

## LOK SABHA DEBATES

---

---

### LOK SABHA

\_\_\_\_\_

*Tuesday, April 17, 1990/Chaitra 27, 1912*  
*(Saka)*

\_\_\_\_\_

*The Lok Sabha met at Eleven of the Clock*

[MR. SPEAKER *in the Chair*]

#### ORAL ANSWERS TO QUESTIONS

[*English*]

#### Central Investment Subsidy Scheme

+

\*473. SHRI BASUDEB ACHARIA:  
SHRI PRAKASH KOKO  
BRAHMBHATT:

Will the Minister of INDUSTRY be pleased to state:

(a) whether the Central Investment Subsidy Scheme for non-manufacturing activities has been discontinued;

(b) whether the withdrawal of the Scheme has caused an adverse effect on the development of industries in the backward and rural areas; and

(c) if so, whether Government propose to revive the Scheme for small scale units in backward and rural areas?

THE MINISTER OF INDUSTRY (SHRI AJIT SINGH): (a) to (c). The Central Invest-

ment Subsidy Scheme as such has been discontinued w.e.f. 1.10.1988. In respect of non-manufacturing activities the scheme was discontinued w.e.f. 22.9.1988. The Finance Minister during his Budget speech has announced that Government propose to re-introduce the CIS for small units in rural and backward regions.

SHRI BASUDEB ACHARIA: Sir, the Central Investment Subsidy Scheme was introduced with a view to setting up of Industries—small and medium industries—in industrially backward areas, particularly, in rural areas. But our experience is that, there are some inherent defects in the scheme as such. This scheme did not give any desired result.

The criteria to determine the category of backwardness are three in number—A, B and C.

In the 'A' category comes, 'no industry district'. Where there are no industries. But the criteria to determine 'no industry district' should be changed. I can give you the example of my district, Purulia. It is one of the backward districts of our country, where there were two mini steel plants which employed 600 workers. These two mini steel plants are now closed down. In spite of this, this district does not come within the category of No-Industry Districts. Before the term of the scheme expired, it was not extended. For 4 or 5 months, no scheme was there. So, may I know from the Minister whether, in the new scheme, or revised scheme—it may be called the Revised Central Investment Subsidy Scheme—while determining the modalities or *modus operandi*, the defects which were there in the earlier scheme will be rectified and removed; and the details of the

scheme will be worked out at the earliest opportunity?

**SHRI AJIT SINGH:** As the hon. Member has said, there are many defects in this scheme, and it has been discontinued. While considering the setting up of the new scheme and the criteria for its setting up, the suggestions of the hon. Members will be taken into account.

**SHRI BASUDEB ACHARIA:** There is another suggestion which was also given in this House. Instead of the district as a no-industry area, it should be reduced to a sub-division or taluka. Secondly, there was a Committee on the Dispersal of Industries. The main purpose of this Committee was to locate the area and to set up industries in the rural areas. This Committee submitted its report 4 or 5 years back, and the report of the Committee is gathering dust in the Parliament Library itself. It is a very good report on the dispersal of industries. May I know from the hon. Minister whether the area will be reduced to sub-division or block or taluka, and the recommendations of the Committee on Dispersal of Industries would be considered at the time of evolving a mechanism or working out the modalities of this new scheme?

**SHRI AJIT SINGH:** The Bajjal Committee was set up to look into this, and they have made certain recommendations, which the Cabinet has not accepted. One of these suggestions was what Mr. Acharia has said. Our aim is the dispersal of industries to the rural areas and small towns. So, as I said before, we will certainly take these factors into account, viz. how the industries can move to rural and backward areas—while taking up new schemes.

**SHRI Y.S. MAHAJAN:** The small scale units are very important in our industrial structure. They contribute 50% of industrial production, besides contributing to the development of employment opportunities. The scheme was withdrawn rather abruptly about two years ago; and at that time, the applications of many units which had applied in

time, were not decided upon. No decisions were taken because of some trifling procedural matters. Things were referred to the Central Government here. But because the scheme was withdrawn, they have not got the subsidy. Will the hon. Minister consider the cases of such units which have suffered, and which have not got the support, because of no fault of their own?

**SHRI AJIT SINGH:** The subsidy was discontinued in September or October 1988. Whatever industries were sanctioned by the State Committees or the District Committees were set up in some States. The State Government was given sanction until December 1989 to disburse that money. It will be very difficult for the Government to go through those cases and consider them where some industries were left out, for whatever reasons.

**SHRI Y.S. MAHAJAN:** What about the sanction?

**SHRI AJIT SINGH:** If the State Committees or the District Committees have not sanctioned it by the cut-off date, we cannot consider them.

**SHRI BAL GOPAL MISHRA:** I congratulate the Minister for taking a decision to re-introduce the subsidy. But, at the same time, will he ensure that this subsidy will not be mis-utilized as had been done in the past? You know what has happened in Orissa in the last ten years. In Orissa, for starting an industry, somebody took subsidy; then he declared it sick and ate away that subsidy. Whatever Mr. Acharia has said is correct. Will he ensure that this thing will not happen again? There are districts in the country where big units have been put up, but still those districts are totally backward because they are not functioning properly. So, those districts are still industrially backward, without giving any benefits to the local people. Sundergarh district of Orissa is one of them. Rourkela and Razgangpur Cement Factory and steel plant are there in that district; but in both the plants even 5 per cent of the local people are not there; it is creating a disparity and heart-burning among the local people.

