GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
LOK SABHA
UNSTARRED QUESTION No. †245

TO BE ANSWERED ON MONDAY, June 24, 2019/Ashadha 3, 1941 (Saka)

'Special Category Status to States'

†245 SHRI KAUSHALENDRA KUMAR:

Will the Minister of FINANCE be pleased to state:

(a)   whether Bihar, Andhra Pradesh and certain economically backward States have been making a demand to grant the status of special State to them;

(b)   if so, the details thereof;

(c)   whether the Government is considering the said demand as genuine and if not, the reasons therefor;

(d)   whether the industries which are to be set up in these States are likely to be exempted from central taxes due to the said status of special State as a result of which more and more industries will be set up in these States for overall development of the State; and

(e)   if so, the details thereof?

ANSWER

FINANCE MINISTER
(Smt. NIRMALA SITHARAMAN)

(a) to (c): The Central Government is receiving requests for grant of Special Category Status from Odisha, Rajasthan, Bihar, Telangana, Jharkhand, Chhattisgarh and Andhra Pradesh. 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. Special Category Status for plan assistance to any state has been granted based on an integrated consideration of these criteria. However, there is no proposal under consideration of the Central Government for grant of Special Category Status.

(d) & (e): The Special Category Status for plan assistance granted by the National Development Council does not provide for any specific measure for growth of industries.

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