

have pleasure in introducing to you and through you to the House my colleagues.

Cabinet Ministers :

Shri Arjun Singh, Minister of Communications.

Shri Bhajan Lal, Minister of Environment and Forests.

Shri J. Vengal Rao, Minister of Industry.

Ministers of State :

Shri P.R. Das Munsi, Minister of State in the Ministry of Commerce.

Shri R. Prabhu, Minister of State in the Department of Fertilizers in the Ministry of Agriculture.

Shri M.M. Jacob, Minister of State in the Ministry of Parliamentary Affairs.

Ministers whose portfolios have been changed :

Shrimati Mohsina Kidwai, Minister of Urban Development.

Shri Ajit Panja, Minister of State (Independent Charge) of the Ministry of Information and Broadcasting.

Shri Brahma Dutt, Minister of State (Independent Charge) of the Ministry of Petroleum and Natural Gas.

Shri Ram Niwas Mirdha, Minister of State (Independent Charge) of the Ministry of Textiles.

Shri Ghulam Nabi Azad, Minister of State in the Ministry of Food and Civil Supplies.

Shri K.R. Narayanan, Minister of State in the Ministry of Science and Technology and Minister of State in the Departments of Ocean Development, Atomic Energy, Electronics and Space.

Shri Shivraj Patil, Minister of State in the Department of Defence Production and Supplies in the Ministry of Defence,

Shri Sukh Ram, Minister of State in the Ministry of Planning.

Shri S. Krishna Kumar, Deputy Minister in the Ministry of Textiles.

SHRI S. JAIPAL REDDY (Mahbubnagar) : Sir, you must take some mercy on us. The changes are so fast that we have not been able to keep track of these.

SHRI P. KOLANDAIVELU (Gobichettipalayam) : Sir, our hon. Prime Minister has completed successfully his second year. We all wish him a happy and long life.

MR. SPEAKER : Mr. Nityananda Mishra.

SHRI S. JAIPAL REDDY : What about condolence for those Ministers who have been dropped !

ORAL ANSWERS TO QUESTIONS

[English]

Assistance to revive sick Small Scale Industries

1. SHRI NITYANANDA MISRA†
SHRI C. MADHAV REDDI :

Will the Minister of INDUSTRY be pleased to state :

(a) whether central assistance is made available to State Governments on a matching basis under margin money scheme to revive sick industries in the Small Scale Sector;

(b) if so, the details of the assistance given to States during the last three years, year-wise; and

(c) the results achieved ?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM) : (a) to (c). A statement is given below,

Statement

(a) Yes Sir.

(b) Details of Central Loan assistance given to States/U.Ts. under the Margin Money Scheme during the last three years are as under :

S. No.	Name of the State/UT	Amount sanctioned/Released (Rs. in lakhs)		
		1983-84	1984-85	1985-86
1.	Uttar Pradesh	50.00	Nil	Nil
2.	Orissa	8.00	5.00	Nil
3.	Rajasthan	4.00	Nil	Nil
4.	Kerala	15.00	10.00	Nil
5.	Andhra Pradesh	5.00	Nil	Nil
6.	Karnataka	2.00	Nil	Nil
7.	Manipur	2.00	Nil	Nil
8.	Tamil Nadu	Nil	25.00	Nil
9.	Pondicherry	Nil	0.40	Nil
10.	Assam	Nil	5.00	Nil
11.	Punjab	Nil	3.00	Nil
12.	Himachal Pradesh	Nil	2.00	Nil
13.	J and K	Nil	1.50	Nil
14.	M.P.	Nil	Nil	5.00
Total :		86.00	51.90	5.00

(c) The assisted units are given a repayment period of nine years with a moratorium of four years. It is early to assess the number of small scale units rejuvenated from 1983-84 onwards in view of gestation period involved in nursing the units back to health.

SHRI NITYANANDA MISRA : The small industries play a very vital role in our economy and provide potential for employment apart from producing goods which have improved our economy substantially. The industrial workers engaged in this sector are far outnumbered than those engaged in big

industries. This sector reaches out to the vast hinterlands of our country and the rural areas which suffer from object poverty. Much attention has been focussed on sickness of big industrial units; but the same attention has not been given to sickness in the small scale sector. In this background I want to ask whether the Ministry has closely monitored the implementation of this scheme of providing financial assistance to remove the sickness of the small scale industries since it is centrally funded, if so, the total amount of financial assistance given, the number of sick industries have been

revived, the additional employment created and the states where the implementation is not upto the mark. What action is proposed by the Ministry to improve the situation ?

SHRI M. ARUNACHALAM : As far as the margin money scheme is concerned, the State Directors of Industries have been reminded periodically for submission of the progress reports annually regarding utilisation of funds by the units concerned. These schemes are in existence from 1983-84. The State Governments and the Union Territories administration have not provided any adequate feed-back to the Government of India. Therefore, we are reconsidering the scheme—whether to continue or not.

SHRI NITYANANDA MISRA : Apart from giving much needed financial assistance to the sick industrial units in the small sector, I would like to know whether the Ministry is providing guidelines with regard to new processes, methods designs and improved technologies and for exploring market in the domestic field as well as abroad which would go a long way in removing the sickness of the small scale industries.

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO) : To rehabilitate the sick units, the Government of India, in 1983-84 has provided Rs. 86 lakhs to the States. In 1984-85 Rs. 51.90 lakhs have been provided.

SHRI P. KOLANDAIVELU : In 1985-86 you have given only Rs. 5 lakhs.

