

hon. Prime Minister whether, during the last 11 months, Mr. V.P. Singh as the former Prime Minister or Mr. Biju Patnaik who is the present Chief Minister of Orissa, have made any concrete suggestion to the Government of India and the Government of India has taken a decision to close down this Test Range. The people of Baliapal think that this Test Range would be closed and they are going on with fresh construction activities. So, this should be made clear to the people of Baliapal whether it has been decided to close the Test Range or the Orissa Chief Minister has requested the new Central Government to close it.

SHRI CHANDRA SHEKHAR: Sir, it is not a matter of individual likings and dislikings. I shall not like to go into the details as to who wanted what. It is the national issue and the decision has been taken by the Government and not by individuals; whether 'X' was the Prime Minister or 'Y' was the Chief Minister, it does not matter and I am not going to say as to what the attitude of the individuals has been in this matter. It is for them to decide as to what their attitude had been and why they have changed it. I own the responsibility, as the Government has taken the decision in the interest of the nation.

SHRI SONTOSH MOHAN DEV: Mr. Speaker, Sir, the fact remains that, in spite of all efforts by the experts while examining vulnerable sites, there is no other site available in the country which can be an alternative to Baliapal. I had the opportunity to work in the Defence Ministry and I have seen what Mr. V.P. Singh had written as Defence Minister. But when demands came from the people of that region, he might have reconsidered it, probably on humanitarian considerations. As the Prime Minister rightly said, it is not the problem of individuals. I agree with Mr. Jaswant Singh that for our defence preparedness, it is high time for the Government to take a decision either this way or that way and for the 41,000 people who are affected, there was a proposal to construct a model village or a town for them, having all facilities which are needed for public amenities for

model village or model town. As Prof. Madhu Dandavate has also said each one of the affected people whose agricultural land will be affected should be given alternative land so that they do not feel that they have been deprived of their precious source of income.

Keeping this in view, I would urge upon the Prime Minister that positive decision should be taken so that national interest should not be jeopardised and politics should not be brought in because, as Prof. Madhu Dandavate himself has said, the national test range should be a must. On principle he does not disagree that there should be a national test range and other than Orissa, there is no other place suitable. So, I would request the Prime Minister to give a categorical answer.

SHRI CHANDRA SHEKHAR: Mr. Speaker, Sir, the hon. Member is correct that we have not been able to find another alternative site. Taking into consideration the hardships of the people in that area, the Government of India has sanctioned Rs. 17 crores for rehabilitation. Rs. 14 crores has already been transferred to the Government of Orissa for rehabilitation activities. There are 14 other projects of industrial nature which have been taken in hand. If the hon. Member wants, I can read them out but that will only be taking the time of the House. 14 industrial units are being set up in that area in order to see that the people are rehabilitated and they are not put to undue difficulty.

Closing down of Industrial Units In Kota

*103. **SHRI MAHENDRA SINGH MEWAR:** Will the PRIME MINISTER be pleased to state:

(a) whether a large number of industrial units are lying closed in Kota, Rajasthan; and

(b) if so, the measures taken/proposed to be taken to revive such units?

THE MINISTER OF STATE IN THE PRIME MINISTER'S OFFICE (SHRI KAMAL MORARKA): (a) As per the information received from the Reserve Bank of India and the Board for Industrial and Financial Reconstruction, there are two non-SSI units lying closed in Kota, Rajasthan. Specific district-wise information for the closed units in the small scale sector is not centrally available.

(b) The Board for Industrial and Financial reconstruction is seized with these units. In one case, the Board has recommended winding up to the High Court of Delhi.

SHRI MAHENDRA SINGH MEWAR: Sir, in Kota to the best of my knowledge, approximately 70% of the industries are closed down. The biggest difficulty that we find is that the Ministry of Finance, Ministry of Industry, financial institutions, banks, State Government and the Central Ministries are involved and many times the entrepreneurs find them working at cross purposes. What would be the Government policy, in this case, to clear a sum of what I believe to be approximately Rs. 5,500 crores as on 31-12-1988—these were the last figures available—of bank funds which are involved all over the country in about 2 1/2 lakh sick units all over the country.

As regards Kota, 70% of the units are involved and that happens to fall in my constituency and I make specific reference to that.

