

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE
LOK SABHA**

**UNSTARRED QUESTION NO. 2553.
TO BE ANSWERED ON WEDNESDAY, THE 04TH DECEMBER, 2019.**

INDUSTRIALLY BACKWARD DISTRICTS

2553. SHRI DEVJI M. PATEL:

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

वाणिज्य एवं उद्योग मंत्री

- (a) the State/UT-wise details of industrially backward districts in the country including the State of Rajasthan;
- (b) whether the Government has formulated/proposes to formulate any scheme for the development of industrially backward districts;
- (c) if so, the details thereof; and
- (d) if not, the reasons therefor?

ANSWER

वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)

**THE MINISTER OF COMMERCE & INDUSTRY
(SHRI PIYUSH GOYAL)**

(a) to (d): Yes, Sir. Department for Promotion of Industry and Internal Trade has been implementing schemes for providing incentives to industries in the Union Territory of Jammu & Kashmir and Union Territory of Ladakh, Himachal Pradesh, Uttarakhand and North Eastern States including Sikkim. Further, the State of Rajasthan has also been implementing Rajasthan Investment Promotion Scheme, 2014. The details of the mentioned schemes are as under:

1) The Industrial Development Scheme for Union Territory of Jammu & Kashmir and Union Territory of Ladakh, 2017:

- The Scheme for Union Territory of Jammu & Kashmir and Union Territory of Ladakh covers manufacturing & services sector and provides (i) Central Capital Investment Incentive (30% of the investment in plant & machinery with an upper limit of Rs. 5 crore), (ii) Central Interest Incentive (3% interest on working capital for 5 years) and (iii) Central Comprehensive Insurance Incentive (Reimbursement of 100% insurance premium for 5 years), (iv) Income Tax Reimbursement of centre's share for 5 years, (v) GST reimbursement

of Central Govt. share of CGST & IGST for 5 years, (vi) Employment Incentive under which additional 3.67% of the employer's contribution to EPF in addition to Govt. bearing 8.33% Employee Pension Scheme (EPS) contribution of the employer in Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) and (vii) Transport incentive on finished goods movement by Railways(20% cost of the transportation), by Inland Waterways Authority (20% of the cost of transportation) & by air (33% of cost transportation of air freight) from the station/port/airport nearest to unit to the station/port/airport nearest to the destination point.

- A single unit can avail overall benefits upto Rs. 200 Crore.
- The Scheme is effective from 15.06.2017 to 31.03.2020. Extension of scheme beyond 31.03.2020 will be considered after evaluation of the scheme.
- A total of Rs. 430.01 has been disbursed to the erstwhile State of Jammu & Kashmir under the earlier Special Package Schemes.

2) The Industrial Development Scheme for Himachal Pradesh and Uttarakhand, 2017:

- The scheme for Himachal Pradesh & Uttarakhand also covers manufacturing & services sector and provides (i) Central Capital Investment Incentive (30% of the investment in plant & machinery with an upper limit of Rs. 5 crore) (ii) Central Comprehensive Insurance Incentive (Reimbursement of 100% insurance premium for 5 years).
- The scheme is in force from 01.04.2017 to 31.03.2022.
- A total of Rs. 371.67 crore for Himachal Pradesh and Rs. 350.42 crore for Uttarakhand has been disbursed under earlier Special Package Schemes.

3) Scheme of Budgetary Support under Goods and Services Tax (GST) Regime to the units located in Union Territory of Jammu & Kashmir, Union Territory of Ladakh, Uttarakhand, Himachal Pradesh and North Eastern States including Sikkim, 2017:-

- Under the Scheme, reimbursement of the Goods and Service Tax is provided to the extent of Central Government's share of CGST and IGST retained after devolution to the states.
- The Scheme was notified on 05.10.2017. The Scheme is valid from 01.07.2017 to 30.06.2027. An outlay sanction of Rs. 27,413 Cr. is estimated for the Scheme.
- A total of Rs. 3362.85 crore has been disbursement since inception of the Scheme.

4) North East Industrial Development Scheme (NEIDS), 2017

- To promote industrialization in NE States and to boost employment and income generation, a new Scheme namely North East Industrial Development Scheme (NEIDS), 2017 has been notified on 12.04.2018 which has come into force w.e.f. 01.04.2017 for a period of five years. (After closure of NEIIPP, 2007 on 31.03.2017).
- The North East Industrial Development Scheme (NEIDS), 2017 for North Eastern States including Sikkim provides (i) Central Capital Investment Incentive (30% of the investment in plant & machinery with an upper limit of Rs.5.00 crore), (ii) Central Interest Incentive (3% interest on working capital for 5 years), (iii) Central Comprehensive Insurance incentive (Reimbursement of 100% insurance premium for 5 years), (iv) Income Tax Reimbursement of Centre's share for 5 years, (v) GST reimbursement of Central Share of CGST & IGST for 5 years, (vi) Employment Incentive under which additional 3.67% of the employer's contribution to EPF in addition to Government bearing 8.33% Employee Pension Scheme (EPS) contribution of the employer in PMPRY and (vii) Transport Incentive on finished goods movement by Railways (20% cost of transportation), by Inland Waterways Authority (20% of the cost of transportation) & by air (33% of cost of transportation by air freight) from the station / port / airport nearest to unit to the station / port / airport nearest to the destination point.
- Also, under this Scheme a single unit can avail overall benefits up to Rs.200.00 crore.
- Under the erstwhile scheme for North Eastern States, North East Industrial and Investment Promotion Policy (NEIIPP), 2007 which came into operation w.e.f. 01.04.2007 and was in operation upto 31.03.2017, a total of Rs.2664.66 crore has been disbursed to the North Eastern States of India for its Development.

