

LOK SABHA DEBATES

LOK SABHA

STATEMENT

Tuesday, April 11, 1989/Chaitra 21, 1911
(Saka)

The Lok Sabha met at Eleven of the Clock

[MR. SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

[*English*]

Grant of Industrial Licences in Maharashtra

*574. SHRI BALASAHEB VIKHE PATIL: Will the Minister of INDUSTRY be pleased to state:

(a) whether Maharashtra Government has recommended some applications to Union Government for grant of industrial licences for setting up industrial units in the State;

(b) if so, the number and details of such applications received during the last six months as on 31st March, 1989 and how many of them have been cleared; and

(c) the details of such units, industry-wise, and the districts where such units will be set up?

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

(a) to (c). During the last six months ended 31-3-1989, 208 applications for grant of industrial licence under the Industries (Development & Regulation) Act, 1951 were received from various entrepreneurs including the State Public Sector Undertakings for setting up industries in the State of Maharashtra. Out of this, 38 applications have been approved and letters of intent granted to the parties concerned while 45 have been rejected/otherwise disposed of and 125 are under process. Detailed information regarding letters of intent issued are published in the Monthly Newsletter of Indian Investment Centre and a copy is sent to the Parliament Library.

[*Translation*]

SHRI BALASAHEB VIKHE PATIL: Mr. Speaker, Sir, out of 208 applications, only 38 applications have been approved while 45 have been rejected and 125 are still under process. I would like to know from the hon. Minister how many of these 38 licences belong to private sector, public sector and co-operative sector? Also, how many of them have been issued in backward areas? I would also like to know the extent to which employment opportunities are likely to be created in each industry. If some of these licences relate to food processing industries, what is their number? How many of them are going to be set up in rural areas and how many in urban areas and how many people are likely to get employment in it? I would like the hon. Minister to furnish information separately for rural and urban areas.

[*English*]

SHRI M. ARUNACHALAM: Sir, during

the past six months, the total number of applications received was 208; 38 letters of intent have been issued; 45 applications have been rejected or otherwise disposed of; and 125 applications are at various stages of processing. I would like to tell the House through you, Sir that out of 125 applications, 77 applications have been received only during the last two months, that is within the stipulated period.

Sir, regarding backward and other areas, I will pass on the information to the hon. Member. In public sector and private sector, we have received a number of applications. I will find out and pass on the information to the hon. Member.

SHRI BALASAHEB VIKHE PATIL: Mr. Speaker, Sir, when they scrutinise, sanction and issue letter of intent and licence, they should look into how many are in the backward areas; how much employment will be created and at the same time whether the rural area will be benefited or not.

I would like to ask another question. In Maharashtra, letters of intent have been issued to a number of spinning mills. But for the last four years, no central financial institution is giving any loan on the plea that already the target for the Seventh Plan was over. The Government should keep in view at the time of issuing licences, that the loan should be disbursed properly so that the cooperatives in particular would not suffer. In the rural areas, employment potential is very much there. I want to know, how much this question will be looked into. Maharashtra is very potential for Vanaspathi. I want to know the policy of the Government of India in regard to issue of licence for the production of Vanaspathi.

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO): The total number of schemes registered in 1985 was 151, in which the share of backward area was 67. In 1986, the total number of schemes registered was 277 and the share of backward area was 132. In 1987, the total number of schemes registered was 217 and the share

of backward area was 73. In 1988, the total number of schemes registered was 209 and the share of backward area was 95. Upto Feb. 1989, the total number of schemes registered was 19 and the share of backward area was 6.

Sir, 32 applications are pending with the Food Processing Ministry. It is not with our Ministry.

DR. DATTA SAMANT: Sir, Maharashtra has got one-hundred-year old industries. Such industries are there in Bombay, Pune and Thana Zones. There is a tendency to close down the industries. About 240 big industries and 14000 small industries have been closed. One factory of Hindustan Lever had been closed. On the other hand, they had given licence to Apollo Industries for producing the same product. Poddar Mills, Khatau Mills and Bombay Mills have been closed, but the other industry has started producing new products. Sir, these things are happening. By the process of closing down the old industries and starting new industries, taking money from the Government, etc. the big houses are benefited. The Government should take note of one point at the time of issuing new licences in Maharashtra or anywhere that atleast the people who are employed in those factories are not thrown out of the employment. You need not give anything additional. It is a very important process. I want to know whether the Government will take note of this and implement the same.

SHRI J. VENGAL RAO: Sir, you know very well, as per the recent policy of the Government, we are not giving licences to the factories situated within 50 KMs radius from Bombay and other metropolitan cities. That is why, we are giving licences to the rural and backward areas only... (*Interruptions*)

DR. DATTA SAMANT: Why are you encouraging closing down of the industries?... (*Interruptions*)

SHRI J. VENGAL RAO: We are not

encouraging closing of any units... (Interruptions) For big houses, they must get clearance from MRTP and then only they will get licences.

SHRI ANOOPCHAND SHAH: May I know from the hon. Minister as to how many licenses have been given to Maharashtra in the last one year, to manufacture vanaspati?

SHRI J. VENGAL RAO: Vanaspati is a prohibited item. For example, in north-eastern States and Himachal Pradesh we have given one and one. In Maharashtra's tribal area, we have given one license for a cooperative society.

Target for Small Scale Industries

*582. SHRI LAKSHMAN MALLICK†:
SHRI KAMLA PRASAD
SINGH:

Will the Minister of INDUSTRY be pleased to state:

(a) whether the targets set for the Seventh Plan in respect of small scale industries have been achieved;

(b) if not, the reasons therefor;

(c) whether some multinationals have crossed the limits fixed in their licences of products reserved in the small scale sector by giving sub-contracts; and

(d) if so, the details thereof and the steps taken to plug the loopholes in the law/rules/regulations?

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

STATEMENT

(a) and (b). The targets set for production, employment and exports in respect of small scale industries in the first three years of the Seventh Plan along with estimated achievement are given below:-

	Production (At 1984-85 prices) (Rs. crores)		Employment (in lakhs)		Exports (Rs. crores)	
	Target ment	Achieve	Target ment	Achieve	Target@ ment*	Achieve
1985-86	55225	57100	95	96	2630	2769
1986-87	61130	64500	100	101.4	2950	3648
1987-88	66630	72880 \$	106	107\$	3300	N.A.

@ = At 1984-85 prices.

* = At current prices.

\$ = Provisional.

N.A. = Not available.