

**COMMITTEE
ON
GOVERNMENT ASSURANCES
(1990-91)**

(NINTH LOK SABHA)

FIFTH REPORT

(Presented on 3 1990)



**LOK SABHA SECRETARIAT
NEW DELHI**

July, 1990/Sravana, 1912 (Saka)

Price 1 Rs. 2.00

L O K S A B H A

CORRIGENDA

to

THE FIFTH REPORT OF CGA

(1990-91)

(NINTH LOK SABHA)

Page No.	Para No.	Line No.	Correction
1	2	1	<u>for</u> 'Ministry' <u>read</u> 'Minister'
3	7	6	<u>for</u> 'do no' <u>read</u> 'do not'
4	9	8	<u>for</u> 'viwe' <u>read</u> 'view'
4	10	23	<u>for</u> 'tnan' <u>read</u> 'than'
5	11	7	<u>for</u> 'adviseable' <u>read</u> 'advisable'
7	15	19	<u>for</u> 'Enterprise' <u>read</u> 'Enterprises'
		19	<u>Put</u> ', ' <u>after</u> Department of Coals
9	18	2 & 3	<u>for</u> 'eneroachment' <u>read</u> 'encroachment'
10	22	2	<u>delete</u> the words 'save the' <u>appearing</u> second time.
10	24	1	<u>for</u> 'obeservatione' <u>read</u> 'observations'

C O N T E N T S

	PAGES
COMPOSITION OF THE COMMITTEE.....	(iii)
INTRODUCTION.....	(v)
REPORT.....	1
RECOMMENDATIONS/OBSERVATIONS.....	10

M I N U T E S

Minutes of Sitting held on 5 March, 1990	11
Minutes of Sitting held on 30 July, 1990	15

MEMBERS OF THE COMMITTEE ON GOVERNMENT ASSURANCES*
(1990-91)

Dr. Vijay Kumar Malhotra—*Chairman*

2. Smt. Subhasini Ali
3. Shri Het Ram
4. Shri Kamal Nath
5. Shri Mahabir Prasad
6. Dr. Mahadeepak Singh Shakya
7. Shri Haribhau Shankar Mahale
- ***8. Shri V. Krishna Rao
9. Shri Kusuma Krishnamurthy
- ***10. Dr. P. Vallal Peruman
11. Shri Amar Roy Pradhan
- ***12. Shri Sanford Marak
13. Shri C. Srinivasan
14. Shri Ramji Lal Suman
- **15. Shri Surya Narain Yadav

SECRETARIAT

Shri C.K. Jain—*Additional Secretary*

Shri S.C. Gupta—*Joint Secretary*

Shri Jyoti Prasad—*Under Secretary*

* The Committee was nominated by the Speaker w.e.f. January 19, 1990 *vide* para No. 125 of Lok Sabha Bulletin Part-II dated 19 January, 1990.

** Nominated by Speaker w.e.f. 17 July, 1990 *vide* Shri Bhajaman Behera ceased to be a Member of the Committee consequent upon his appointment as Minister of State w.e.f. 21 April, 1990, *vide* para No. 611 of Lok Sabha Bulletin Part-II dated 17 July, 1990

*** Nominated by Speaker w.e.f. 8 August, 1990 *vice* Sarvashri J.P. Agarwal, Dr. Debi Prosad Paul and P.K. Thungan resigned from the membership of the Committee on Government Assurances, w.e.f. 7 August, 1990, *vide* para No. 680 of Lok Sabha Bulletin Part-II dated 8 August, 1990.

INTRODUCTION

I, the Chairman of the Committee on Government Assurances, as authorised by the Committee, do present on their behalf this Fifth Report of the Committee on Government Assurances.

2. The Committee (1990-91) were constituted on 19 January, 1990.

3. The Committee (1990-91) at their sitting held on 5 March, 1990 took the oral evidence of the representatives of the Ministry of Industry (Department of Small Scale Industries and Agro and Rural Industries) in connection with the non-implementation of assurance given on 11 April, 1984 in reply to Unstarred Question No. 7164 regarding legislation for small scale industries. The Committee considered and adopted the draft Fifth Report at their sitting held on 30 July, 1990.

