

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2542
ANSWERED ON:18.03.2005
INDUSTRIALLY BACKWARD DISTRICTS IN TERMS AVAILING IT BENEFITS
Naik Shri Shripad Yasso

Will the Minister of FINANCE be pleased to state:

- (a) the industrially backward districts (category A & B) as identified by the Ministry of Finance for the purpose of income tax benefits in each State;
- (b) the benefits being given to them;
- (c) whether a study has been carried out to examine the impact of such benefits on its industrial growth; and
- (d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE: (SHRI S.S. PALANIMANICKAM)

- (a) The list of Category A and Category B industrially backward districts is given as per Annexure A.
- (b) Under the existing provisions of the Income-tax Act, industrial undertakings which commence production or manufacture of articles or things or operation of a cold storage plant on or after 1.10.1994 but before 1.4.2004 in Category 'A' industrially backward districts are entitled to a 100% deduction of profits for a period of five years. Industrial undertakings which commence production or manufacture of articles or things or operation of a cold storage plant on or after 1.10.1994 but before 1.4.2004 in Category 'B' industrially backward districts are entitled for 100% deduction of profits for a period of three years. Industrial undertakings in both the categories of districts are entitled to a further deduction of 25% of profits (30% in the case of companies) for a period of five years.
- (c) No, Sir.
- (d) Does not arise.