

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:2139
ANSWERED ON:05.12.2014
SPECIAL ASSISTANCE TO STATES
Goud Dr. Boora Narsaiah;Reddy Shri Midhun

Will the Minister of PLANNING be pleased to state:

- (a) the criteria laid down for according special category status to a State and the details of States/ UTs, which have been conferred with such status;
- (b) the nature of assistance given to the States under the Special Category Status;
- (c) whether representations/demands have been received from various States, including new State of Andhra Pradesh and Telangana for according this status, if so, the reaction of the Government thereto;
- (d) whether the Government also proposes to accord 'Tax Holiday' in the State of Andhra Pradesh and Telangana to attract new investment and if so, the details there of; and
- (e) the time by which a final decision is likely to be taken by the Government in this regard?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MINISTRY OF PLANNING AND MINISTER OF STATE FOR DEFENCE
(RAO INDERJIT SINGH)

(a): Special Category Status for plan assistance has been granted in the past by the National Development Council (NDC) to some States that are characterized by a number of features necessitating special consideration. These features include:

(i) hilly and difficult terrain, (ii) low population density and / or sizeable share of tribal population, (iii) strategic location along borders with neighbouring countries, (iv) economic and infrastructural backwardness and (v) non-viable nature of state finances.

At present 11 States have been conferred with Special Category Status. These are Arunachal Pradesh, Assam, Himachal Pradesh, Jammu & Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura and Uttarakhand.

(b): The nature of assistance for Special Category States is as follows:

(i) A major portion of the Normal Central Assistance (56.25%) is distributed to eleven Special Category States and the remaining (43.75%) among eighteen General Category States, (ii) Only Special Category States receive Special Plan Assistance (for projects) (90% grant) and Special Central Assistance grants (untied) (100% grant), (iii) The assistance for Externally Aided Projects (EAPs) flows to Special category States as 90 per cent grant whereas for General Category States, it flows as back-to-back loans, (iv) The state share in Centrally Sponsored Schemes is usually lower for Special Category States, especially the States of North East region as compared to General Category States.

(c) to (e): Representations/ demands have been received for grant of Special Category Status from Bihar, Odisha, Rajasthan, Jharkhand, Andhra Pradesh, Telangana and Chhattisgarh.

On earlier requests from the Governments of Jharkhand, Odisha & Rajasthan, it was conveyed in the year 2013 that they did not meet fully the existing NDC criteria for Special Category Status. In case of Bihar, an Inter-Ministerial Group (IMG) also came to a similar finding, but no decision has yet been communicated to Bihar. Recently, representations/ demands have been received again from Odisha, Rajasthan, Jharkhand & Bihar, as well as from Chhattisgarh, Telangana and Andhra Pradesh. These demands are under consideration.

The issue of tax incentives to State of Andhra Pradesh and Telangana would be considered as per the provisions under Section 94 (I) of Andhra Pradesh Reorganisation Act, 2014.