

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:2588
ANSWERED ON:17.08.2011
SPECIAL INDUSTRIAL PACKAGE
Ponnam Shri Prabhakar

Will the Minister of PLANNING be pleased to state:

- (a) whether the Government has any proposal to provide some special industrial packages to some States like Andhra Pradesh and Jammu and Kashmir;
- (b) if so, the details thereof alongwith the funds proposed to be provided in this regard;
- (c) whether any such package has been provided to these States during the last three years; and
- (d) if so details thereof along with the funds released?

Answer

MINISTER OF STATE FOR PLANNING, SCIENCE & TECHNOLOGY AND EARTH SCIENCES (DR. ASHWANI KUMAR)

(a): The Government is providing a package of incentives to eligible industrial units in the State of Jammu and Kashmir in view of the special situation in this State. However, there is no proposal to provide a Special Industrial Package to Andhra Pradesh.

(b) & (c): Incentives being provided in the State of J & K includes (i) Central Capital Investment Subsidy (ii) Central Interest Subsidy (iii) Central Comprehensive Insurance Subsidy (iv) Central Excise Duty Exemption & (v) Income Tax Exemption. These incentives are being provided in the State of J&K since 14th June, 2002.

BRIEF ON PACKAGE FOR SPECIAL CATEGORY STATE OF J&K

The schemes for boosting industrialization in the Special Category State of Jammu & Kashmir, was announced on 14.06.2002 in order to provide incentives to the new industrial units as well as the existing industrial units in the State on the substantial expansion of their activities after introduction of the scheme. This is a Centrally Sponsored Scheme and major components of the schemes are:

Jammu & Kashmir

(i) Central Capital Investment Subsidy Scheme: @15% of investment of plant and machinery subject to a ceiling of Rs.30lakh for a period of 10 years till 14.06.2012. However, with effect from 06.01.2011, Central Capital Investment Subsidy has been enhanced to 30% of investment in plant and machinery to industrial units in Micro, Small and Medium Enterprises sector commencing commercial production or becoming operational/functional, as the case may be on or after 06.01.2011 in respect of new units or additional such investment in respect of first and every subsequent substantial expansion, subject to a ceiling of Rs.3.00crore and Rs.1.5 crore for manufacturing and service sector respectively. This benefits will be available till the existing scheme is in operation i.e. 14.06.2012.

ii) Central Interest Subsidy Scheme : @ 3% on the working capital loan for a period of 10 years till 14.06.2012;

iii) Central Comprehensive Insurance Scheme: 100% on capital investment for a period of 10 years till 14.06.2012;

iv) Central Excise Duty exemption: 100% exemption with CENVAT benefit for a period of 10 years; and

v) Income Tax exemption: 100% exemption for new industrial units for a period of 10 years till 31.3.2012.

Implementing agencies

Jammu & Kashmir Development Finance Corporation Ltd. (JKDFC) has been notified as the Nodal Agency for routing the disbursal of subsidy to the eligible industrial units in the state of Jammu & Kashmir.

(d): Details of funds released during the last 3 years.

(Rupees in crores)

Name of the State Scheme 2008-09 2009-10 2010-11 Total

Jammu & Kashmir	Central	NIL	NIL	5.00	5.00
Capital					
Investment					
Subsidy					
Scheme					

Central	11.57	12.00	18.01	41.58
Interest				
Subsidy				
Scheme				

Comprehensive	NIL	NIL	0.13	0.13
Insurance				
Scheme				

J & K	2.86@	NIL	1.80	4.66
Entre-				
preneurshiP				
Development				
Institute				

Total	14.43	12.00	24.94	51.37+
	50.00			
	(Equity			
	Share) #			

A sum of Rs.50.00 crore was released to Jammu & Kashmir Development Finance Corporation Ltd. (JKDFC) as equity share.