4. The Minutes of the aforesaid sittings of the Committee form part of the Report.

5. The conclusions/observations of the Committee are contained in the succeeding chapters.

6. The Committee wish to express their thanks to the officials of the Ministry of Industry (Department of Small Scale Industries and Agro and Rural Industries) who appeared before the Committee.

NEW DELHI ;
30 July, 1990

8 Sravana, 1912 (Saka)

DR. VIJAY KUMAR MALHOTRA,
Chairman,
Committee on Government Assurances.

REPORT

Assurance regarding Legislation for Small Scale Units

1. On 11 April, 1984, the following Unstarred Question (No. 7164) given notice of by Shri B.V. Deasi, M.P. was addressed to the Ministry of Industry :—

- “(a) whether Government are keen to bringing about a legislation to protect the interest of the small scale industries ;
- “(b) if so, the main features of the legislation that is being considered to help and protect the small units in the country ;
- “(c) by what time the legislation is likely to be introduced ; and
- “(d) how many small units will be helped by this decision ?”

2. The then Ministry of State in the Ministry of Industry (Shri Pattabhi Rama Rao) gave the following reply :—

“(a) to (d) Yes, Sir. The Government is seriously considering to introduce legislation to give protection to small scale industries. The proposed legislation will be comprehensive and will take into consideration all aspects having bearing on the smooth functioning of the small scale industries sector. The legislation will be introduced in Parliament as soon as possible.

It is expected that nearly six lakh units which are presently registered with the State Directorates of Industries and are covered under the Small Industry Development Organisation's Assistance Programme, are likely to be benefitted from this legislation.”

3. The above reply to the question was treated as an assurance by the Committee which was to be fulfilled within three months of the date of reply i.e. by 10 July, 1984. As the Ministry were not in a position to fulfil the assurance within the stipulated period, they had been requesting the Committee through the Ministry of Parliamentary Affairs for extension of time.

4. On 25 March, 1986, the Ministry of Industry approached the Committee on Government Assurances through the Ministry of Parliamentary Affairs vide their U.O. Note No. XIV/Ind. (17) USQ 7164LS/84 dated 25th March, 1986, to drop the assurance on the grounds indicated below :—

“The question of enacting a legislation for small scale industries has been circulated to all the State Government Union Territories for their comments. Reminders have also been issued to all the State Governments.

Some of the State Governments have sent an interim reply stating that the draft bill circulated by the Ministry is being examined and their comments would be furnished in due course. A few State Governments have furnished their comments also. Some Associations have opposed the bill and suggested examination of the matter denovs.

Besides, even when comments from all the State Governments/ Union Territories are received, they will have to be examined and if necessary a few meetings at the Minister high official level in which participation of all the State Governments/Union Territories would also be necessary since the development of small scale industries is primarily the concern of the State Governments, will have to be held. Thereafter, the Ministry of Law have to be consulted.

Even, it is decided to have a legislation, the question as to whether this will be a Central legislation or whether the Central Government will prepare a model draft legislation for the State Governments to adopt will have to be considered.”

5. At their sitting held on 18 June, 1986, the Committee considered the request of the Ministry. After taking into account the importance of the subject, the Committee decided to call the representatives of the Ministry of Industry for oral evidence.

6. On 9 September, 1986, the Additional Secretary and Development Commissioner, Small Scale Industries along with other officials of the Ministry appeared before the Committee.

7. When asked about the specific time by which a bill would be introduced the witness submitted during evidence on 9 September, 1986 :—

“We have, in our small way, tried to explain the constraints that we are facing. The intention is definitely there. But in view of the constraints that we have tried to explain, our requests is that, basically, the assurance may be dropped, but if you do not think that that is the proper thing to do—you are the best judges—then our request would be that we may be given a fair amount of time because we have tried to explain all the confabulations or tribulations, whatever you may like to call them, that we are likely to go through before bringing the Bill. I would submit that you give us a minimum of one year. We will, of course, try to bring it much before. We have already spent so much of time, thinking and effort on this. We have no intention of soft-peddalling the issue but we are faced with certain realities and we would seek your indulgence, if you cannot see your way to allow us to drop the assurance, to give us a minimum period of one year within which we hope we will be able to bring it before Parliament.”

