the large and small scale sectors.

(v) Government of India introduced a Margin Money Scheme with a view to supplementing the efforts of the State Governments in reducing the incidence of sickness in the small scale sector. Under the liberalised scheme the maximum amount of assistance per unit available to sick small scale units for rehabilitation has been increased from Rs. 20,000/- to Rs. 50,000/-.

(vi) An excise Relief Scheme for weak units has also been announced. The scheme would apply to any unit in which 50% or more of the maximum net worth in any of the previous five accounting years has been eroded by accumulated losses. The unit should have a rehabilitation, modernisation or diversification package approved by a designated financial institution. The eligible unit would be entitled to an interest free loan, with a grace period of 3 years and repayable over seven years, amounting to 50% of its actual excise payments for three years subsequent to the approval of the scheme. The total amount given by way of such 'excise loans' will not exceed 25% of the overall cost of rehabilitation/ modernisation/ diversification.

(vii) A small Industries Development Bank of India (SIDBI) has been established in April last year to function as an Apex Bank for tiny and small scale industries. The authorised capital of this bank will be Rs. 250 crores and will be subscribed to by IDBI.

Non-SSI sick units include Medium scale sick industries also as per the definition of sickness adopted by Reserve Bank of India since 1987 onwards.

[*Translation*]

Sector-wise Allocations in Eighth Five Year Plan

*157. SHRI HARI BHAU SHANKAR MAHALE: Will the PRIME MINISTER be pleased to state:

(a) the Sectors for which maximum amount is likely to be allocated during the Eighth Five Year Plan period; and

(b) the details of the proposed expenditure in the Eighth Five Year Plan?

THE MINISTER OF STATE IN THE PRIME MINISTER'S OFFICE (SHRI KAMAL MORARKA): (a) and (b). The exercises relating to the allocation of funds, sector-wise, for the Eighth Five Year Plan period are underway. On completion of the exercises, the details of the allocations will be incorporated in the Eighth Plan document.

Formulation of Eighth Five Year Plan

*158. PROF. RASA SINGH RAWAT: Will the PRIME MINISTER be pleased to state:

(a) the basic priorities and aims kept in view while formulating the Eighth Five Year Plan;

(b) the norms fixed for allocation of

funds to the States in the Plan;

(c) whether the Government propose to allocate more funds from the Plan to backward States like Rajasthan; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE PRIME MINISTER'S OFFICE (SHRI KAMAL MORARKA): (a) Within the framework of Approach to the Eighth Five Year Plan as approved by the National Development Council, the following are some of the priorities particularly being kept in view while formulating the Eighth Five Year Plan: Employment Generation, Poverty Alleviation, Rural Development, Improvement of Land and Environment, Literacy and Education with special emphasis on female education

(b) The National Development Council (NDC) in its meeting held on 11th October, 1990, approved as a consensus, a revised formula for allocation of Central assistance for State's Plans. Statement given below indicates the revised formula.

(c) and (d). The States of Andhra Pradesh, Bihar, Kerala, Madhya Pradesh, Orissa, Rajasthan and Uttar Pradesh which have got per capita income below national average are considered backward for allocation of Central Assistance under the scriteria of 'Per Capita Income' below national average (based on average for three years 1984-87). Besides, according to the Revised Modified Gadgil Formula these States also qualify for benefits under the criterion of special problems in the allocation of Central Assistance. Further, while allocating market borrowings to the States, special allocations over and above the normal allocations are made to the backward States having per capita income below the national average.

STATEMENT

The N D.C Formula

I From total Central assistance, set apart funds required for externally-aided schemes, as now being done.

II Form the balance, provide separate (reasonable) amounts for only three special area programmes

(a) Hill Areas

(b) Tribal Area

(c) Border Area

III. (i) From the balance, give 30% to Special Category States inclusive of North Eastern Council.

(ii) Appoint a Committee of experts to suggest durable solutions for the financial problems of Special Category States.

(iii) Give Assam and J&K, the same grant-loan ratio (90:10) as for other Special Category States.

IV. Distribute the balance among non-special category States as per the following formula:

Population	- 55%
Percapita income	- 25%
	(5% by as Distance method and 20% as per existing Deviation Method)

Fiscal Management	- 5%
Special Developmental Problems	- 15% (see next page)
Total	100%

However, no non-special category State will lose or gain more than 7% in their proportion of assistance as compared to the position under *existing formula.*

Special Problems:

(1) Coastal area

(2) Special environmental issues

(3) Flood and drought prone areas

(4) Exceptionally sparce or thickly populated areas.

(5) Special financial difficulties for achieving minimum reasonable plan size

(6) Desert Problems

(7) Picblem of slums in the urban area

(Approved as a consensus in the 42nd Meeting of the National Development Council held on 11th October, 1990)

Ordnance Factory, Shahajahanpur

*159. SHRI SANTOSH KUMAR GANGWAR: Will the PRIME MINISTER be pleased to state:

(a) the details of the Defence items being manufactured in the Ordnance Clothing Factory, Shahajahanpur in Uttar Pradesh;

(b) whether trousers are not being manufactured in accordance with the defence specifications; and

(c) whether a decision to get these manufactured from some private agencies also has been taken; and if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI LALIT VIJOY SINGH): (a) The Defence items being manufactured in the Ordnance Clothing Factory, Shahjahanpur are:-

(i) *Uniforms*: Shirts Plan in Weave, Polyester and Cotton Olive Green (OG), Trousers Plain Weave, Polyester and Cotton OG, Trousers Combat Disruptive, Trousers Serge, Coat Combat Disruptive, Overall Combination Olive Green/Disruptive etc.

(ii) *Winter Extremely Cold Climate Items*: Bag Sleeping M K IV, Bag Sleeping Liner Inner, Blanket Barrack, Coat Parka Outer and Inner Liner, Mattress Kapok, Socks, Jersey Woolen, Shorts Man Angola Drab etc.

(iii) Tentage items and Durries etc.

(iv) Supply Dropping Parachutes.

(b) Trousers are being manufactured strictly in accordance with the Defence specifications.

(c) With a view to optimising utilisation of the national industrial infrastructure and