SHRI KAMAL MORARKA: The hon. Member is right that the number of sick units in the country in small scale sector is about 2 1/2 lakhs. The Reserve Bank of India has issued guidelines to the various banks as to what are the facilities that can be given to these units to be able to revive. There are interest fundings. There is a long-term projection for fresh working capital, for management upgradation. There is the whole scheme.

The small scale sector being a decentralised sector, the Central Government only

is a catalytic agent and it is for the State Government to take initiative with the Reserve Bank of India and the nationalised banks.

As far as the Central Government is concerned, we are prepared to extend all possible assistance for the revival of these units which are found viable. The hon. Member has said 70% of the units are closed. But many of them which are not viable will not find themselves coming within the parameters laid down by the Reserve Bank, will not be able to be revived. But the units which are now viable, the Central Government is prepared to extend all assistance within the Reserve Bank guidelines to the State Government to take up revival of these units.

SHRI MAHENDRA SINGH MEWAR: In this case, there are other private buyers who are willing to take over sick units. In such case, the biggest difficulty is the delay in going through all the Departments and the financial institutions as it creates a very very major time hurdle, thereby the new entrepreneur is not able to put in on time anything into the older units. This would not involve the State Government or the Central Government in anything other than giving permission and also that this large number of sick units involve a very large number of employees who are stuck without wages and who have already conceded certain parts of their dues. My question is what has been planned vis-a-vis the new entrepreneur who wants to purchase this in order to alleviate the problems of the employees.

SHRI KAMAL MORARKA: As for the RBI guidelines, new entrepreneurs have welcomed to switch over the gains. In fact, when a new entrepreneur comes in, the bank is prepared to give concessions so that old liabilities can be scaled down, provided the new entrepreneur is prepared to put in the money. If there are cases which are being delayed, the hon. Member can bring it to our notice. We can definitely expedite the same with the nationalised banks or the Reserve Bank of India.

[*Translation*]

SHRI BANWARILAL PUROHIT: Mr. Speaker, Sir, there are 2 1/2 to 2 3/4 lakh sick units in small scale sector. We have observed that even after the guidelines issued by the Government the attitude of banks is rigid and conservative. In my constituency, there are 7-8 cases which I have been pursuing for the last one year. I have written dozens of letters to the Chairman and other officials of the Bank but in vain. I want to ask a simple question from the Honourable Minister as to how many units out of 2 3/4 lakhs sick units, have been given assistance by the Banks since the introduction of New Scheme to revive sick units.

[*English*]

SHRI KAMAL MORARKA: The question relates to Kota district.

(*Interruptions*)

[*Translation*]

MR. SPEAKER: Yes, the question relates to Kota.

[*English*]

SHRI BANWARILAL PUROHIT (Nagpur): I am entitled to ask a question.

MR. SPEAKER: Mr. Charles to put his question.

SHRI A. CHARLES: Sickness of industry is really a great problem for the whole country and even though there are lot of facilities given under the guidelines of the RBI and the financial institutions, the real tiny and small units are left out of the whole scheme and I do not have the correct number but I may say that 99% the total sick industrial units do not come under the nursing programme. I can give a list of those units in Trivandrum to the hon. Minister.

May I know from the hon. Minister whether revised guidelines and schemes

will be chalked out for the revival of the really tiny and small industrial units which constitute about 99% of the sick industries?

Out of Rs. 5,000 crores locked up in te sick industries, only Rs. 1,000 crores are covered by 99% tiny units, but it is this 99% tiny units which give the largest number of employment potential, but they do not come under the nursing programme.

May I know from the hon. Minister whether urgent steps will be taken for the revival of the tiny and small units which are not now covered under the scheme?

THE PRIME MINISTER (SHRI CHANDRA SHEKHAR): Mr. Speaker, Sir, I agree with the hon. Member that the procedure has been very cumbersome. We have already asked the Ministry of Industry and the Finance Minister to simplify the whole process. I agree with him that tiny and small industries should be given special facilities and special consideration. I assure the hon. House that in a very short time, we shall simplify the whole process and we shall see that industries get the help in due time.

[*Translation*]

SHRI PRAHLAD SINGH PATEL: Mr. Speaker, Sir, there is no scheme with the State Government for the rehabilitation of small scale industries. I am informed that last year policies were framed during the last 11 months, but these could not be implemented. In this respect, we would like to know from the Government whether it would consider any case relating to small scale industries, if it is referred to it?

SHRI KAMAL MORARKA: Definitely, Mr. Speaker. If there is any suggestion by which there can be any improvement in the system and the small entrepreneurs may be benefited, it will definitely be taken into consideration.