8. The Committee after hearing the evidence of the representatives decided to give extension for six months only and desired to hear from the Ministry of Industry about the progress made during the six months. The Committee felt that during this period the Ministry should be able to crystallise their thinking and concretise the whole issue.

9. Subsequently, the Ministry of Industry (Department of Industrial Development) again renewed their request for the dropping of the assurance. In their O.M. No. 1(30)/85-SSI (P) dated 5 March, 1987, the Ministry stated :

“.....that the question of enacting Legislation for Small Scale Industries is still being examined by Government. As already mentioned earlier during oral evidence before the Committee, the majority of the State Governments/Union Territories have expressed divergent views on the various clauses in the draft Bill.

A few States, where there is a large concentration of small scale industries, have totally opposed the Bill, rather, called it a retrograde step. Other States have opposed/suggested modifications to various provisions in different forms. Moreover, Central Government has only a promotional role to play in the matter of

small scale industries. Development and regulation of small scale industry is the exclusive prerogative of the State Governments. Central Government has already amended the industries (Development and Regulation) Act, 1951 to provide for specific legislation for reservation of items for exclusive manufacture in the small scale sector. A number of States are opposed to compulsory registration and regulation of small scale industries by the Central Government.

In view of the foregoing, the Government is yet to decide as to whether drop the proposal for legislation altogether or alternatively prepare a simple bill ensuring prompt payment and interest in case of default by large scale units. As a final decision in the matter is likely to take quite some time, this Ministry feels that this Assurance may be dropped."

10. Again in their O.M. No. 1/30/85-SSI (P) dated 11 June, 1987, the Ministry submitted as follows :—

"that a comprehensive draft Bill on Development and Protection of Small Scale Industries was prepared. It was discussed in the meeting of the All India Small Scale Industries Board in which, among others, State Industries Ministers are members. In the meeting it was decided that since the development of small scale industries is primarily the concern of the State Government, their views should be obtained in the first instance before giving it a final shape. Since the process involved was likely to take some time, it was submitted that it would not be possible to introduce the Bill in the near future. It was therefore, requested that the assurance be dropped.

Subsequently, the Committee on Government Assurances of the Lok Sabha Secretariat asked for appearance of representative of the Department of Industrial Development before the Committee. Accordingly Shri P.P. Khanna, the then Additional Secretary and Development Commissioner (Small Scale Industries) appeared before the Committee on 9.9.86. Thereafter, the Committee on Government Assurances sent a questionnaire to the Department of Industrial Development asking for written replies to the points raised in the questionnaire. In the replies, the position was summed up by saying that it might take more than a year's time to introduce legislation for small scale industries, if so, finally decided.

The matter has been further examined in detail. The major issue that has to be resolved is that the majority of the State Governments/Union Territories have expressed divergent views on the various clauses in the draft bill. Further, a few States, where there is a large concentration of small scale industries, have totally opposed the bill, rather called it a retrograde step. Other States have opposed suggested modifications to various provisions in different forms. Moreover, Central Government has only promotional role to play in the matter of small scale industries. Development and regulation of small scale industry is the exclusive prerogative of the State Governments. Central Government has already amended the Industries (Development and Regulation) Act, 1951 to provide for specific legislation for reservation of items for exclusive manufacture in the small scale sector. A number of States are opposed to compulsory registration and regulation of small scale industries by the Central Government.

In view of the foregoing, the Government is yet to decide as to whether to drop the proposal for legislation altogether or alternatively prepare a simple bill ensuring prompt payment and interest in case of default by large scale units in making payments to small scale units. As a final decision in the matters likely to take quite some time, this Ministry feels that this Assurance may be dropped."

