

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

STARRED QUESTION NO:291

ANSWERED ON:18.03.2013

. FINANCIAL ASSISTANCE IN SETTING UP OF INDUSTRIES

Ahmed Shri Sultan ;Singh Shri Ijyaraj

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the details of the financial assistance provided by the Government for setting up of new industries during the last three years and the current year, State-wise along with the number of persons who got employment therein;
- (b) the efforts made by the Government to set up industries in the State which are industrially backward and where the unemployment is rising rapidly as compared to the other States;
- (c) the details of pending projects/proposals received by the Government from various States along with the reasons for the delay in sanctioning the pending projects and efforts made by the Government for better coordination between the Union and States in this regard;
- (d) the number of large/medium industries closed down/gone sick during each of the last three years and the current year along with the reasons for their closure and the steps taken by the Government to protect/revive these industries; and
- (e) the concrete steps taken by the Government for inclusive industrial growth/development in the country particularly in the industrially backward areas?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. D. PURANDESWARI)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO.291 FOR ANSWER ON 18.03.2013 REGARDING 'FINANCIAL ASSISTANCE IN SETTING UP OF INDUSTRIES'.

(a): Under the liberalised industrial policy regime, the investors take the decision about locating new industries in a State. Further, except for specific financial and non-financial incentives given as per Scheme parameters under Sectoral and Spatial Plan Schemes of various Ministries, the Central Government does not provide financial assistance for setting up of new Industries in any State.

(b):The Government makes efforts through policy measures to encourage setting up of industries in the States including in difficult areas. The measures taken recently include announcement of the National Manufacturing Policy (NMP), 2011 with objectives of, increasing the share of manufacturing in GDP to 25% and creating 100 million additional jobs over a decade. The policy, inter-alia, envisages setting up of National Investment and Manufacturing Zones (NIMZs), which are industrial townships, benchmarked to the best manufacturing hubs in the world. So far eight NIMZs have been announced along the Delhi Mumbai Industrial Corridor (DMIC) in the States of Gujarat, Maharashtra, Haryana, Uttar Pradesh, Rajasthan and Madhya Pradesh. Four other NIMZs outside the DMIC have been granted 'in-principle' approval – two in Andhra Pradesh and one each in Karnataka and Maharashtra. NMP also envisages skill development for employability as a priority area.

Over the years, the Government has also simplified and rationalised the Foreign Direct Investment (FDI) Policy, to attract FDI flow into the country.

The other important steps taken involve Delhi Mumbai Industrial Corridor (DMIC) project along the dedicated freight corridor, launching of the e-biz Mission Mode Project under the National e-Governance Plan, and creating a joint venture 'Invest India' in association with FICCI as a dedicated agency for promoting foreign investment in India. Besides, incentives are given for helping industries in difficult areas through Plan Schemes of Transport Subsidy, special package of incentives for Special Category States, North-East Industrial & Investment Promotion Policy, 2007 and specific programmes like Industrial Infrastructure Upgradation Scheme, Indian Leather Development Programme etc.

Sectoral Ministries in the Government are also implementing various schemes and programmes for industrial development which have potential for increased employment. The Ministry of Electronics and Information Technology and the Ministry of Chemicals and Petrochemicals implement the Information Technology Investment Regions (ITIR) and the Petroleum, Chemicals and Petrochemical Investment Region (PCPIR) Schemes respectively. The Ministry of Micro, Small and Medium Enterprises (MSME) is implementing the Prime Minister's Employment Generation Programme, which is specifically targeted to create self-employment opportunities, through establishment of micro-enterprises in the non-farm sector by helping traditional artisans and unemployed youth and programmes for

assisting micro, small and medium enterprises in the area of credit, technology, skill development and marketing. The modernisation and technology upgradation programme with emphasis on power loom segment of the Ministry of Textiles and the Mega Food Parks Scheme of Ministry of Food Processing Industries are other examples of schemes which contribute to increasing industrial production and employment.

(c):The project proposals from States as per Scheme parameters under Sectoral and Spatial Plan Schemes of various Ministries are received and processed by the Ministries concerned, and information regarding the pendency in such processing and efforts made by these Ministries for better coordination with the States is not centrally maintained in the Ministry of Commerce and Industry. For the Schemes pertaining to the Ministry of Commerce and Industry, regular interaction and review meetings with the State Governments, industry associations and stakeholders are held for coordination and fast track implementation of industrial projects.

(d):The details of large/medium industries closed down/gone sick are not centrally maintained. However according to the information provided by the Board for Industrial Financial Reconstruction (BIFR) which is enjoined to take timely measures to revive and financially reconstruct sick and potentially sick industrial companies referred to it under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA); in the last 3 years, 231 cases were referred to BIFR of which 124 cases stand disposed of, including those which abated, which were dismissed as being non maintainable, and which were dropped.

(e):For helping industries in difficult areas for inclusive industrial growth/development, the Plan Schemes of Transport Subsidy, Special package of incentives for Special Category States, North-East Industrial & Investment Promotion Policy, 2007 and specific programmes like Industrial Infrastructure Upgradation Scheme, Indian Leather Development Programme are in operation.