

MR. SPEAKER : When I go to the next question, do not try to interrupt.

Q. 446—Absent.

SHRI MOOL CHAND DAGA : Sir, this is a very important question.

MR. SPEAKER : If the Member is absent, what can I do ? You have been in the Rules Committee.

SHRI MOOL CHAND DAGA : Sometimes when the question is very important, you may kindly allow it, even if the Member is absent.

MR. SPEAKER : Cannot be done.

Q. 447.

Setting up of Small Scale Units by Industrial Houses and Foreign Companies

*447. SHRI AMAR ROY PRADHAN : Will the Minister of INDUSTRY be pleased to state :

(a) whether several large industrial houses and foreign companies have set up small scale units to take advantage of the special benefits ;

(b) if so, the details thereof ;

(c) whether it is defeating the objectives of Government in promoting small scale sector ; and

(d) if so, the steps Government propose to take in the matter ?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI PATTABHI RAMA RAO) : (a) to (d) A statement is laid on the Table of the House.

STATEMENT

(a) to (d) The work of registration of small scale units and their monitoring is the responsibility of the State Governments. As early as 1968, Government of India had issued instructions to State Governments that special benefits available to the small scale sector should not be allowed to be availed of by small scale units set up, owned or controlled by large units.

To further safeguard the interest of genuine small scale units and to tighten the

procedure in this regard, instructions were issued in 1980 that a small scale unit which is a subsidiary of, or owned or controlled by any medium or large undertaking would be subject to normal licensing procedure under the I (DR) Act 1951 and such units were not to be registered by the Directorates of Industries.

Further in 1983, State Governments were advised that if a unit already registered was found to be a subsidiary of or was owned or controlled by medium or large scale undertakings, it should be deregistered.

Government's attention has recently been drawn to some reports to the effect that some large undertakings have registered small scale units with the State Directorates of Industries. Accordingly, State Governments have once again been asked to deregister all such small scale units which may have been registered in contravention of the instructions and guidelines issued by the Centre from time to time.

SHRI AMAR ROY PRADHAN : It is simply an evasive reply.

MR. SPEAKER : You are always complaining ; you are never satisfied. Perhaps, it has become a habit with you.

SHRI AMAR ROY PRADHAN: Kindly, see part (a) of my question whether several large industrial houses and foreign companies have set up small scale units to take advantage of the special benefits, and what it the reply ? It is evasive. Only in the last part of the statement, a mention has been made of some reports to this effect. Now, so many industrial houses, MRTP and FERA group companies are involved in the small sector. I know their difficulties. They very much love and loudly speak about the small sector, but they work for the big houses, MRTP and FERA group companies. We know the functions and role of the small sector, and we cannot afford to ignore them. In the country, there are about six lakh small units and it is a matter of regret that out of those six lakhs, about seventy thousand units are sick, and you are saying that it lies with the state Government ; you are only making statements and issuing different circulars. That should not be so.

What are the difficulties of the small scale sector ? The main reasons are the

limited production, financial constraints and lack of management.

May I know what are the steps taken by the hon. Minister to drive out all these difficulties? It is already in the air in different corners of the country that it is going to be said that a doubt has arisen that Government has no power to reserve the items for the small sectors without referring it to the IDR Act. What is the reaction of the Government to this?

SHRI PATTABHI RAMA RAO : No, Sir. Government of India has never given any licence. They do not intend to give any licence. Actually, State Government might have allowed them. If it has come to the notice of the Government of India—I do not know when. We have written to the State Governments saying that they must be-registered them.

SHRI AMAR ROY PRADHAN : Has the Government got information that the big houses, and the MRTTP and FERA groups are involved in small sectors?

SHRI PATTABHI RAMA RAO : We have no information.

SHRI AMAR ROY PRADHAN : I am surprised to get this answer from the hon. Minister. I would like to ask : how are the multi-national companies involved in drugs? It is in the findings arrived at in 1975 by the Hathi Committee, which said that out of 66 pharmaceutical units with foreign equity, 15 were registered as small scale sector. A specific recommendation was there that small sectors would be a prohibited area for foreign companies. What are the positive steps Government has taken so far? I would like to know from the hon. Minister whether any push-back law will be there for these FERA companies, to drive them out of the small sectors.

MR. SPEAKER : Put the question.

SHRI AMAR ROY PRADHAN : I would like to know clearly from the hon. Minister whether any positive steps have been taken by Government to throw out these FERA group and MRTTP group people from the small sectors. Would you like to follow the push-back law to FERA companies, as applied to foreign nationals?

MR. SPEAKER : Does that question arise after having heard the first reply?