11. On 29 April, 1988, the Ministry of Industry was asked to furnish a note stating out the latest position in regard to implementation of the aforesaid assurance. The Ministry in their reply dated 2.5.1988 stated *inter alia* as follows :—

".....The present position is that 19 States have given their comments and 4 Union Territories have till date responded. It is not considered advisable to go ahead with the legislation without getting views of all the State Governments and the Union Territories. Subsequently, the Ministry of Industry has to consult all the concerned Ministries/Departments of the Central Government including the Ministry of Law and only thereafter views of the Ministry of Industry can be formulated.

The matter was also placed before the last (40th) meeting of the Small Scale Industries Board (SSI Bd) held on 12/13th December, 1987 as a part of the Agenda on the follow action of the recommen-

dations of the 39th SSI Bd. meeting. In view of the diametrically opposing views expressed by various States, it was expressed that the matter required a deeper consideration. It is difficult to lay down any time table for this under these circumstances."

12. Regarding the delay in the implementation of the assurance, the Committee on Government Assurance (1987-88), in their Eleventh Report presented to Lok Sabha on 10 May, 1988, made *inter-alia* the following observations :—

"The Committee are constrained to observe that this is a typical case where during a period of 17 years Government travelled in a reverse direction, from clarity to confusion, realism to escapism and consequently from decision to indecision. Indeed, it is a sad commentary on the decision making process in the Government.

The Committee are of the considered view that had an imaginative approach been pursued, the present position of uncertainty would not have been created. It is a pity that even after a specific promise held out by the representative of the Ministry that within one year's time they would be able to bring the promised legislation before Parliament, it has not been possible for them as yet to do so. Rather from the renewed requests for dropping, it seems that they are not able even to decide that the idea of such a legislation is being dropped. Taking into consideration the importance of the matter and also the fact that so much precious time and efforts already devoted to it, the Committee urge upon the Government to take a final decision in the matter urgently. The Committee do hope and trust that either a Central legislation or a model legislation to be adopted by the States, as may emerge out of a consensus with the States, and other interests involved, would be finalised without further loss of time. This would automatically lead to the implementation of the assurance which has been outstanding for so long.

The Committee wish to add that there is absolutely no ground for the dropping of the assurance and the Ministry should in future make sincere efforts in this as well as other cases to honour the solemn commitments made by the Minister in the House instead of adopting an attitude of drift which is an anti-thesis of a responsible administration."

13. Even after the said recommendations of the Committee, the assurance remained unfulfilled. The Committee on Government Assurances (1990-91), at their sitting held on 9 February, 1990, reviewed the position and decided to call again the representatives of the Ministry of Industry for oral evidence.

14. Before the oral evidence, the Ministry in their note dated 13 June, 1988 informed the Committee as follows :

“The Ministry is working on a General Legislation to ensure prompt payments which is intended to help the Small Scale Sector in recovering its dues which is indeed a major problem faced by this Sector.”

15. The Committee were further informed in a note dated 27 February, 1990 that accordingly, a draft legislation to ensure prompt payment to the small scale industrial undertakings was drafted. The proposed draft legislation, *inter-alia*, provided for

- (i) A penalty interest of 18% per annum, if the payment is not made within 45 days of the acceptance of goods or rendering the services, unless some earlier date is agreed upon between the parties ;
- (ii) The penalty interest which remains unpaid at the end of 30 days being added to the principal amount ;
- (iii) The accoonts relating to payments being specifically examined by auditors : and
- (iv) An amount equal to twice the amount of penalty interest remaining unpaid being included as income of an assessee chargeable to tax.