SHRI BANWARILAL PUROHIT: Banks do not carry out the orders of the Government.

SHRI CHANDRA SHEKHAR: Everything will be set right.

[*English*]

SHRI OSCAR FERNANDES: Many times we find that the State Finance Corporations come forward to finance these units but the banks do not come forward with their working capital and finally, the whole scheme becomes non-viable. Could not kindly let us know where the State Financial Corporation comes forward to finance these units, will the banks also come forward with their matching amount?

SHRI KAMAL MORARKA: The problem which the hon. Member has raised has been found in a number of cases that the coordination between the State Financial Corporation and the Banks has not been adequate. Wherever the Financial Corporation finds that the units are viable, we will see to it that the banks also cooperate and give funds.

[*Translation*]

SHRIJANARDAN YADAV: Mr. Speaker, Sir, Bihar is the most backward state in respect of industries, and 80 per cent small scale industries are lying closed down. The banks of Bihar also don't give any loans to them. Therefore, I would like to know from the Government, through you, the schemes that are going to be launched by the government to revive the sick and closed small scale units in Bihar.

SHRI KAMAL MORARKA: Mr. Speaker, Sir, I have already said that it is the responsibility of the State Government to look after small scale industries and the State Governments are taking effective steps in this regard. Central Government will also extend its maximum help.

I would like to ask the honourable member that he should request the State Government to take effective steps to revive the closed small scale industries. The Cen-

tral Government will also extend its maximum help.

SHRI YUVRAJ: Mr. Speaker, Sir, there are some reasons mainly responsible for the closure of small scale industries, such as, in—adequate supply of raw material and lack of funds, delayed supply of material especially from big units, serious marketing problems and obsolete technology. The absolute technology is causing a number of problems. Will the Government do something to solve these problems? We would like to be informed of the facts.

SHRI KAMAL MORARKA: Mr. Speaker, Sir, the Government is constantly paying attention to the problems referred to by the honourable Members. The problem of capital is not only with small industries but also with the agriculturists and big industrialists. The generation level of the State Electricity Boards is very low. Honourable Members have put forth genuine problems and the Central Government will definitely do, whatever is possible.

[*English*]

DR. VENKATESH KABDE: Sir, the condition of the industrial units especially the small-scale industrial units is deplorable particularly in the backward regions because they do not have any infrastructural facilities and also they do not get financial assistance. So, my question is this: Is the Government planning any change in the Industrial Policy in order to help the sick units post-date or they would like to close down the sick units. Are there any changes that the Government is planning to make these units profitable?

SHRI KAMAL MORARKA: The general policy guidelines even now stipulate that the viable units will be given all assistance to revive themselves. Units which are not found viable will have to be ultimately closed down. So, there is no change in that basic policy. The question is of the entrepreneurs coming forward and proving to the satisfaction of the Institutions whether the units can be revived or not.

DR. BIPLAB DASGUPTA: Sir, the issue which is now being discussed is a very serious one. On the one hand, the Planning Commission is discussing how to create 30 million new jobs for the people who will be entering into the labour market and on the other hand there are people who are already in the jobs. But their job is now being threatened and many of the units are being closed down. I feel that the policy of the Government lacks imagination. There is no particular policy.

MR. SPEAKER: Please put the question.

DR. BIPLAB DASGUPTA: I will put my question. I will give a specific example. Regarding the Bengal Potteries, our Chief Minister went to the Prime Minister. We went to the Prime Minister. There has been a lot of correspondence over the last 5-6 years. The only thing which was required to make the unit viable was to make a small investment. But the Central Government was not prepared to do it. On the other hand it had spent for the last 8-9 years-already much more than what amount to keep the force alive by way of giving some doles. I think it is a total lack of imagination.

MR. SPEAKER: You are giving the information. You have to elicit information.

DR. BIPLAB DASGUPTA: What I am asking is this: Is there any policy as far as this Government is concerned regarding these sick and closed units? I will just give one example. In Katihar, there are 950 units which are closed down. There is no policy for opening jute mills. One jute mill in Katihar is now being opened because it happens to be near the constituency of the Minister for Textiles. This is a kind of policy which we have regarding the closed units and sick units. My question is, whether the Government has any intention of having a proper national policy with regard to sick and closed units. They do not seem to have any policy whatsoever. They are politicking here and there. They do not seem to have any policy.