5) Transport Subsidy Scheme (TSS), 1971 / Freight Subsidy Scheme (FSS), 2013

- In order to facilitate the process of industrialization in hilly, remote and inaccessible areas, in terms of subsidizing industrial units for transportation of their finished product and raw material Transport Subsidy Scheme was introduced on 27.07.1971.
- Freight Subsidy Scheme replaced the erstwhile Transport Subsidy Scheme, 1971 on 22.01.2013. The incentives under the scheme are available for all 8 States of North East, Himachal Pradesh, Uttarakhand, J&K, Darjeeling District of West Bengal, Andaman & Nicobar Administration and Lakshadweep Administration.

- The tenure of Freight Subsidy Scheme (FSS), 2013 was from 22.01.2013 to 22.11.2016. However, industrial units registered under the scheme prior to the date of issue of DIPP's notification dated 22.11.2016 are eligible for the benefits of the scheme for committed number of years post-commencement of commercial production up to 21.11.2021.
- Under TSS, 1971/FSS, 2013, since inception, Rs. 5288.95 crore have been released to the States of NER and Himalayan States which includes Rs.4698.57crore in respect of NER States and Rs.590.38 crore in respect of Himalayan States.

6) Rajasthan Investment Promotion Scheme, 2014:

The Finance Department in the State Government of Rajasthan, with a view to curbing regional imbalances and for overall development and promotion of investment, has notified backward and most backward areas in the State for the purpose of Rajasthan Investment Promotion Scheme, 2014. Vide Order No. F 12(28) FD/Tax/2010-Pt.I-116 dated 08.10.2014, State Government has notified revenue districts of Barmer, Dholpur, Jaisalmer and Karauli as backward area for the purpose of the Rajasthan Investment Promotion Scheme, 2014.

Further vide order No. F. 12(11) FD/Tax/2016-246 dated 08.03.2016, the State Government notified the revenue districts of Baran, Jhalawar, Banswara, Dungarpur and Tribal Sub-Plan Area of Revenue District Udaipur, Sirohi and Pratapgarh including municipal areas thereof, as specified by Scheduled Areas (State of Rajasthan) order 1981 dated 12.02.1981 as most backward area for the purpose of the Rajasthan Investment Promotion Scheme, 2014.

Details of benefits under Rajasthan Investment Promotion Scheme, 2014 to enterprises in backward and most backward areas are at Annexure I.

ANNEXURE I

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE LOK SABHA UNSTARRED QUESTION NO. 2553 FOR ANSWER ON 04.12.2019.

BENEFITS TO ENTERPRISES IN BACKWARD AND MOST BACKWARD AREAS UNDER RAJASTHAN INVESTMENT PROMOTION SCHEME, 2014

1. An eligible enterprise, other than a cement manufacturing enterprise, making investment in a backward area or a most backward area shall be granted the same benefits as would have been applicable if the enterprise was located elsewhere in the state but the period of benefit, except for interest subsidy, shall be extended to ten years.

Provided that the State Government may, on the recommendation of the State Empowered Committee (SEC), grant to a manufacturing enterprise, other than a cement manufacturing enterprise and a service enterprise making an investment in a backward area, such benefits as mentioned below, which are applicable for investments in most backward areas, with a view to attract investment in the backward area.

2. An eligible enterprise, other than a cement manufacturing enterprise, making investment in a backward area shall be granted the following additional benefits in addition to the benefits given above:

- i. Additional Investment subsidy to the extent of 15% of State tax due and deposited for a period of seven years
- ii. 50% exemption from payment of Electricity Duty for ten years;
- iii. 50% exemption from payment of conversion charges payable on change of land use; and
- iv. 0.5% special interest subsidy, if enterprise is eligible for interest subsidy under the scheme.

3. An eligible enterprise, other than a cement manufacturing enterprise, making investment in a most backward area shall be granted the following additional benefits in addition to the benefits under para 1 above:

- i. Additional Investment subsidy to the extent of 35% of State tax due and deposited for a period of seven years.;
- ii. 50% exemption from payment of Electricity Duty for ten years; and
- iii. 50% exemption from payment of conversion charges payable on change of land use; and
- iv. 1 % special interest subsidy, if enterprise is eligible for interest subsidy under the scheme.
- v. Infrastructure support for development of infrastructure related to construction of Road. Supply of Water and Electricity up to the premises of new industrial unit, subject to a maximum limit of Rs. five crore, if the investment is more than rupees seven hundred fifty crore.

Provided such infrastructure support shall be allowed, if the investment is more than Rs. Fifty crore, for setting up of first enterprise in each of the following sectors, -

- (i) Agro-Processing and Agri-Marketing sector; or
- (ii) Bio-Technology Sector; or
- (iii) IT Sector.: and

vi. secured loan @ 5% per annum upto seven years, if the investment is more than two hundred fifty crores rupees for the enterprise(s) not availing interest subsidy.
