

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

STARRED QUESTION NO:238
ANSWERED ON:20.07.2009
ACTION PLAN FOR DEVELOPMENT OF BACKWARD REGIONS
Thakur Shri Anurag Singh

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

- (a) whether the Government is aware of the regional imbalances in respect of industrial development amongst various States;
- (b) if so, the details thereof alongwith the reasons therefor;
- (c) whether the Government has conducted any survey/study of the industrially backward regions in the country;
- (d) if so, the details thereof, State-wise;
- (e) whether the Government has drawn any Centrally Sponsored Scheme for the development of such backward regions; and
- (f) if so, the details thereof?

Answer

THE MINISTER OF COMMERCE AND INDUSTRY(SHRI ANAND SHARMA)

(a) to (f): A Statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (f) of Lok Sabha Starred Question No. 238 to be answered on 20.07.2009 regarding Action Plan for Development of Backward Regions

(a) & (b): The list of Industrial Investment proposals filed state-wise from 1991 to May 2009 is placed at Annexure-I. Industrial Investments in the present policy regime are essentially made by entrepreneurs, businesses and enterprises. These decisions are based on a large number of parameters like market, availability of raw material, availability of human skills, infrastructure, incentives etc. Government's role is of a facilitator and promoter. The primary responsibility of industrial development is of the State Governments and the Central Government supplements and complements this effort.

(c) & (d): The Government of India had set up a study group in 1993 to identify the industrially backward districts to provide fiscal support. Based on the recommendations of the study group, the Government of India notified on 7th October, 1997, a list of 123 industrially backward districts in various States to avail benefits under Section 80-IA of the Income Tax Act, 1961 (43 of 1961). List is at Annexure II. The scheme ended in 2004. The reasons for industrial backwardness in these regions are poor infrastructure, inaccessible markets, poor resource base etc. No study has been conducted so far for identifying industrially backward States.

(e) & (f): In a deregulated industrial environment investment decisions are taken by entrepreneurs. The State Governments promote industrial development and investment. The Central Government through various policy initiatives has been improving the overall investment climate. The Government of India is implementing package of incentives for the special category States of Jammu & Kashmir, Himachal Pradesh, Uttarakhand and the States of the North East i.e. Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura as detailed in Annexure-III as Centrally Sponsored Schemes.

Statement referred to in reply to parts (a) to (f) of Lok Sabha Starred Question No. 238 to be answered on 20.07.2009 regarding Action Plan for Development of Backward Regions

List of 123 districts notified by the Ministry of Finance on 7th October, 1997 as industrially backward districts for the purpose of benefits under Section 80-IA of the Income Tax Act, 1961 [w.r.t. Parts (c) & (d) of the Question].

CATEGORY `A` INDUSTRIALLY BACKWARD DISTRICTS

Sl. No. District State

1. Godda Bihar
2. Gumla Bihar
3. Araria Bihar
4. Madhepura Bihar
5. Dumka Bihar
6. Khagaria Bihar
- 7 Kishanganj Bihar
8. Palamau Bihar
9. Madhubani Bihar
10. Jehanabad Bihar
11. Saharsa Bihar
12. Nawadah Bihar
13. Sitamarhi Bihar
14. Sahebganj Bihar
15. Aurangabad Bihar
16. East Champaran Bihar
17. Purnia Bihar
18. Siwan Bihar

19. Vaishali Bihar
20. Lohardagga Bihar
21. The Dangs Gujarat
22. Wayanad Kerala
23. Idukki Kerala
24. Mandla Madhya Pradesh
25. Panna Madhya Pradesh
26. Bastar Madhya Pradesh
27. Sarguja Madhya Pradesh
28. Chhatarpur Madhya Pradesh
29. Gadchiroli Maharashtra
30. Phulbani Orissa
21. Kalahandi Orissa
32. Jalore Rajasthan
33. Barmer Rajasthan
- 34 Jaisalmer Rajasthan
- 35 Churu Rajasthan

- 36 Banswara Rajasthan
- 37 Sidharthanagar Uttar Pradesh
- 38 Bahraich Uttar Pradesh
- 39 Pratapgarh Uttar Pradesh
- 40 Maharajganj Uttar Pradesh
- 41 Banda Uttar Pradesh
- 42 Basti Uttar Pradesh
- 43 Chamoli Uttar Pradesh
- 44 Uttarkashi Uttar Pradesh
- 45 Almora Uttar Pradesh
- 46 Pithoragarh Uttar Pradesh
- 47 Tehri Garhwal Uttar Pradesh
- 48 Malda West Bengal
- 49 West Dinajpur West Bengal
- 50 Murshidabad West Bengal
- 51 Cooch Behar West Bengal
- 52 Bankura West Bengal

