

means that when there is a high tide you can impound water and use the tidal difference to generate power.

**SHRI MADHURYYA HALDAR:** May I know whether the UNDP expert studied the possibility of power generation in the rivers of Sunderbans area, West Bengal and what is the report of the committee?

**SHRI K. C. PANT:** Yes; the UNDP expert who visited West Bengal has examined the possibility of developing tidal power in three creeks in West Bengal, Sunderbans area and all I can say is that the potential for generation is rather low in West Bengal and the cost is rather high.

#### Census of Small Scale Industries

\*204. **SHRI RAJA KULKARNI:** Will the Minister of INDUSTRY be pleased to state:

(a) whether the report on the census of small scale industries has been submitted to Government;

(b) the salient feature, thereof; and

(c) Government's reaction to the problems of finance, technology, raw material and of marketing of the products of small scale industries?

**THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI A. P. SHARMA):** (a) to (c). A statement is laid on the Table of the House.

#### Statement

(a) Yes, Sir.

(b) The Census of Small Scale Industrial units was conducted in 1973-74 with reference year 1972 for collection of data. The coverage was restricted to small scale units registered with the Directors of Industries and included those which fall within the purview of the Small Scale Industries Board.

The Census revealed that the gross value of output in this sector increased by 31 per cent in 1972 over 1971 and 25 per cent in 1971 over 1970. The output is estimated to have increased by 18 per cent in 1973 at current prices bringing the figure of gross output to Rs. 3420 crores as compared to Rs. 2900 crores in 1972. The value of output in 1974 was of the order of Rs. 4932 crores which registered a growth rate of 18 per cent in 1975 reaching the figure of Rs. 5742 crores at current prices.

According to the Census, 66,161 units were closed down upto 1972 on account of lack of demand, inadequate financial assistance, shortage of raw materials and poor management etc.

(c) Government are aware of the problems faced by the small scale industrial units in regard to finance, technology, raw material and marketing. Several steps have been taken by Government to provide requisite assistance to the small scale units within the resources available. Important among them are listed below:—

1. It has been the policy of the banks that all productive endeavours in the small scale sector which are economically viable, should be financed on liberal terms and conditions. The Reserve Bank had informed the banks that special consideration should be shown to the credit needs of small borrowers and those in the industrially backward areas.

The problems and difficulties experienced by the small scale industries in obtaining bank credit are discussed in the meetings of the Standing Committee on Credit Facilities attached to the Small Scale Industries Board. A committee under the Chairmanship of Development Commissioner (Small Scale Industries) has been constituted to examine the problems and to suggest measures to ensure smooth flow of institutional finance to the small scale units. The Committee is expected to submit the

report to the Government by the end of September, 1976.

2 The Small Industries Development Organisation have taken up a programme of modernisation of small scale industries to improve the productivity of small scale industries and their performance, especially in export markets. Ten industries were initially selected for modernisation to be followed by ten industries each in the succeeding years. As a part of the modernisation programme the Small Industries Development Organisation had organised technology transfer workshops, industrial clinics, seminars, training courses etc in the various industries selected for modernisation in different States

3 There is no shortage of most of the essential raw materials

4 The number of items reserved for exclusive supply by small scale units in Government Stores Purchase Programme has been increased from 198 items to 222 items in 1975. Special teams were appointed to undertake survey of public sector and other undertakings for identifying components which could be framed out to small units. Government have approved of a scheme of establishment of five trade centres to provide integrated marketing assistance to small scale industries

5 Steps to remedy the situation have been taken in consultation with the banks and State Governments. The Development Commissioner (Small Scale Industries) undertook surveys at 4 centres viz. Faridabad, Ghaziabad, Alwar and Ahmedabad to study the problems of closed or sick units. The State Governments have been requested to undertake such studies. They have also been requested to constitute State Level Coordination Committees for providing integrated assistance to sick units. Such committees have already been constituted in 15 State Union Territories. The State Bank of India has been requested to

examine individual cases and re-schedule loan repayments so as to help the units to revive.

