

posed such a project in Bombay City for supply of natural gas to domestic, commercial and industrial consumers in that city. This proposal is under the consideration of Government. The feasibility of supplying natural gas in Delhi is also being studied.

#### **Violation of Licensed Capacity**

\*221. SHRI RAM SAGAR (Saidpur): Will the Minister of INDUSTRY be pleased to state:

(a) whether any large scale industrial units are producing items reserved for small scale sector;

(b) if so, whether there are instances where the large industries have produced such items in excess of their licensed capacity;

(c) if so, the details thereof and the reasons therefor; and

(d) the action taken by Government against such large industrial units?

THE MINISTER OF INDUSTRY (SHRI AJIT SINGH): (a) to (c). Provision for reservation of specified articles for exclusive production by ancillary or small scale industrial undertakings is made under Section 5 of Industries (Development and Regulation) Amendment Act, 1984. Provision has also been made in this Section for the requirement of obtaining Carry-on-Business (COB) licence by existing industrial undertakings manufacturing reserved items. The capacity in the COB licence is pegged at the best production level achieved by such undertakings in three years preceding the date of reservation of the item. When small scale industrial undertakings graduate into medium/large scale undertakings, such undertakings also have to obtain a COB licence to enable them to continue manufacture of reserved items. In such cases also, their capacity is pegged with respect to the date

on which it became incumbent on the undertaking to apply for and obtain a COB licence.

In case large industrial undertakings wish to take up manufacture of items reserved for small scale sector, their applications can also be considered if they undertake an export obligation of a minimum of 75% of new or additional production to be achieved within a maximum of three years.

(d) Violation of the provisions under reservation policy is punishable under Section 24 of Industries (Development and Regulation) Act, 1951, vide Section 4 of the Amending Act of 1984.

While industrial licences including COB licences are issued by Secretariat for Industrial Approvals (SIA), production returns are submitted by units to concerned Administrative Ministries/Departments, DGTD and other technical authorities and as such these are not centrally monitored. However, specific instances of large scale units producing items reserved for small scale sector in excess of their licensed capacity brought to the notice of the Government are looked into and appropriate action is taken by Administrative Ministries/Departments concerned.

To look into the complaints of violation of reservation policy relating to encroachment, Government have constituted a Committee to check entry/expansion of large/medium scale units into areas reserved for small scale sector under the Chairmanship of Development Commissioner (Small Scale Industries).

#### **Alleged Corrupt Practices by Officials of IDPL**

\*222. SHRI ANIL BASU:  
SHRI AMAL DATTA:

Will the Minister of PETROLEUM AND CHEMICALS be pleased to state:

(a) whether Government have received any document indicating involvement of some officials of the Indian Drugs and Pharmaceuticals Ltd. in alleged corrupt practices in the sale of drugs and medicines to Karnataka State Employees State Insurance Corporation;

(b) if so, the details thereof; and

(c) the action taken thereon?

THE MINISTER OF PETROLEUM AND CHEMICALS (SHRI M.S GURUPADASWAMY): (a) to (c). Government has received a copy of the report of the Enquiry Committee instituted by the Government of Karnataka which enquired into allegations of irregularities in the matter of purchase of drugs and medicines by the Karnataka State Employees State Insurance Corporation and it has nothing to do directly with IDPL. The case is also under investigation by the CBI.

#### **Incentives to Khadi and Village Industries**

\*223. SHRI M. ARUNACHALAM: Will the Minister of INDUSTRY be pleased to state:

(a) whether Khadi and Village Industries Commission have exported any products in 1988-89;

(b) if so, the names of those products, their quantum and value of exports during 1988-89;

(c) whether Government propose to give any further incentives to the export-oriented Khadi and village industries to boost the exports; and

(d) if so, the details thereof?

THE MINISTER OF INDUSTRY (SHRI AJIT SINGH): (a) Khadi and Village Industries Commission have exported khadi and village industries products through its registered exporters and directly aided institutions during 1988-89.

(b) During 1988-89 the export of KVI products was Rs. 505.07 lakhs (Khadi Rs. 138.55 lakhs) and Village Industries (Rs. 366.52 lakhs). The details of the products, their quantum and value of exports are as follows:

<i>Description</i>	<i>Value (Rs. in lakhs)</i>	<i>Quantity</i>
<i>Khadi</i>		
Cotton fabrics made ups, readymade garments, silk and woollen fabrics and scarves.	138.55	Not readily available as exports are done through different registered exporters all over the country.
<i>Village Industries</i>		
Handmade paper, Papad, palmyrah fibre and stalks palm leaf products, fibre articles and other V.I. products.	366.52	—do—
<b>Total</b>	<b>505.07</b>	