

LOK SABHA DEBATES

LOK SABHA

Tuesday, April 4 1989/ Chaitra 14, 1911
(Saka)

The Lok Sabha met at

Eleven of the Clock

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

[English]

Simplification of Procedures for Setting up of Small Scale Industries

*471. SHRI P. PENCHALLIAH: Will the Minister of INDUSTRY be pleased to state:

(a) whether Government propose to simplify the procedures to give a boost to the setting up of small scale industries; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) and (b). A statement is given below.

STATEMENT

(a) Yes, Sir. Simplification of procedures for promoting the small scale sector is a continuous process.

(b) In the following areas, procedures

for various clearances/ approvals needed by small scale industrial undertakings have been simplified in the past few years.

- (a) Excise Laws.
- (b) Sanction of credit by financial institutions
- (c) Labour Laws
- (d) Forms for registration
- (e) Clearance from pollution control angle.

SHRI P. PENCHALLIAH: Sir, I would like to know from the hon. Minister whether undue emphasis is being given to setting up of large scale industries as a result of which only a few areas in the country are developing while many parts of the country remain backward. This is contributing to regional imbalances. Hence, I would like to know what steps the Government has taken to set up small scale industries in the Government sector in economically backward areas.

SHRI M. ARUNACHALAM: The development of small scale industries is basically the concern of the State Governments and the Central Government is assisting their programmes. I request the hon. Member to approach the State Governments for the development of small scale industries in the backward areas.

SHRI P. PENCHALLIAH: Small entrepreneurs who want to set up small scale units in industrial areas like NOIDA find it extremely difficult to get the certificates needed to set up the small scale industries. As a result corruption is rampant to get these

certificates. Hence, I would like to know what steps have been taken to streamline the procedure in NOIDA and other such authorities so that the entrepreneurs can have the benefit of the concessions.

SHRI M. ARUNACHALAM: The registration of small scale industry is basically done by the State Director of Industries. *(Interruptions)*

SHRI C. MAHDAV REDDI: He is talking about Delhi. In Delhi it is your job.

SHRI M. ARUNACHALAM: Sir, NOIDA is under the control of U.P. State Government. There is a Chairman of NOIDA.

DR. DATTA SAMANT: This is a very important problem. Out of 12 lakh small scale industries in the country, nearly 10 per cent of them, 1.2 lakh industries have been closed and about 10 to 15 per cent are on the verge of closure. It is the responsibility of the Central Government to see that the affected people get some relief: Marketing is an important issue for the small scale industries. Therefore, some guidelines are required to be framed. Again the Government has encouraged the big industrial houses like Reliance. They are producing Rs. 1000 crores worth of products. What happens to small scale industries? They are not competent enough to run on their own. Therefore, the spirit of socialism and helping the poor man in setting up small scale industries has to be considered by the Government. .. *(Interruptions)* The hon. Minister Mr. Sathe knows that 9000 small scale industries have been closed down in Maharashtra. To encourage the small scale industrialists or young graduates, will the Government frame some guidelines in regard to marketing? The small scale industrialists cannot compete with the big industrial houses. Therefore, some such procedure will have to be laid down by the Government and strictly implemented, instead of saying that they leave it to the State Governments. *(Interruptions)*

SHRI P. M. SAYEED: Mr. Speaker Sir, Question No. 480 is also related to this

subject. Can you club it?

MR. SPEAKER: Not now.

[Translation]

You are late and you have missed the train.

PROF. MADHU DANDAVATE: There has been delay in laying the Report. Similarly he is late.

[English]

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO): Sir, there are 16 lakhs of small industries through out the country and not 12 lakhs as mentioned by Dr. Datta Samant... *(Interruptions)*

DR. DATTA SAMANT: 1.5 lakh industries were closed... *(Interruptions)*

SHRI J. VENGAL RAO: There are some sick industries. There is a National Equity Fund. It is with the IDBI. For the rehabilitation of sick industries, IDBI will finance upto Rs. 75,000 from the National Equity Fund. That is how, the rehabilitation schemes are going on.

SHRI A. CHARLES: Sir, in the answer it is stated that simplification of procedures for promoting the small scale sector is a continuous process. I would like to draw the attention of the hon. Minister to one particular point that has been mentioned here the sickness of the industry in the small scale sector. In Kerala, more than sixty per cent of the small scale industries are already sick and there are a number of reasons. Even though the Government have given a number of package schemes, there is nobody to assist the small scale industries in getting the benefits. May I know from the hon. Minister whether a thorough study will be made under the guidance of the Central Government to help these units to enable them to get these benefits and to close the industries which are not viable? And also I want to know whether the Government will consider fa-

avourably the question of giving industrial subsidy, that has been recently stopped by the Central Government which had put a number of industries in difficulty. May I know from the hon. Minister whether the industrial subsidy will also be given, as was being done some six months back?

SHRI J. VENGAL RAO: Sir, for the benefit of small scale industries 835 industries are reserved. The big business houses should not come into this sector. *(Interruptions)*

SHRI ATAUR RAHMAN: Multi-nationals are coming...*(Interruptions)*

DR. DATTA SAMANT: Multi-nationals are starting small industries...*(Interruptions)*

MR. SPEAKER: You please answer the question. Do not take note of what they say.

SHRI J. VENGAL RAO: We are not allowing big industries to enter in this area. There are many reasons for the sickness of the units like siphoning of funds. For the rehabilitation of these industries, we have started the National Equity Fund. It is under the control of IDBI. We have provided Rs. 10 crores for the rehabilitation of sick industries.

SHRI A. CHARLES: He has not answered the question regarding subsidy.

SHRI J. VENGAL RAO: No subsidy is given. Subsidy was over on September 30, 1988.

[Translation]

Oil Refineries in Assam

*473. SHRI BALWANT SINGH RAMMOOWALIA:
SHRI DINESH GOSWAMI:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Union Government propose to set up another oil refinery and

expand the existing oil refineries in Assam;

(b) if so, whether this is pursuant to the Assam Accord; and

(c) the steps taken by Government so far to implement the proposal?

[English]

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI BRAHMA DUTT): (a) to (c). Pursuant to the Assam Accord the Government has decided to set up in the Central Public Sector a refinery of 2.00 MTPA capacity in Assam with a provision to expand it to 3.00 MTPA if additional crude is available. It has also been agreed recently to set up the refinery as a subsidiary of an existing Oil Company with some capital participation by the State Government. There is currently no proposal to expand the capacity of the existing refineries in Assam.

SHRI BALWANT SINGH RAMMOOWALIA: In the answer the Minister has informed of the decision of setting up a refinery in the public sector, but no details have been given. Will the Minister apprise the House of the effective steps which have been taken in this regard?

SHRI BRAHMA DUTT: We have taken all the effective steps. I may inform the hon. Member that first of all it was suggested that this refinery should be in the private sector. That was part of the Assam Accord. When no party came forward, we decided to have it in the public sector. Then Assam Chief Minister, several other Ministers and some public representatives met me and suggested that we should have it in the joint sector. We agreed to that also. Now we are taking all the steps for the formation of the company, studying feasibility report and going to PIB. But two factors remain. First of all, I would advise the Assam Government to have money allocated in the annual plan and create conditions where oil will flow to the refinery. If oil will not flow to the refinery, then there will be the problem of