

## LOK SABHA DEBATES

### LOK SABHA

Tuesday April 9, 1985|Chaitra 19, 1907  
(Saka)

*The Lok Sabha met at Eleven of the Clock.*

[MR. SPEAKER in the Chair]

#### OBITUARY REFERENCE

[English]

MR. SPEAKER : I have to inform the House of the sad demise of Shri Ganapati Ram who was a member of First, Second and Third Lok Sabha during 1952-1967 representing Jaunpur and Machhlishahr constituencies of Uttar Pradesh respectively.

A well known social worker, he devoted his entire life for the upliftment of Scheduled Castes and weaker sections of the Society. He was associated with several social organisations besides being a member of Planning, Hospital and Anti-Corruption Committees of Banaras and Jaunpur.

Shri Ganapati Ram passed away on April 3, 1985, at Jaunpur (U.P.) at the age of 59 years.

We deeply mourn the loss of this friend and I am sure the House will join me in conveying our condolences to the bereaved family.

The House may stand in silence for a short while to express its sorrow.

*The Member then stood in silence for a short while.*

#### ORAL ANSWERS TO QUESTIONS

[English]

##### Location of Industries in 'no-industry districts' in Orissa

\*344. SHRIMATI JAYANTI PATNAIK: Will the Minister of INDUSTRY AND COMPANY AFFAIRS be pleased to state :

(a) the number of letters of intent issued for location of medium/large industries in the no-industry districts in Orissa during the last year ;

(b) the number of applications for location of such industries in these districts in Orissa pending and by when these will be cleared ; and

(c) the incentives provided to industrialists to locate their industries in 'no-industry districts' ?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY AND COMPANY AFFAIRS (SHRI ARIF MOHAMMAD KHAN) : a) to (c) : A statement is laid on the Table of the House.

#### Statement

(a) During the year 1984 and January-March, 1985, 6 letters of intent were granted for setting up industries in 'no-industry districts' of Orissa state.

(b) As on 1-4-1985, 3 applications for grant of letters of intent for location of industries in the 'no-industry districts' of Orissa were under consideration in the Secretariat for Industrial Approvals. It is constant endeavour of the Government to dispose of all pending industrial licence applications as expeditiously as possible.

(c) With effect from 1-4-1983, the 'No-Industry Districts' have been included in Category 'A' of Backward Areas and entrepreneurs setting up industries in these districts are given over-riding priority in the grant of industrial licences, highest rate of Central Investment Subsidy @ 25% subject to a maximum of Rs. 25 lakhs, concessional finance facilities from All-India Term Lending Institutions, tax concessions, hire purchase of machinery by small scale industries, consultancy for technical services, interest subsidy, seed/margin money assistance and comprehensive range of extension services and support through the District Industries Centres. MRTP/FERA Compa-

nies have been permitted to set up Non-Appendix-I industries not reserved for small scale sector with an export obligation of 30% only.

Government have also decided to provide assistance for development of infrastructural facilities in identified growth centres in 'No Industry Districts' by State Governments to the extent of 1/3rd of the total cost subject to a ceiling of Rs. 2 crores per district.

**SHRIMATI JAYANTI PATNAIK :** The Minister has not replied when these applications will be cleared. In his statement, in reply to (c), he states as follows :

"Government have also decided to provide assistance for development of infrastructural facilities in identified growth centres in 'No Industry Districts' by State Governments to the extent of 1/3rd of the total cost subject to a ceiling of Rs. 2 crores per district."

I just cannot make out from this whether the State Governments are in a position to do it by themselves because they are economically backward States and economically backward districts are also there. I want to know from the Minister whether Central assistance for development of infrastructural facilities can be provided. With this assistance how it has helped them in location of new industries in these districts and to what extent? What was the position before the provision of this assistance and now it has helped them in the location of new industries after the provision of assistance for development of infrastructural facilities?

**THE MINISTER OF CHEMICALS AND FERTILIZERS AND INDUSTRY AND COMPANY AFFAIRS (SHRI VEERENDRA PATIL) :** Sir, the hon. Member wanted to know why the applications for letter of intent in 'no-industry districts' of Orissa are still pending with the Ministry. As I have already informed the hon. Member, there are only three applications which are pending with the Ministry, and these applications have been filed for letter of intent only recently. One application was filed on 24-11-1984, another application was filed on 28-3-1985 and the third application was filed on

1-3-1985. We will see that these applications are processed as early as possible and a final decision is taken.

The hon. Member wanted to know whether adequate financial assistance is being provided by the Government of India for creating infrastructure.

This is the pattern of assistance that we have evolved and we have approved it, and this scheme has been introduced in 1982-83, under the 'no-industry district' concept and for improving the industrial development in other areas wherever there is regional imbalance. So, it is too early for me to say whether the scheme has worked well or not. We have to take a view in this matter after some time.

