that the scheme had largely failed to achieve its objectives. This Department in consultation with Planning Commission has decided to discontinue the scheme.

(f): After the announcement of New Industrial Policy in 1991, decisions for investment have been left to the commercial judgment of the entrepreneurs, which in turn, depend on the initiatives of the State Governments in creating conducive environment by way of providing infrastructure facilities and other initiatives. The Central Government provides help and guidance and supplements the efforts of the State Governments.