So, will he ensure—wherever new units are coming up—that local people will get priority so far as employment is concerned?

**SHRI AJIT SINGH:** The hon. member has complained that some misuse has taken place, particularly in Orissa. I think when we give a subsidy, it depends upon the State Government how they operate it. I think people in Orissa had already complained that there was some misuse of fund in many schemes. As far as the second part of his question is concerned, as I said earlier, we give guidelines; and for the employment of local people, guidelines are there which specify that they should hire people from the local Employment Exchanges, particularly at the lower level; and those guidelines are being enforced.

[*Translation*]

**SHRI PRAKASH KOKO BRAHMBHATT:** How much money Gujarat received under this Scheme? What are the reasons for discontinuing this Scheme? Has any industry in Gujarat availed benefit under this Scheme?

**SHRI AJIT SINGH:** Do you want to know whether anybody has been punished for its misuse? If there has been any misuse or wrong reports have been submitted or cases of misappropriation come to light,

[*English*]

the law will take its own course. We do not have any report about any particular misuse of this subsidy from Gujarat.

**SHRI SONTOSH MOHAN DEV:** We get a rare opportunity to congratulate the hon. Minister. But now I get this opportunity to congratulate him or re-introducing this subsidy scheme. From the point of view of developing tourism, hotels were declared as one of the industries. Almost the entire North-Eastern region—seven States—has been declared as a backward area. Are you thinking of re-introducing this subsidy scheme for the hotel industry also?

**SHRI AJIT SINGH:** The hon. member is very much concerned about the development of tourism industry. Yesterday also he asked a question about it. Government also has a priority for the development of tourism industry because it brings in a lot of foreign exchange. But you will have to address that question to the Minister of Tourism Development.

**SHRI SUSANTA CHAKRAVORTY:** There are a number of reimbursement schemes so far as large and medium sectors are concerned. The same is the fact in the case of small scale sector. So far as West Bengal is concerned, till 29.12.1989, reimbursement claim in regard to large and medium industries amounting to Rs. 2.57 crores has already been preferred by the State Government. The case is pending with the Government of India. A further claim amounting to Rs. 2.46 crores is under process. My question is whether the Government is thinking about it and what the stand of the Government is in regard to the reimbursement claims made by the Government of West Bengal.

**SHRI AJIT SINGH:** As I said, the scheme was discontinued in 1988-89 and the State Governments were asked to disburse the money by the end of 1989 and the Central Government is committed to pay that money to the State Governments.

**SHRI EDUARDO FALEIRO:** The delay in taking a final view in this matter is causing lot of difficulties to the industry, obviously. Therefore, when is the central subsidy going to be introduced? That is one. Secondly, have you given up the concept of industry growth centres which were contemplated as the alternative to the subsidy?

**SHRI AJIT SINGH:** The new investment subsidy is for the small scale industries for the rural and backward areas. We are working out the details on that.

**SHRI EDUARDO FALEIRO:** When?

SHRI AJIT SINGH As soon as possible

SHRI EDUARDO FALEIRO. What about the growth centres?

SHRI AJIT SINGH. That has not been given up. The State Governments have been running a number of growth centres and some money has been given but the idea of growth centres has not been given up.

### Computerisation in Railways

\*474 SHRI MULLAPPALLY RAMACHANDRAN Will the Minister of RAILWAYS be pleased to state

(a) the details of specific programmes or expanding computerisation in the Railways during the current year,

(b) the main achievements in computerisation during 1989-90, and

(c) the extent of computerisation introduced in the Railways in the Southern Zone?

THE MINISTER OF RAILWAYS (SHRI GEORGE FERNANDES) (a) to (c) A statement is laid on the Table of the Sabha

### STATEMENT

(a) The programme for extending use of computerisation on Indian Railways during 1990-91 comprises

- i) Extension of computerised Reservation to Pune, Guwahati, Jaipur, Patna, Gorakhpur, Tiruvandrum, Jammu Tawi, Bhubaneswar and Cuttack,
- ii) Development of Freight Operation Information System on Northern Railway,
- iii) Net working of computerised Passenger Reservation Systems to provide universalised facility of onward and return

reservation to be taken up?

- iv) Installation of a few small Management Information Systems in stores depots, locomotive sheds, etc.

(b) The main achievements during 1989-90 with respect to computerisation are:

- i) Installation and Commissioning of a development and simulation computer centre for Freight Operation Information System at Delhi
- ii) Extension of computerised Passenger Reservation System to Hyderabad, Bangalore, Ahmadabad, Bhopal and Lucknow

(c) Computerisation introduced on the Railways in the Southern Zone covers:

- i) Electronic Data Processing Systems at Zonal Headquarter and at ICF Madras
- ii) Computerised reservation System at Madras and Bangalore
- iii) Management Information Systems on Madurai and Palghat divisions, Golden Rock Workshop and Store Depot and Railway Hospital at Perambur.

SHRI MULLAPPALLY RAMACHANDRAN It is well known that there is tremendous achievement in various fields where computerisation has been introduced, and Indian Railways is an excellent example of this great achievement. But as of now, probably because computerisation is highly capital intensive, the Railway administration has thought it fit to limit the areas of its activities.

I would like to know from the hon. Minister, whether as part of the technology upgradation will the Railway Ministry resort to large scale computerisation in the remain-