B. CATEGORY 'B' INDUSTRIALLY BACKWARD DISTRICTS

Sl. No. District State

1. Srikakulam Andhra Pradesh
2. Mahbubnagar Andhra Pradesh
3. Katiyar Bihar
4. Bhagalpur Bihar
5. Gopalganj Bihar
6. Darbhanga Bihar
- 7 West Champaran Bihar
8. Saran Bihar
9. Bhojpur Bihar
10. Samastipur Bihar
11. Deoghar Bihar
12. Nalanda Bihar
13. Gaya Bihar
14. Muzaffarpur Bihar
15. Rohtas Bihar
16. Banaskantha Gujarat

17. Sabarkantha Gujarat
18. Bidar Karnataka
19. Seoni Madhya Pradesh
20. Tikamgarh Madhya Pradesh
21. Shivpuri Madhya Pradesh
22. Balaghat Madhya Pradesh
23. Jhabua Madhya Pradesh
24. Sidhi Madhya Pradesh
25. Vidisha Madhya Pradesh
26. Raigarh Madhya Pradesh
27. Morena Madhya Pradesh
28. Betul Madhya Pradesh
29. Rajgarh Madhya Pradesh
30. Rajnandgaon Madhya Pradesh
31. Sagar Madhya Pradesh
32. Beed Maharashtra
33. Bolangir Orissa

34. Mayurbhanj Orissa
35. Balasore Orissa
36. Ganjam Orissa
37. Dungarpur Rajasthan
38. Dholpur Rajasthan
39. Sawai Madhopur Rajasthan
40. Tonk Rajasthan
41. Nagaur Rajasthan
42. Jhalawar Rajasthan
43. Sikar Rajasthan
44. Hardoi Uttar Pradesh
45. Lalitpur Uttar Pradesh
46. Hamirpur Uttar Pradesh
47. Badaun Uttar Pradesh
48. Fatehpur Uttar Pradesh
49. Azamgarh Uttar Pradesh
50. Etah Uttar Pradesh

51. Barabanki Uttar Pradesh
52. Etawah Uttar Pradesh
53. Deoria Uttar Pradesh
54. Ghazipur Uttar Pradesh
55. Ballia Uttar Pradesh
56. Jaunpur Uttar Pradesh
57. Sitapur Uttar Pradesh
58. Jalaun Uttar Pradesh
59. Unnao Uttar Pradesh
60. Faizabad Uttar Pradesh
61. Dehat Kanpur Uttar Pradesh
62. Mainpuri Uttar Pradesh
63. Gonda Uttar Pradesh
64. Farukhabad Uttar Pradesh
65. Sultanpur Uttar Pradesh
66. Mirzapur Uttar Pradesh
67. Mau Uttar Pradesh

68. Purulia West Bengal

69. Birbhum West Bengal

70 Midnapore West Bengal

Annexure-III

Statement referred to in reply to parts (a) to (f) of Lok Sabha Starred Question No.238 regarding Action Plan for Development of Backward Regions to be answered on 20.07.2009

DETAILS OF THE PACKAGE OF INCENTIVES FOR SPECIAL CATEGORY STATES [w.r.t. Parts (e) & (f) of the Question]

1. The following incentives are being offered to the State of Jammu & Kashmir since 14.6.2002 and the States of Himachal Pradesh and Uttarakhand since 7.1.2003:

- # Capital Investment Subsidy @15% of investment of plant and machinery subject to a ceiling of Rs.30 lakh;
- # Interest Subsidy @ 3% on working capital loan for J&K only;
- # Comprehensive Insurance subsidy of 100% on capital investment for J&K only;
- # 100% excise duty exemption with a sunset clause for Himachal Pradesh and Uttarakhand upto 31-3-2010; and
- # 100% Income Tax exemption for first five years and thereafter @30% for Companies and @25% for other than companies for next five years.

2. The incentive package scheme for the North Eastern States which was being implemented since 1997 has been re-introduced as the North East Industrial and Investment Promotion Policy (NEIIPP) 2007 w.e.f. 1.4.2007. The new scheme covers, besides the States of North East i.e. Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura, the State of Sikkim also and extended benefits to the service sector, bio-technology sector and power generation sector upto 10MW. The norms for substantial expansion were relaxed and capital investment subsidy was enhanced from 15% to 30% without any ceiling. The new scheme offers the following special incentives:

- # Capital Investment Subsidy @ 30% of the value of plant and machinery, without any upper ceiling;
- # Interest subsidy @ 3% on working capital loan;
- # Comprehensive Insurance subsidy of 100% on capital investment;
- # 100% excise duty exemption; and
- # 100% Income Tax exemption.

3. The above incentive packages are admissible for a period of ten years.

4. The Government is also providing Transport Subsidy to industrial units in the above mentioned States.