However, prior to placing the draft legislation before the Cabinet for its approval, it was circulated to the Ministries of Finance (Department of Economic Affairs), Railways, Department of Chemicals and Petro-Chemicals, Ministry of Food and Civil Supplies, Ministry of Steel and Mines, Department of Supply, Planning Commission, Ministry of Energy, Ministry of Defence, Department of Public Enterprise, Department of Coals Department of Company Affairs, Department of Fertilizers, Ministry of Agriculture, Ministry of Finance, Banking Division etc. for their comments/concurrence. The Ministry/Office of the DCSSI after receiving comments/suggestions from various Ministries made extensive exercise for making suitable addition/deletions in the draft Bill. The draft Bill was then discussed in the Law Ministry which had

opined that the introduction of the draft legislation on delayed payments would encounter legal difficulties. It was further opined that the interest act already in vogue provides power to the courts of law to award interest at bank rates if the payments are delayed. The Law Ministry also stated :—

“It is a question of strong-weak relationship. If the proposed legislation is enacted, it is likely to create more litigations. The buyers may raise various disputes as to the quantity, quality and delivery of the goods.”

The Industry Ministry was, therefore, advised to re-examine/reconsider the proposal of introducing the legislation on delayed payments.

16. The Committee took oral evidence of the representatives of the Ministry of Industry at their sitting held on 5 March, 1990.

17. When asked about the reasons for not fulfilling the assurance even after so much delay, the representatives of the Ministry stated as follows :—

“I am aware that the issue under assurance has a long and chequered history. It has its ups and downs. The assurance was given sometime in 1984 but unfortunately not much homework preceded the assurance. This has been admitted before this honourable Committee earlier also. The full implication of the assurance had not been recognised. We were not aware that the State Governments would have very serious reservations. All these were considered and put before the Committee in 1988. Subsequently, in 1988 a decision was taken at the level of the Minister that instead of a comprehensive legislation we will concentrate on the major problem which is affecting the small scale sector and that is delayed payments. So a decision was taken that a legislation will be attempted to deal with this very important problem. We prepared a draft legislation and circulated it to all the Ministries. But the Law Ministry had very strong reservations about the legislation. They said that it may lead to unnecessary litigation. As soon as I took over, I went into this problem. I came to the conclusion that this delayed payment is the major problem. So I am tackling it on all the fronts. I am reviving the proposal of legislation. Secondly, I am tackling it from the administrative side. We are thinking over some sort of a system where banks take over their bills and the small units have some payments so that they can go ahead with their production. I have been assured by the Law Ministry that they will give full consideration to this. I crave your indulgence to grant me three months more time. During this period I will reach the decision one way or the other.”

18. The Committee pointed out that apart from the problem of delayed payments, the small scale units faced another problem of encroachment of their field by the big companies and desired to know the action proposed in this regard. The witness replied :

“Small scale sector has an important role to play. It has grown in the recent years quite remarkably. It is now contributing nearly 50% of the production in the manufacturing sector, 50% employment and 30% to the exports. Our objective is to support, promote and strengthen the small scale sector. The general feeling from the side of the State Governments is that the kind of legislation which we have provided will ultimately strangle the small scale sector. It will lead to more controls.

19. The Committee also pointed out during evidence that big companies purchase the products at a lower price from small scale sector and put their stamps on these products, and, it resulted in major portion of the profits going to the big houses.

The witness explained stating :—

“I agree with you Sir, but in 1984 the Industries Act has been amended to provide for this problem. Now statutorily reservation is there. One of the major problems that they faced was marketing. That is why, it was specifically said that the large houses will market their goods by putting their brand. This arrangement has been withdrawn. The concession which was given in the names of brands has been withdrawn.”

20. When asked about the reasons for making requests continuously for the dropping of this assurance, the witness stated as follows :—

“What they sought to be dropped was the comprehensive legislation, to which many of the State Governments objected.”

21. When asked whether the Government consulted the representatives of the small scale sector before drafting the legislation, if so, if they had not given their own suggestions as to what kind of legislation they would like to have. The representative informed :—

“This entire legislation has been considered more than once by the Small Scale Industries Board.”

22. The Committee further enquired whether Government would think to save the small and cottage industries by bringing a legislation for not allowing the big companies to sell the products of the small scale units by putting their stamp and brand. The witness stated :—

“My effort will be to stop all such encroachments. I will look into all these things.

