

**GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:2399

ANSWERED ON:08.12.2014

GROWTH CENTRES IN NO INDUSTRY DISTRICT

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Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether the Government has introduced any scheme for infrastructural development for small scale industries in one or two identified growth centres in each 'No Industry District' for a balanced regional development in the country and if so, the details thereof;
- (b) whether the Government has approved number of growth centres in different districts of various States;
- (c) If so, the details thereof along with the funds allocated to each approved growth centre, State/UT-wise;
- (d) Whether the Government has extended special privileges to certain States particularly Maharashtra in this regard; and
- (e) If so, the details thereof and the reasons therefor, State/UT-wise?

Answer

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI KALRAJ MISHRA)

(a): The Growth Centre Scheme was announced in June 1988 and came into operation in 1991. Under this scheme, Growth Centres were to be set up with a view to promote industrialization of backward areas by creating infrastructural facilities at par with the best available in the country. A total of 71 Growth Centres were approved by Department of Industrial Policy & Promotion (DIPP), Ministry of Commerce & Industry, Govt. of India. Later on, in April 2009, the scheme was discontinued as it failed to achieve its objectives.

In the year 2010, recommendations of Report of PM's Task Force on MSMEs was received stating that six Growth Centres (from NER & J&K) implemented by DIPP which were pending, may be considered under Infrastructure Development (ID) component of Micro & Small Enterprises - Cluster Development Programme (MSE-CDP) scheme of Ministry of MSME, which provides infrastructural facilities like power distribution network, water, telecommunication, drainage and pollution control facilities, roads, banks, raw materials, storage and marketing outlets, common service facilities and technological backup services for MSEs in the new/ existing industrial estates/areas. However, the recommendation was turned down stating that the guidelines of MSE-CDP do not allow expenditure for Growth Centres Scheme and was suggested that as Growth Centre Scheme was conceptualized, administered and operated by DIPP, it would be more appropriate that DIPP takes further necessary action in this regard under Industrial Infrastructure Upgradation Scheme (IIUS) as the objective of Growth Centre Scheme and IIUS are almost similar.

The O/o Development Commissioner (MSME), Ministry of MSME has however, a component for Infrastructure Development (ID) under MSE-CDP scheme, which consists of creation /up gradation of, infrastructural facilities in the new/existing industrial areas/ estates with financial assistance restricted to 60% of the cost of project of Rs 10.00 crore. Government of India grant will be 80% for projects in NE & Hill States, industrial areas/ estates with more than 50% (a) micro (b) women owned (c) SC/ST units. So far, 117 ID centres have been completed and 54 ID centres are in process. The scheme is demand driven and equally available for all States of the country and the expenditure during the 11th Five Year Plan is Rs.124.74 crore;

(b): DIPP under the erstwhile Growth Centre Scheme had approved 71 projects in different Districts of various States. However, this Scheme was discontinued w.e.f. 1st April, 2009;

(c): The details of fund allocated to each approved Growth Centre is given by DIPP at Annexure;

(d): No State (including Maharashtra) was extended special privilege in the Growth Centre Scheme;

(e): Does not arise.