SHRI J. VENGAL RAO : Yes, I will tell you the reason. The State Governments of Rajasthan, Andhra, Pradesh, Kerala, Punjab and Himachal Pradesh have informed the Centre that they have not utilised it so far because according to the scheme, from one thousand to twenty thousand the Central Government would give, but the State Governments will also give the matching and equal grants. But they have not provided, except some State Governments. The Orissa Government has informed that they have sanctioned only Rs. 5.1 lakhs to 31 units in 1983-84 and Rs. 4.42 lakhs to 25 units in 1984-85. The Government of Manipur has sanctioned only Rs. 2 lakhs to 64 units. The State

Government has not reported to us about the performance. As this amount of Rs. 20,000 is very low to rehabilitate the sick units the Government of India is considering to enhance this amount to Rs. 50,000. This is under consideration. After receiving the information from the State Governments we will certainly help these units.

SHRI C. MADHAV REDDI : There is a contradiction in the answer given by the Minister of Industry and the Minister of State for Industry. The Minister of State said that they are thinking whether this scheme should be continued or not because of the poor performance during the last three years. I am happy the Minister of Industry says that there is a case for improving the scheme by enhancing the allotment from Rs. 20,000 to Rs. 50,000. I do not know which answer is correct.

SHRI J. VENGAL RAO : Both the answers are correct. As on today I have explained the position but it is under our consideration that this amount of Rs. 20,000 is low to rehabilitate a sick unit and that this may be enhanced to Rs. 50,000.

SHRI C. MADHAV REDDI : Sir, there are about one lakh sick units in this country and lot of people are unemployed. Further the margin money scheme has not proved effective enough to assist in the matter of rehabilitation of sick units as only a few units could be rehabilitated under the scheme, I would also like to point out that a paltry sum of Rs. 5 lakh was released and not allotted. I would like to know what is the amount allotted in the budget. As against the budgetary allotment you have released only Rs. 5 lakh in 1985-86. I would also like to know whether sufficient publicity had been given to the scheme in the States so that State Governments could in time make the provision in the budgets before the budgets are presented to the Assemblies.

SHRI J. VENGAL RAO : The total outlay in the Sixth Plan is Rs. 20 crores. Unfortunately the amounts allotted were not spent by the State Governments. I do not know the reasons therefor. Now we are writing letters to the Chief Ministers about this utilisation. They must send

a certificate of utilisation first and then only we will release the amounts to the State Governments. We are awaiting the reply from the State Governments.

SHRI P. KOLANDAIVELU : I would like to say that as far as assistance is concerned you are not at all giving money to the States because in 1985-86 you have given only Rs. 5 lakh. Even in 1983-84 and 1984-85 you had given assistance of Rs. 86 lakhs and Rs. 51 lakhs respectively. Recently there was an announcement by our Prime Minister stating that no sick unit will be taken over by the Central Government. So I want to know as far as Central assistance to the small scale sector is concerned whether or not you are giving good-bye to the assistance scheme ?

SHRI J. VENGAL RAO : The announcement has nothing to do with the small scale units. As regards monitoring the performance of the small scale units there is a cell in the Reserve Bank. They will monitor their performance. There is a cell in the Industry, Ministry and also in the State Directorates of Industry. They will also monitor their performance. I will give some figures. The small scale sector is providing employment to the largest number of people after the agricultural sector. That is why we want to encourage this sector. Not only the small scale sector, but the cottage and village industries sector also. There is no question of discouraging these sectors.

DR. K.G. ADIYODI : In Kerala State, every new Block had started ten units in the small scale sector. However, ninety per cent of them are closed and the Kunthara Textile in Calicut has been closed for the last two years. Will the Government take necessary action to revive those units ?

SHRI J. VENGAL RAO : For Kerala we had provided Rs. 15 lakhs in 1983-84 and Rs. 10 lakhs in 1984-85. However, they did not spend the full amount. If utilization certificates are sent to us for the amount already allocated, we have no objection to release further amounts.

Changes in Industrial Policy for more employment to Rural Poor

*2. **SHRI M. RAGHUMA REDDY† :**
SHRI SUBHASH YADAV :

Will the Minister of INDUSTRY be pleased to state :

(a) whether Government propose to make some changes in the industrial policy in respect of rural areas to provide more employment to the rural poor people as well as exploitation and proper use of the resources available in that area;

(b) whether rural areas will also be taken into account in the new policy changes for establishing industries, the limitations and deficiencies about the development of infrastructure; and

(c) if so, the details in regard thereto ?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM) :

(a) to (c). Development of industries in the rural areas so as to accelerate generation of employment and raising the income levels of the rural people is already given high priority in Government policy as set out in the Industrial Policy Resolution of 1956 and the Industrial Policy Statement of 1980. Government policy is directed towards the development of relatively underdeveloped areas, including rural areas, by promotion of industry through the mechanism of industrial licensing, giving due regard to the availability of raw material, infrastructure and the need to provide for environmental protection. Particular emphasis is laid in the policy to the promotion of small-scale and Khadi and Village Industries which generate employment in the rural areas.

SHRI M. RAGHUMA REDDY : Sir, the answer of the hon. Minister is very unsatisfactory. It is a vague reply. Nearly five crores people are unemployed in India and the majority of them are in the villages, because eighty per cent of our population lives in the rural areas. I wanted to know the budgetary allocations during the 7th Plan for the development of industries in the rural areas in the small scale and agro-based industries sector. Though we are getting a lot of agricultural produce in the villages, we are not having many agro-based industries in the rural areas. I wanted to know if any allocation has been