The limit of Rs. 35 Lakhs has been imposed on the investment in the small scale industries. 95—97 percent units are there with the investment of less than Rs. 2 lakhs. We will bring a legislation for this.

There are two views on it. One is that the bigger houses really provide a very big market input and the other is that the quality control also will be there. For example, Agra shoes reach different parts of the world because the market input is provided by big companies.”

23. The assurance is yet to be implemented.

24. Recalling the observations made in their earlier report presented to the House on 10 May, 1988, the Committee express their deep concern and displeasure over the continuing inaction on the part of the Government. It is quite amazing that a proposal conceived almost two decades ago is still eluding a final decision. First, the Government thought, and that too seriously, to introduce a comprehensive legislation to give protection to the small scale industries. Then they vacillated. The latest thinking now in the Ministry is to bring forward a legislation limited only to a few problems being encountered by the small scale sector. Now that the new Government is in power and the importance of the role of the small scale sector in the national economy is recognised, the Committee expect that the whole proposal would receive consideration afresh and a final decision in the matter is taken in implementation of the long outstanding assurance.

NEW DELHI ;

30 July, 1990

8 Sravana, 1912 (Saka)

DR. VIJAY KUMAR MALHOTRA,

Chairman,

Committee on Government Assurances.

MINUTES

THIRD SITTING

Minutes of the third sitting of the Committee on Government Assurances held on 5 March, 1990, in Committee Room 'C', Parliament House Annexe, New Delhi.

The Committee met on Monday, the 5 March, 1990 from 16.00 hours to 17.45 hours.

PRESENT

1. Dr. Vijay Kumar Malhotra—*Chairman*

MEMBERS

2. Smt. Subhasini Ali
3. Shri Bhajaman Behera
4. Shri Het Ram
5. Shri Mahabir Prasad
6. Dr. Mahadeepak Singh Shakya
7. Shri Kusuma Krishnamurthy
8. Shri Amar Roy Pradhan
9. Shri Ramji Lal Suman
10. Shri C. Srinivasan

SECRETARIAT

1. Shri C. K. Jain—*Joint Secretary*
2. Shri S. C. Gupta—*Director*
3. Shri Jyoti Prasad—*Under Secretary*

MINISTRY OF INDUSTRY

(DEPARTMENT OF SMALL SCALE INDUSTRIES)

1. Shri R. Vasudevan—*Secretary*
2. Shri S. B. Mohapatra—*Joint Secretary*

2. At the outset, the Chairman drew the attention of the witnesses to Direction 58 of the Directions by the Speaker whereunder their evidence could be treated as public and was liable to be published unless the witnesses specifically desired that all or any part of the evidence given by them was to be treated as confidential.

**

**

**

Assurance regarding legislation for small scale Units (USQ No. 7164, dated 11.4.1984)

The Committee then took evidence of the representatives of the Ministry of Industry (Department of Industrial Development) regarding non-implementation of assurance given on 11 April, 1984, in reply to Unstarred Question No. 7164 regarding legislation for small scale units.

The Committee desired to have a general statement on the reasons for not fulfilling the assurance. The witness of Ministry of Industry stated :

"I am aware that the issue under assurance has a long and chequered history. It has its ups and downs. The assurance was given sometime in 1984 but unfortunately not much home work preceded the assurance. This has been admitted before this honourable Committee earlier also. The full implication of the assurance had not been recognised. We were not aware that the state Governments would have very serious reservations. All these were considered and put before the Committee in 1988. Subsequently, in 1988 a decision was taken at the level of the Minister that instead of a comprehensive legislation we will concentrate on the major problem which is affecting the small scale sector and that is delayed payments. So a decision was taken that a legislation will be attempted to deal with this very important problem. We prepared a draft legislation and circulated it to all the Ministries. But the Law Ministry had very strong reservations about the legislation. They said that it may lead to unnecessary litigation. As soon as I took over, I went into this problem. I came to the conclusion that

this delayed payment is the major problem. So I am tackling it on all the fronts. I am reviving the proposal of legislation. Secondly, I am tackling it from the administrative side. We are thinking over some sort of a system where banks take over their bills and the small units have some payments so that they can go ahead with their production. I have been assured by the Law Ministry that they will give full consideration to this. I crave your indulgence to grant me three months more time. During this period I will reach the decision one way or the other."