SHRI KAMAL MORARKA: On the basic thrust of the question, I fully agree with the hon. Member that in days when we are trying to create more employment, the employment already created appears to be shrinking in the shape of sick units. The problem that we are facing is that out of two and a half lakh sick units, on the basis of viability only 13000 units have been able to be found viable which means that the criteria for viability will have to be diluted further if we want more units to become viable under that criteria. That matter is engaging the attention of the Government and we are in touch with the Reserve Bank of India and with the Finance Ministry. As the hon. Members is aware all financial institutions and banks always take care of their own money and return on their money. The Industry Ministry is fully with the Member in trying to persuade the institutions and banks to relax their criteria so that more units can become viable.

About Bengal Potteries, I may inform the Member that the Tata Economic Consultancy Services is engaged in preparing a report. Government is awaiting that report and will take up the matter with the West Bengal Government when the report is available.

[*Translation*]

SHRI RAJENDRA AGNIHOTRI: Mr. Speaker, Sir, the amount of interest on the loans availed from financial institutions by small scale industries situated in the backward areas of the country like Bundelkhand region of Uttar Pradesh goes on increasing because of shortage of water and electricity. I would like to ask the hon. Ministry whether Government would consider to waive the amount of interest outstanding against these industries or to give some grants to them for this purpose.

SHRI KAMAL MORARKA: Mr. Speaker, Sir, the Government cannot accept a proposal to waive the amount of interests outstanding against industrial units and it should not accept also. However, some relaxation in paying the interests is given to the sick

units. And they are directed to pay the interest when the unit becomes viable. But the Government at this moment does not have any proposal to waive the amount of interest. Moreover such practice should not be encouraged.

SHRI MADAN LAL KHURANA: Mr. Speaker, Sir, in the last budget session after the definition of small scale industry was changed and investment limit was increased to Rs. 50 lakhs from Rs. 25 lakhs. This announcement was made in the Parliament. But the circular to this effect has not yet reached the concerned offices. As a result the files are pending there for last one year and no work is being done. So I would like the Government to give an explanation and it should also give reasons as to why the orders regarding raising the limit from 25 lakhs to 50 lakhs have not been issued?

SHRI CHANDRA SHEKHAR: Mr. Speaker, Sir, I am well aware of the difficulties but we have some difficulties of our own. The full-fledged industrial policy was not announced at that time. So we would like to consider that issue first. Some of the hon. Members from Bengal have raised some questions about this. This is not the question of the Bank policy alone, or of giving assistance to some units. Actually we did not have any investment policy some time back. As a result some such units have come up which are not functioning at present. So the government proposes to formulate a policy only after co-ordinating the investment policy, industrial policy and financial support policy taken together. So far as the question of small scale industries is concerned, it was considered, but only one aspect was considered and notification was issued, but other aspects were not looked into.

[English]

The problem is that we have to take a coordinated view about the investment policy, about the industrial policy and what financial support should be given to what units. This is one problem. The other problem is that we have to go into the details of

the small scale and tiny units and also the bigger units which are viable and which are not viable. This will take some time because there is a backlog of years altogether. We cannot take a decision in five days. Adhoc decisions can be taken, but adhoc decisions will again put us into the same difficulties which we are facing today.

SHRI NIRMAL KANTI CHATTERJEE: A reference has been made to the problem of viability. Is the Prime Minister aware that some of the problems of viability arose from our import policy and from our liberal policy to the large scale industrial units? I know several cases. Is the Prime Minister aware that because of the liberal approach towards import and because of the liberal approach to large scale units, including funding from financial institutions, the small scale sector growth is being affected and the existing units have started collapsing? Is he aware of that and to what extent is he going to modify the policies?

SHRI CHANDRA SHAKHAR: We are aware of the problem and I agree with the hon. Member that many complications have been created because of the, I don't say, the particular policies that he has mentioned because I don't want to commit on that, but because of not well thought our policies in many years. This is why we are getting difficulties to come any conclusion immediately, because all these things are linked up together. If we have to give a viable policy statement, that should take into consideration the whole ambit of the problem that is going to create problem for tomorrow.

Transport subsidy to Industries in Andaman and Nicobar Islands

*104. **SHRI MANORANJAN BHAKATA:** Will the PRIME MINISTER be pleased to state:

(a) whether the Government are aware that transport subsidy has not been paid for the last two years to the industries in Andaman and Nicobar Islands and thereby the