

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

made specially for this purpose and whether the Minister is going to take up that issue.

**THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO) :** The potential of the village and small industries for employment is next only to the agricultural sector and it has increased from 233.70 lakh persons in 1979-80 to 315 lakh persons in 1984-85. It also accounts for more than one-third of the total exports. The amount spent on this sector in 1979-80 was Rs. 2280.62 crores and Rs. 4567.56 crores in 1984-85. The value added is about 50 per cent. The production was for Rs. 33,538 crores in 1979-80 and for Rs. 65,730 crores in 1984-85.

**SHRI M. RAGHUMA REDDY :** I wanted to know only the actual amount spent and the allocations made for the last two years and not other details. The hon. Minister has given figures for 1979-80 onwards. Already two years of the 7th Plan are over. During these two years, what steps have been taken both in the public sector and private sector for providing rural employment in the rural areas particularly in Andhra Pradesh.

**SHRI S. JAIPAL REDDY :** Sir, the member who has put the question is from Andhra Pradesh and the Minister is from Andhra Pradesh. He can answer in Telugu.

**THE MINISTER OF ENERGY (SHRI VASANT SATHE) :** Why did you not speak in Telugu ?

**MR. SPEAKER :** Jaipal, after your joining this House, it has become a monopoly !

**SHRI J. VENGAL RAO :** The actual allocation in the Seventh Plan is Rs. 2751 crores.

**SHRI M. RAGHUMA REDDY :** I want to know the figure for Andhra Pradesh.

**SHRI J. VENGAL RAO :** This is for the whole country.

**SHRI M. RAGHUMA REDDY :** If he does not have the figures now, he can give the information...

*(Interruptions)*

**SHRI J. VENGAL RAO :** I request the hon. member to send a separate question on this.

**SHRI UTTAM RATHOD :** It is stated that the Government's policy is directed towards the development of relatively under-developed areas, including the rural areas. It has been our experiences that only industries in the cooperative sector which produce processed goods and which are agro-based are opened in the rural areas, while the other industries open their factories still on the periphery of a corporation or a municipality. May I know from the Government as to what steps they have taken to diffuse industries from the highly industrialised areas to the rural areas, away from towns and cities ?

**SHRI J. VENGAL RAO :** We are thinking on these lines. We are introducing a bill to define the rural and village industries. It is before the Cabinet. If an industry is set up in a place where population is below 10,000 and not above 10,000, then only it will be called a village and rural industry.

**DR. DATTA SAMANT :** We are not against starting industries in the villages. But, taking advantage of all the facilities like infrastructure, soft loans, licences and so on, the same industrialists who are in Bombay or in other cities are closing their industries there. At present 50 big industries are closed in Bombay not because of workers' demands, but because of non-payment electricity bills. And the very same industrialists are taking additional advantage by shifting their industries towards villages. I think, this is a very serious situation. While allowing the industries in the villages, will the Government put a condition that similar industries either in the cities or anywhere else should not be closed by the industrialists. Otherwise they are taking advantage by shifting the industries, and they are spoiling the whole situation in the country.

**SHRI J. VENGAL RAO :** We are not going to allow anybody to shift the industries and establish them in rural areas. We will only encourage new entrepreneurs in the rural areas.

**PROF. N. G. RANGA :** Mr. Speaker, Sir, I very strongly disagree with the supplementary put by my hon. friend. I welcome the new Cabinet Minister for Industries, especially because of the latest statement he has made that the policy of the Government is to encourage small industries...

**MR. SPEAKER :** Minister Sir, will you still like him even if he does not agree with you ?

**PROF. N. G. RANGA :** Is it not a fact ? Is it not the long established policy of the Government to encourage decentralisation of the conglomeration of these industries and encourage as many of the industrialists as possible, whether they are town-based or not, to start new industries in rural areas ? If this is the policy of the Government of India till now, may I make a suggestion that the Government may be good enough not only to depend upon correspondence between themselves and the State Governments but also to go about the State Governments and encourage them as to the best possible manner in which the policy of the Government of India can be implemented with the assistance of the Government of India ?

**SHRI J. VENGAL RAO :** I entirely agree with our eldest member, Shri Ranga and I will certainly follow it up.

**Hindustan Photo Films Ltd.**

\*4. **SHRI V.S. KRISHNA IYER :** Will the Minister of INDUSTRY be pleased to state :

(a) the total production of photo films by the Hindustan Photo Films Ltd., Ootacamund, during 1985-86;

(b) the amount of loss/profit incurred by the Hindustan Photo Films Ltd. during 1985-86;

(c) the reasons for the loss, if any; and

(d) the remedial action taken in the matter ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF**

**INDUSTRY (SHRI M. ARUNACHALAM) :**

(a) The production of Hindustan Photo Films Manufacturing Company Limited during 1985-86 was about Rs. 109 crores.

(b) The company earned a profit of Rs. 637 lakhs during 1985-86.

(c) and (d). The questions do not arise.

**SHRI V.S. KRISHNA IYER :** Sir, I would like to know from the hon. Minister whether the figure which he has given, i.e. Rs. 637 crores is a gross profit or net profit ? If it is a gross profit, then what is the net profit ?

**SHRI M. ARUNACHALAM :** Sir, profit from integrated production was Rs. 274 lakhs. Profit due to conversion of jumbo rolls was Rs. 223 lakhs.

*(Interruptions)*

**MR. SPEAKER :** Order, order. He is asking what is the net profit. Have you got anything with you or will you send it later on ?

**SHRI M. ARUNACHALAM :** We will inform them later on.

**MR. SPEAKER :** He will let you know later on. What is there ? Do you want him to give a wrong answer ? He will inform you later on.

**SHRI SOMNATH CHATTERJEE :** He should have anticipated this supplementary.

*(Interruptions)*

**MR. SPEAKER :** He will provide the answer.

*(Interruptions)*

**THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO) :** It is a net profit.

**MR. SPEAKER :** Net profit, after the tax.

**SHRI J. VENGAL RAO :** I know Jaipal Reddy. If I say anything, tomorrow, he will move a Privilege Motion.