

**GOVERNMENT OF INDIA
MINISTRY OF HOME AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 3682**

TO BE ANSWERED ON THE 16TH JULY, 2019/ ASHADHA 25, 1941 (SAKA)

BENEFITS TO BACKWARD REGIONS IN ANDHRA PRADESH

3682. SHRI TALARI RANGAIAH:

Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether seven districts namely Anantapur, Kadapa, Kurnool, Chittoor, Srikakulam, Vijayanagaram and Vishakapatnam were given the status of backward regions in Andhra Pradesh as part of the Andhra Pradesh Reorganisation Act, 2014;

(b) whether the said Act provides that the Central Government may make appropriate grants and also ensure that adequate benefits and incentives in the form of special development package are given to the backward areas of the State and while considering the special development package for the Successor State of Andhra Pradesh provide adequate incentives in particular for Rayalaseema and north coastal regions of the State; and

(c) the measures taken by the Government to meet the above requirement of these backward regions in Andhra Pradesh State from 2014 to 2019?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS
(SHRI NITYANAND RAI)**

(a) to (c): The Andhra Pradesh Reorganisation Act (APRA), 2014 *inter-alia* provides that the Central Government may, having regard to the resources available to the successor State of Andhra Pradesh, make appropriate grants and also ensure that adequate benefits and incentives in the form of special development packages are given to the backward areas of the State. The said Act further provides that the Central Government shall,

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while considering the special development package for the successor State of Andhra Pradesh, provide adequate incentives, in particular for Rayalaseema and north coastal regions. Accordingly, seven districts namely, Anantapur, Chittoor, Cuddapah, Kurnool, Srikakulam, Vishakhapatnam and Viziayanagaram in Rayalaseema and north coastal region of Andhra Pradesh have been identified for grant of special development package and a development grant @ Rs. 50 crore per district per year is released. So far an amount of Rs. 1050 crore has been released for the development of these seven districts. In addition, following tax incentives relating to income tax have also been provided for development of these districts:

(i) Higher additional depreciation @ 35% (instead of 20%) in respect of the actual cost of new specified machinery or plant acquired and installed by a manufacturing undertaking/enterprise which is set up in the notified backward areas on or after 1st April, 2015.

(ii) Additional investment allowance of 15% on the cost of specified plant and machinery acquired and installed by any person during the period 01.04.2015 to 31.03.2020 to set up a manufacturing/production undertaking/enterprise after 01.04.2015 in any notified backward area.