SHRI RAJA KULKARNI: It has been stated that the base year has been taken as 1972 and more than 66,000 units of the small scale sector have been closed for lack of demand or inadequate financial assistance. Though the government has been making the best efforts to give all kinds of help, yet the problems of small scale industries are becoming more and more acute. Will he tell us what exactly are the specific measures taken to help these 66,000 units in the engineering chemical, leather and other industries and what is the programme for the development of artisans in the rural areas and marketing of agricultural produce

SHRI A. P. SHINDE: The four main reasons for sickness of small units are shortage of raw materials, inadequate finance, marketing problems and poor management. In so far as availability of raw materials is concerned, the situation has considerably eased except in the case of polythelene. For that also efforts are being made to improve the position by considering reduction in the cost of imported raw material so that the raw material could be available at the same price to the consumer as the price of indigenous material. About inadequate finance, committees have been set up at the State level with the Secretary of the Industries Department as Chairman, and Regional Manager of State Bank of India and Director of Industries of the State concerned as members and the Director of SISI as Member-Secretary. About marketing the Government is going to set up five marketing centres in various States and we have already asked the State Governments to give us their comments. So far as the Central Government is concerned each marketing trade centre will be given Rs. 2 lakhs and the rest of the cost will be met by the State Government. About management, consultancy services will be made available

to the small units. Under this scheme 100 per cent reimbursement of the consultancy fees in backward districts and 25 per cent in urban areas will be given to the SSI units.

**SHRI RAJA KULKARNI:** In spite of the instructions given by the Reserve Bank to all the nationalised commercial banks about financial assistance to be given to the small scale units, may I know what are the priorities and directions which have been given by these banks for the survival, re-opening or growth of the small scale units?

**SHRI A. P. SHARMA:** I have already said that we have set up State level committees to review the position. The small scale sector is in the priority sector and financial institutions are definitely going to help these units.

**SHRI RAGHUNANDAN LAL BHATIA:** May I know whether the small scale sector is more employment oriented and if so, may I know how many labourers are employed against an investment of Rs. 1 lakh in the small scale sector and how many are employed against the same investment in large scale sector?

**SHRI A. P. SHARMA:** For an investment of Rs. 1 lakh in the large scale sector, 5 people are employed. For the same investment in small scale sector, 21 people are employed.

**SHRI B. S. BHAURA:** The statement says that 66,161 units were closed upto 1972 for various reasons. May I know whether most of these units were fictitious and existed only on paper, getting the facilities from the government and when they found that the facilities were not available they closed down? If so, what action has the government taken against those fictitious units?

**SHRI A. P. SHARMA:** The census was conducted in respect of the small scale units registered with the Directors of Industries. Therefore, there

is no question of fictitious units, so far as the units covered by the census are concerned.

#### Expenditure on research and Development in Private Sector

\*205. **SHRI K. M. "MADHUKAR":** Will the Minister of PLANNING be pleased to state:

(a) whether the private sector expenditure on scientific research and development is very meagre as compared to that of the public sector; and

(b) if so, the measures proposed to be taken to make it compulsory on the part of the private sector that a certain percentage of the profit should be spent on research and development?

**THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI SANKAR GHOSE):** (a) Yes Sir.

(b) The Government have decided to levy a R&D cess on industries to raise funds for the purpose of research and development. The details of the scheme are being worked out by the Ministry of Industry, who would introduce the necessary legislation.

**श्री कमल विद्य "मधुकर":** अध्यक्ष जी हमारे देश की इन संस्थाओं ने धनगन्धान के क्षेत्र में बहुत प्रसन्नो कार्य किया है। जैसे इंडियन कौन्सिल ऑफ एग्रीकल्चरल रिसर्च और इन्डियन कौन्सिल ऑफ मेडिकल रिसर्च ने बहुत कामें डेवलप किए हैं लेकिन हमारी पूरी रास्ट्रीय का केवल 0.5 प्रतिशत ही इस कार्य पर खर्च होता है जिसमें मध्य बात यह है कि प्राइवेट लोग उसका केवल 9 प्रतिशत ही खर्च करते हैं। मन्त्री जी ने कहा है कि वे खर्च लगाने जा रहे हैं तो मैं जानना चाहता हूँ कि प्राइवेट यह लेवी बंध लगायेंगी और किस परमेंट लगाएंगी? जो मानोपोली हारेज है बड़े बड़े बिजनेसमेंट हूँ जो