

CONCESSION OFFERED FOR SHIFTING OF INDUSTRIES IN BACKWARD AREAS

*471. **SHRI RAJDEO SINGH** : Will the Minister of **INDUSTRIAL DEVELOPMENT** be pleased to state :

(a) whether Government propose to encourage shifting of Industries to undeveloped areas by offering incentives; and

(b) if so, the nature of incentives offered and the outcome thereof ?

THE MINISTER OF INDUSTRIAL DEVELOPMENT (SHRI MOINUL HAQUE CHOUDHURY) : (a) and (b). A statement is laid on the Table of the House.

STATEMENT

(a) and (b) : On the recommendations of two working groups on the development of backward areas, the following schemes mainly to attract new industries to the backward areas, have been formulated by Government :

1. *Schemes for concessional finance* : The financial institutions viz. IDBI, IFCI and ICICI have offered to grant loan on concessional terms to entrepreneurs for starting industrial units in specified backward areas of the country. This scheme started functioning from the later half of 1970. The financial institutions have already published their concessional terms and conditions.

2. *10% Central Outright Grant or Subsidy Scheme 1971* : This scheme was announced on 26.8.71. Under the scheme, new industrial units or the existing industrial units effecting substantial expansion would be granted subsidy by the Central Government to the extent of 10% of their total fixed capital investment on a total fixed capital investment not exceeding Rs. 50 lakhs in each case.

3. *Transport Subsidy Scheme, 1971* : The scheme was announced on 15.7.71. Under this scheme, new industrial units, existing industrial units effecting substantial expansion in the States of Jammu & Kashmir, Assam, Meghalaya, Nagaland, Manipur and Tripura and the Union Territory of Arunachal would be granted subsidy by the Central Government upto 0% of the transportation cost between Pathankot in the case of Jammu & Kashmir and Siliguri in the case of States

in the North Eastern region, and the location of the industrial unit, on both raw materials and finished products.

A provision of Rs. 5 crores has been made in the Fourth Five Year Plan for providing (i) 10% Central outright grant or subsidy and (ii) Transport Subsidy.

Under the concessional finance scheme a number of units have been assisted by the Industrial Finance Corporation of India and the Industrial Development Bank of India—the latter through the various State Financing Corporations, for setting up industries in backward areas.

As regards the 10% subsidy scheme, 360 eligible units have registered themselves with State Governments. Their applications for the subsidy are under scrutiny of State level Committees.

Besides these steps, the Industrial Development Bank of India in collaboration with other agencies like the Industrial Finance Corporation, Industrial Credit and Investment Corporation of India, Reserve Bank of India, Agricultural Refinance Corporation, etc., has undertake an Industrial survey of various States and Union Territories. So far, surveys of Assam, Bihar, Chandigarh, Jammu & Kashmir, Himachal Pradesh, Madhya Pradesh, Manipur, Nagaland, NEFA (Arunachal), Orissa, Rajasthan, Tripura, and Uttar Pradesh have been completed and survey reports in respect of all the States excepting Nagaland, U. P., Chandigarh and Himachal Pradesh have been submitted. Follow-up action is being taken on these reports and it is hoped that as a result of all these measures and promotional steps being taken by State agencies, the industrial development of backward areas will get speeded up.

SHRI RAJDEO SINGH : May I know the reasons why U. P. which has 36 districts which are backward out of 54 districts has been allotted only 2 districts like other small and medium States which were also allotted 2 districts for 10 per cent Central outright grant or subsidy ?

SHRI MOINUL HAQUE CHOUDHURY : This matter was discussed by the Planning Commission with the Chief Ministers and then in a meeting of the National Development Council. It was decided there as to how many districts will

be taken in each State and, on the basis of that, 2 districts have been allotted to U.P.

SHRI RAJDEO SINGH : May I know whether the recommendations of the two working groups on the development of backward areas covered all the backward districts and also schemes were formulated following up their recommendations to cover all the backward districts ?

SHRI MOINUL HAQUE CHOU-DHURY : All the districts cannot be covered. There are a large number of backward areas in the country. If all the areas are taken up at a time, then industries cannot be set up in all the areas. Therefore, we have to take a phased programme. At the moment, certain districts have been selected and we are trying to industrialise them.

SHRI NARSINGH NARAIN PANDEY : The Patel Commission was constituted which gave certain recommendations regarding backward areas. I want to know from the hon. Minister what action has been taken on those recommendations.

SHRI MOINUL HAQUE CHOU-DHURY : I will not be able to say specifically about the Patel Commission. What I would like to say is that till last year, no special emphasis was given to the development of backward areas. After considering whatever reports there were or whatever recommendations there were and the various studies made, the Government announced the schemes in the course of last years and the schemes are in operation.

SHRI NARSINGH NARAIN PANDEY : I specifically asked about Patel Commission's recommendations. The Minister has not replied to it.

SHRI MOINUL HAQUE CHOU-DHURY : My answer was very clear. There are various commissions which studied this question. If the hon. Member wants to know specifically about the Patel Commission, a separate question can be put.

श्री भारलखण्डे राय : इस बात को ध्यान में रखते हुए कि भारत के पिछड़े प्रदेशों में 22 जिसे उत्तर प्रदेश के भी हैं, इन तमाम उद्योगों को ले जाने के सिलसिले में.....

अध्यक्ष महोदय : यह तो एक जनरल सवाल है, उत्तर प्रदेश को इस में कहां से ले लाये ?

श्री भारलखण्डे राय : मैं यही जानना चाहता हूँ कि इस सिद्धान्त की दृष्टि से क्या उत्तर प्रदेश के 22 जिलों को प्राथमिकता दिये जाने का विचार है या नहीं ?

अध्यक्ष महोदय : इस सवाल से इस ही कोई रिलेवेंसी नहीं है, यह तो बिलकुल जनरल सवाल है, मिनिस्टर आफ-हैण्ड इस का कैसे जवाब दे सकते हैं ।

श्री भारलखण्डे राय : अध्यक्ष महोदय, सिद्धान्ततः यह बात तय कर दी गई है, इस लिये इन जिलों को प्रथमिकता दी जायगी या नहीं । यह प्रायोरिटी का सवाल है ?

अध्यक्ष महोदय : आप बगैरे उन से "न" करवाते हैं ।

SHRI MOINUL HAQUE CHOU-DHURY : As I said, the whole country cannot be declared backward at a time. Therefore, one has got to be selective. This matter was discussed in the National Development Council. After taking into consideration the recommendations of the respective State Governments, the Planning Commission selected these districts. I share the anxiety of the hon. Member that U. P. is very big in size and, therefore, a bigger area should have been taken. In fact, this question as to whether or not we should increase the number of backward districts in the States is being considered by us. The Planning Commission is also considering this question.

श्री विभूति मिश्र : क्या उत्तर बिहार में कोई इण्डस्ट्री लगाने का विचार सरकार ने किया है ? मीटर गेज और ब्राड गेज में से एक ही सिस्टम रहे ताकि आसानी से उद्योग लग सकें—क्या इस के बारे में भी सरकार ने विचार किया है ?

अध्यक्ष महोदय : यह प्रश्न रेलवे मिनिस्टर को पास-मान कर दीजिये ।