The Committee pointed out that big companies encroached upon the fields of small scale and cottage industries and desired to know the action proposed in this regard. The witness stated :

"Small scale sector has an important role to play. It has grown in the recent years quite remarkably. It is now contributing nearly 50% of the production in the manufacturing sector. 80% employment and 30% to the exports. Our objective is to support, promote and strengthen the small scale sector. The general feeling from the side of the State Governments is that the kind of legislation which we have provided will ultimately strangle the small scale sector. It will lead to more controls.

The Committee also pointed out that big companies purchase the products at a lower price from small scale sector and put their stamps on these products and it resulted in major portion of the profits going to the big houses. The Committee enquired whether there was any quality control on the big houses and desired to know their views about quality control imposed by the Government on small scale units. In reply, the witness stated :

"I agree with you, Sir. But in 1984 the Industries Act has been amended to provide for this problem. Now statutorily reservation is there. One of the major problems that they faced was marketing. That is why, it was specifically said that the large houses will market their goods by putting their brand. Sir, this arrangement has been withdrawn. The concession which was given in the names of brands has been withdrawn."

The Committee desired to know the reasons for making requests continuously for the dropping of this assurance and in reply the witness stated as follows :

"What they sought to be dropped was the comprehensive legislation, to which many of the State Governments objected."

The Committee desired to know whether the Government consulted the representatives of the small scale sector before drafting the legislation and if they had given their own suggestions as to what kind of legislation they would like to have. The representative stated :

"This entire legislation has been considered more than once by the Small Scale Industries Board."

The Committee further enquired whether Government propose to save small and cottage industries by bringing a legislation for not allowing the big companies to sell the products of the small scale units by putting their stamp and brand. The witness stated :

"My effort will be to stop all such encroachments. I will look into all these things.

The limit of Rs. 35 Lakhs has been imposed on the investment in the small scale industries. 95-97 percent units are there with the investment of less than Rs. 2 lakhs. We will bring a legislation for this.

There are two views on it. One is that the bigger houses really provide a very big market input and the other is that the quality control also will be there. For example, Agra shoes reach different parts of the world because the market input is provided by big companies."

The Committee then adjourned to meet on Tuesday, 6 March, 1990 at 11.00 hours.

MINUTES

NINTH SITTING

Minutes of the Ninth Sitting of the Committee on Government Assurances held on 30 July, 1990 in Committee Room 'B' Parliament House Annexe, New Delhi.

The Committee met on Monday, the 30 July, 1990 from 16.00 hours to 0 hours.

PRESENT

Dr. Vijay Kumar Malhotra—*Chairman*

MEMBERS

2. Smt. Subhashini Ali
3. Shri Het Ram
4. Dr. Mahadeepak Singh Shakya
5. Shri Haribhau Shankar Mahale
6. Shri Kusuma Krishnamurthy
7. Shri Amar Roy Pradhan
8. Shri Ramji Lal Suman

SECRETARIAT

1. Shri C. K. Jain—*Additional Secretary*
2. Shri S. C. Gupta—*Director*
3. Shri Jyoti Prasad—*Under Secretary*

**

**

**

The Committee considered and adopted the draft Fourth, Fifth and Sixth Reports of the Committee.

The Committee then adjourned to meet again on 31 July, 1990 at 11.00 hours.

©1990 BY LOK SABHA SECRETARIAT

**PUBLISHED UNDER RULE 382 OF THE RULES OF PROCEDURE AND
CONDUCT OF BUSINESS IN LOK SABHA (SEVENTH EDITION) AND
PRINTED BY M/s. VINDHYA VASINI PACKAGINGS, DELHI**