

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

UNSTARRED QUESTION NO:758
ANSWERED ON:25.07.2003
INDUSTRIAL GROWTH AMONG STATES
VSM (RETD.) COL. CHOUDHARY

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

- (a) whether the Government have taken note of wide disparity/gap of industrial backwardness amongst various States in the country;
- (b) if so, the States which are lagging far behind in industrial growth and main reasons therefor;
- (c) the industrial growth of each State during Ninth Plan period, year-wise and State-wise;
- (d) the steps taken/proposed to be taken by the Government to give boost for industrial growth of industrially backward States; and
- (e) the financial/technical assistance provided to each State during the Ninth Plan period, Scheme-wise?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI CH. VIDYASAGAR RAO)

(a) to (d): After the announcement of the New Industrial Policy in 1991, Licences are not required from the Central Government to set up industries except in few specified sectors. Investment decisions on locations are primarily based on the commercial perception of the entrepreneurs and guided by availability of quality infrastructure, responsiveness and incentives offered by the State Governments which ultimately affect the rate of return on investment. Promotion of industrial development in backward areas is primarily dependent on the initiative of the State Government. The Union Government supports the State's efforts through various Schemes/incentives like Growth Centre Scheme, Transport Subsidy Scheme, etc. Further, Central Government, in the Ninth Plan, introduced Capital Investment Subsidy Scheme, Central Interest Subsidy Scheme, Comprehensive Insurance Scheme for accelerating industrialization in the North Eastern region. This package has been extended to the States of Jammu & Kashmir, Himachal Pradesh, Sikkim, Uttaranchal also.

There are Schemes being implemented by other Ministries like Integrated Infrastructure Development Scheme (IID) and National Programme of Rural Industrialization (NPRI) being implemented by Ministry of Small Scale Industries and Ministry of Agro and Rural Industries respectively for development of backward areas. Ministry of Finance, Department of Revenue had notified 123 industrially backward districts in the country for grant of concession under the Income Tax Act, 1961. Also, under Section 80-IB of the Income Tax Act, industrial undertakings are entitled to a 100% tax holiday for a period of five years in Category A industrially backward districts and three years tax holiday in Category B districts. Such industrial undertakings in both categories of districts are entitled to a further deduction of 25% (30% in the case of companies) from their profits and gains for a period of another five years. A list of States listed as Industrially Backward in the Eighth Schedule of the Income Tax Act, 1961 is placed at annexure-I. The details on industrial growth of each State during Ninth Plan period are being collected.

(e) A statement on financial assistance provided to each State under the Schemes for development of backward areas by this Ministry are enclosed at Annexure-II.

Annexure- I

ANNEXURE REFERRED TO IN REPLY TO LOK SABHA UNSTARRED QUESTION NO. 758 FOR ANSWER ON 25-7-2003.

List of States listed as Industrially Backward in the Eighth Schedule of the Income Tax Act, 1961:

1. Arunachal Pradesh
2. Assam
3. Goa
4. Himachal Pradesh

5. Jammu & Kashmir
6. Minipur

- 7 Meghalaya

8. Mizoram

9. Nagaland
10. Sikkim
11. Tripura
12. Andaman & Nicobar
13. Dadar & Nagar Haveli
14. Daman & Diu
15. Lakshadweep
16. Pondicherry

Annexure-II

ANNEXURE REFERRED TO IN REPLY TO LOK SABHA UNSTARRED QUESTION NO. 758 FOR ANSWER ON 25-7-2003.

STATE-WISE RELEASES OF FUND TO THE STATES/UTs UNDER THE CENTRALLY SPONSORED SCHEMES (CSS)

Transport Subsidy Scheme, 1971

(Rs. in lakhs)