SHRI AMAR ROY PRADHAN : Yes; it is a report from the Hathi Committee.

MR. SPEAKER : He has already denied that — — — how does that happen? Does your question come out of it? It is a matter of commonsense. Mr Minister, if you have got any reply, you can give it. There is no question of answering it. It is a question of common sense. (*Interruption*) Don't interrupt me.

Now Shri Ramswaroop Ram.

श्री राम स्वरूप राम : अध्यक्ष महोदय, स्माल स्केल यूनिट को बढ़ाने के लिए हमारी घोषित नीति इण्डस्ट्रियल पालिसी में है और सरकार ने तीन-तीन बार इंड्रक्वन्स भी दिए हैं 1968 में दिए, 1980 में दिए और 1983 में इंड्रक्वन्स दिए—कि स्माल स्केल यूनिट्स में जो मंटीरियल प्रोड्यूस किया जाता है वह बिग हाउसेज द्वारा प्रोड्यूस नहीं किया जायेगा। इन इंड्रक्वन्स के बावजूद बिग हाउसेज दिन प्रतिदिन इस तरफ अपना हाथ बढ़ाते जा रहे हैं। उदाहरण के लिए टाटा द्वारा एग््रीकल्चरल इक्वीप-मेंट्स, फावड़ा इत्यादि बनाए जाते हैं जोकि छोटे-छोटे उद्योगों द्वारा बनाए जाने चाहिए। बिग हाउसेज का इंटर्वेन्शन होने की वजह से गांवों में जो छोटे-छोटे ब्लैकस्मिथ हैं या जो छोटी-छोटी यूनिट्स है वह समाप्त हो रहे हैं। मैं आपके माध्यम से जानना चाहता हूँ क्या कार कोई कड़े निर्देश लागू करने जा रही है जिससे कि बिग हाउसेज का हाथ इसमें कम रहे?

SHRI PATTABHI RAMA ROY : As it has come to our notice in these reports, Government of India has written to the State Governments to de-register the industries—those which have been brought to our notice.

MR. SPEAKER : The Minister says he has written to the State Governments to look into it.

PROF. MADHU DANDAVATE : Is it not a fact that there have been upward revisions in the ceiling of investments in plant and machinery, so as to qualify the industrial unit as a small scale sector? Is it not a fact that this ceiling revision has not been related to the turnover, to the utilization of funds and also other aspects of that type? Can you not give it on the basis of facts that even those companies which are part of some other enterprises, which have actually turnover of about crores of rupees, even they have qualified as small scale units, actually getting all the concessions and all the benefits that are to be accrued by the small scale units? If it is a fact, will you look into the matter and give necessary advice to make the modification so that small scale sector qualifications will not be misused by big enterprises which have got crores of rupees of turnover.

SHRI PATTABHI RAMA RAO : We shall certainly look not only into it but we are bringing forward a legislation to protect the interest of the small scale sector; and the legislation is being drafted now.

PROF. MADHU DANDAVATE : He has not replied to my first part. Is it not a fact that there has been a revision of ceiling of investment in plant and machinery without any relation to the corresponding turnover? I have a report in which you will find that shefko India Bearing Co. Ltd. (1980) is having a turnover of Rs. 8 crores; another company is having a turnover of Rs. 5 crores. Like that, those who have got the turnover of Rs. 8 crores, Rs. 6 crores, Rs. 5 crores, they are all called small scale sector and they are getting all the benefits. Has this been brought to your notice? If not, kindly read the corporate Studies Group Report, the Indian Institute of Public Administration on page 23 and try to do something in this matter, Please confirm this.

SHRI PATTABHI RAMA RAO : I have gone through this report. The Government has in view not only that, but also other things which the hon. Member has mentioned. The government has recently set up a committee under the Chairmanship of an Additional Secretary, Industries, with members one from Finance and another from Company Affairs and a Development Commissioner Small Scale Industries Organisation

to look into all these aspects and bring in a report.

SHRI INDRAJIT GUPTA : The other day I had a similar question and in the reply the Minister of Industries has confirmed that this ceiling for investment has been fixed at Rs. 2 crores; and even that is too high for small scale units. Prof. Madhu Dandavate has quoted examples of concerns which have invested Rs. 5 crores, Rs. 8 crores and are still being registered.....(Interruptions) He has just now stated that the state Governments are being instructed to review the list of registered units and to deregister or delicense those which are actually functioning as either subsidiaries or ancillaries or *benamidars* of the big business houses and FERA companies. Examples have been given, a big number of them in this report of the Institute of Public Administration which has been published recently; there are a large number of concrete, specific examples given by names of such concerns. Will they at least look into them immediately, directly without sending only circulars to the State Governments and if they are confirmed, will they see to it that these people who are responsible for this are punished and the concerns are deregistered;

SHRI PATTABHI RAMA RAO : This report has been submitted recently in the month of February. Now we are in the month of March. Hardly a month is over since this report has come. After seeing this report and also some other reports, the government has appointed a committee to look into the whole question.

SHRI INDRAJIT GUPTA : The committee which is going to be appointed has that committee been directed to look into these specific cases which I have mentioned from this report.

MR. SPEAKER : I think that will cover; they will oversee all these cases.

SHRI PATTABHI RAMA RAO : They will go into the whole question, not merely the report but even other things which have been mentioned and what we are hearing, though nobody has written to us, they will go into them.

This has been published only recently.

MR. SPEAKER : He said that every

aspect will be taken into consideration.

SHRI PATTABHI RAMA RAO : This has been published only in February last and now, we are in the month of March.

SHRI INDRAJIT GUPTA : It takes two hours to read a report. These people do not do any work.

PROF. MADHU DANDAVATE : Kindly announce that there is no ban on reading reports.

SHRI A.R. MALLU : I would like to know from the hon. Minister, if any incidents have come to the notice of the Government of India or the Minister of Industries, of persons having registered and obtained licences just to claim the central subsidy and later on winding up the industries? If so, what action is proposed to be taken against those persons? Recently a section of the Press have reported that in Andhra Pradesh at Pattancherru and Shadnagar certain industries have been registered and... (Interruption)

MR. SPEAKER : It is a specific question. You should give a notice of a new question and then he will answer it.

SHRI A.R. MALLU : I will do it.

MR. SPEAKER : Shri Vijay Kumar Yadav.

Deterioration in the Quality of Bajaj Scooters

*448. **SHRI VIJAY KUMAR YADAV :** Will the Minister of INDUSTRY be pleased to state :

(a) whether Government are aware that the quality of Bajaj Scooter has deteriorated and apart from engine, the body also gets worn out early on account of poor quality of steel etc. ;

(b) whether Government are aware that within a short time of purchase, owners have to get the body welded and repaired ;

(c) if so, whether any report has been called or investigation made into the quality of the product ; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI

PATTABHI RAMA RAO) : (a) The Government have not received any such complaint recently.

(b) According to manufacturers, they have received complaints regarding welding defects only on 0.07% of scooters sold during the period July '83-Jan. '84.

(c) In view of very low rate of complaint, it is not proposed to make an investigation.

(d) Does note arise.

श्री विजय कुमार यादव : अध्यक्ष महोदय, मेरा सवाल यह नहीं था कि हाल में कोई रिपोर्ट मिली है या नहीं। मैंने टाइम की कोई सीमा इस में नहीं दी थी और जवाब से ऐसा जाहिर होता है कि अभी हाल ही में कोई रिपोर्ट नहीं मिली है लेकिन इस से पहले सरकार को इस तरह की कोई रिपोर्ट मिली होगी।

दूसरी बात यह है कि इन्होंने कहा है कि केवल 0.7% स्कूटरों में खराबी पाई गई है। देखने में यह बहुत कम दिखाई देता है लेकिन अगर हिसाब लगाया जाए तो एक लाख स्कूटर जो बिकेगा, उस में 750 स्कूटर आते हैं, जिन में खराबी पाई जा सकती है। इस के अलावा सभी लोगों जिन्होंने स्कूटर खरीदा है, के लिए यह पासिबिल नहीं है कि इन को इन्फार्म करें। अध्यक्ष महोदय, जो टाइम इन्होंने दिया है जुलाई 1983 से जनवरी, 1984 तक का, उस की एक इन्सटान्स मैं आप को देना चाहता हूँ। श्री कल्याण राय, एम० पी० ने एक स्कूटर 13-8-82 को खरीदा था और 8 महीने बाद जब उस को सर्विसिंग के लिए दिया गया, तो सीट के नीचे क्रैक पाया गया और बोडी क्रैक पाया गया। मैं यह जानना चाहता हूँ कि इतनी बड़ी तादाद में बजाज स्कूटर की खपत होती है, तो क्या सरकार के पास कोई ऐसी मशीनरी है, जिस के जरिये इस का क्वालिटी कंट्रोल होता है और देखभाल होती है और तब उसको बाहर निकालने का और बेचने का सर्टीफिकेट दिया जाता है। ऐसी कोई मशीनरी है या नहीं? यदि ऐसी कोई मशीनरी है, तो वह क्या कर