Sl. No Name of the State/UT 1997-98 1998-99 1999-2000 2000-01 2001-02

1. Assam	2548.61	1250.53	1195.24	4252.04#	6583.19#
2. Manipur	18.96	24.42	4.01		
3. Tripura	78.19	51.40	26.19		
4. Ar. Pradesh	1243.55	277.21	606.46		
5. Meghalaya	506.55	127.45	703.96		
6. Nagaland	970.01	1169.19	649.02		
7. Mizoram	-	103.29	347.22		
8. Sikkim	129.82	-	-	-	69.59
9. Himachal Pradesh	824.77	4814.06	4650.79	4037.88	2238.23
10. J & K	138.62	594.51	280.23	275.86	69.54
11. UP (now Uttaranchal)	0.92	45.13	-	0.76	-
12. A & N Islands	-	-	33.46	3.19	
13. Lakshadweep	-	-	-	-	
14. West Bengal (Darjeeling)	-	42.82	36.88	-	36.26
TOTAL	6460.00	8500.00	8500.00	8600.00	9000.00

From May, 2000, NEDFi has been designated as the nodal agency for disbursement of subsidy to eligible units in North Eastern Region (S.No.1-7) and accordingly funds are released in favour of NEDFi. Details of disbursements made by NEDFi are given in the statement enclosed.

DETAILS OF DISBURSEMENT MADE BY NEDFI (Rs. in crore)

Sl.No Name of the State 1999-2000 2000-01 2001-02

1.Arunachal Pradesh - - 1.98

2.Assam - 16.69 17.97

3.Manipur - - -

4.Meghalaya - 2.62 10.13

5.Mizoram - - 4.35

6.Nagaland - - 5.65

7.Tripura - 0.69 0.19

Total - 20.00 40.27

CENTRAL CAPITAL INVESTMENT SUBSIDY SCHEME, 1997

Funds released to NEDFi 1999-2000 2000-01 2001-02

- - 2.00 crore 5.10 crore

BE of the Scheme - 2.00 crore 5.00 crore

Details of disbursement made by NEDFi (Rs. in crore)

Sl.no. Name of the State 1999-2000 2000-01 2001-02

1. Arunachal Pradesh - 0 0

2. Assam - 0 3.89

3. Manipur - 0 0

4. Meghalaya - 0 0

5. Mizoram - 0 0

6. Nagaland - 0 0

7 Tripura - 0.26 0.02

Total - 0.26 3.91

CENTRAL INTEREST SUBSIDY SCHEME, 1997

Funds released to NEDFi 1999-2000 2000-01 2001-02

- - 1.25 crore

BE of the Scheme - 0.01 crore 2.00 crore

Details of disbursement made by NEDFi (Rs. in crore)

Sl.No Name of the State 1999- 2000 2000-01 2001-02

1. Arunachal Pradesh - 0 0

2. Assam - 0 0.05

3. Manipur - 0 0

4. Meghalaya - 0 0.20

5. Mizora - 0 0

6. Nagaland - 0 0

7 Tripura - 0 0

Total - 0 0.25

CENTRAL COMPREHENSIVE INSURANCE SCHEME, 1997

Funds released to NIC 1999-2000 2000-01 2001-02-
- 0.10 cror -

Details of disbursement made by NIC - NIL (Rs. in crore)

CENTRAL ASSISTANCE BY GROWTH CENTRES IN VARIOUS STATES DURING NINTH PLAN

(Rs. in lakhs)

Name(s) 1997-98 1998-99 1999-2000 2000-2001 2001-2002

Andhra Pradesh	150	300	11	-	
Arunachal Pradesh	48	50	-		
Assam	50	-	250	200	
Bihar	50	-	-	-	
Chhattisgarh	-	125	-		
Goa	150	-	-	150	
Gujarat	-	-	400	235	
Haryana	50	-	-	150	200
Himachal Pradesh	-	-	-		
J&K	50	50	200	200	50
Jharkhand	-	-	-		
Karnataka	60	120	-	200	
Kerala	200	532	-	-	
Madhya Pradesh	-	-	100		
Maharashtra	1300	250	660	255	240
Manipur	50	-	-	100	
Meghalaya	-	-	-		
Mizoram	-	-	250		
Nagaland	500	500	195	255	
Orissa	100	50	-	675	
Pondicherry	50	-	250	-	100
Punjab	-	-	-		
Rajasthan	120	100	250	-	
Sikkim					
Tamil Nadu	-	50	150	600	

Tripura	-	-	250	270	
Uttar Pradesh	220	-	100	650	1025
Uttranchal					
West Bengal	-	-	-	350	

Total	2500	2000	2496	3250	4000
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