I would like to take this opportunity and announce certain decisions of the Government that have been taken very recently. As the hon. Members are aware, this scheme of removing the regional imbalances of 'no-industry district' and other backward areas was introduced in 1983. This 'no-industry district' concept was introduced on 1-4-1983 and it was up to the end of Sixth Plan period. That means it expired on 31-3-1985. Before that we had to take a decision whether we should continue the scheme or whether we have to modify it. In that connection the Government have taken a decision very recently that the central incentive scheme for industrialisation of the backward areas and industrial dispersal which expired on 31-3-1985 should be extended for another year, that is, till 31-3-1986. The scheme will be comprehensively reviewed and for this purpose an inter-ministerial group comprising representatives of the Ministry of Finance, Planning Commission and the Ministry of Industry is being constituted.

I may also add that the districts of Barmer and Churu in Rajasthan which were left out earlier should now be included in Category 'A' as 'no-industry district' with effect from 1-4-1985.

As earlier announced in the Rajya Sabha the district of Ghat Shiroli in Maharashtra has also been included as a "no-industry district" with effect from 1-4-1985.

In order to promote electronic industries in the hilly districts the existing ceiling of Rs. 25 lakhs has been increased to Rs. 50 lakhs, the percentage of subsidy, however, remain at 25 per cent. It is hoped that this special incentive will give impetus to entrepreneurs intending to set up electronic industries in the hill districts.

**PROF. MADHU DANDAVATE :** It is good that he has made the announcement in the House, not outside.

**MR. SPEAKER :** He has taken the cue from you.

**SHRIMATI JAYANTI PATNAIK :** In reply to part (c) of my question the hon. Minister has mentioned that the MRTP/FERA companies have been permitted to set up Non-Appendix-I industries. I would like to know from the hon. Minister whether the MRTP houses will be persuaded to set up industries in 'no-industry' districts by relaxing the licensing norms for them. Now that the limit has been raised to Rs. 100 crores many erst-while MRTP houses will be free to set up industries anywhere they like.

**PROF. MADHU DANDAVATE :** And do whatever they like.

**SHRIMATI JAYANTI PATNAIK :** Will it not affect the progress of industrialisation of 'no-industry districts' ? Will the Government look into the matter and examine this if it is so, what steps are going to be taken by the Ministry ?

**SHRI VEERENDRA PATIL :** Even after this scheme, the MRTP houses, non-MRTP houses and other entrepreneurs they are at liberty to establish or set up industries wherever they want. But the incentive is there for them, if they want to set up any industry. They are entitled to certain subsidy, cash subsidy and also to help from financial institutions.

They are entitled for other financial relief. That is why, there are three categories—A, B, and C. In the case of category A, they will get Central cash subsidy upto 25 per cent or Rs. 25 lakhs, whichever is less. In the case of Category B, they will get 15 per cent or Rs. 15 lakhs whichever is less. In the case of Category C, they will get 10 per cent or Rs. 10 lakhs

whichever is less. Other financial concessions will also follow. Therefore, it is for both the sectors to avail of those incentives as they have been offered in order to attract more and more industries in the backward areas. It is for the entrepreneurs to take advantage of those incentives.

**SHRI KOLANDAIVELU :** The hon. Prime Minister has announced some time in March that heavy industries would be set up in no industry areas of each and every district. Is the Government going to set up heavy industries in each and every district ; if so, what are the steps taken so far ?

**SHRI VEERENDRA PATIL :** I do not know which statement the hon. Member is referring to. As I have said, if either sector or any organisation or an individual wants to set up any industry in backward areas and other areas some incentives have been provided. It is for them to take advantage of those incentives.

**SHRI KOLANDAIVELU :** Will the Government take steps to put up heavy industries in each and every district ?

**MR. SPEAKER :** You have to ask a separate question for that.

**SHRI JAGANNATH RAO :** Apart from the incentives that are going to be given to the intending industrialists to set up industries in backward areas, lack of power is the main impediment as power is the greatest infrastructure. Will the Government take steps to set up power plants in backward areas to facilitate setting up industries by the private industry ?

**SHRI VEERENDRA PATIL :** I agree with the hon. Member that whatever incentives we may offer unless infrastructural facilities are available nobody is prepared to go there. That is why, for providing infrastructural facilities Government of India has come forward and told the State Governments that it is going to contribute so much for creating infrastructural facilities. To create infrastructural facilities including power is mainly the responsibility of the State Government. If they create facilities lot of people will go there.

**PROF. K.K. TEWARI :** This question requires half-an-hour discussion.

MR. SPEAKER : No problem. You can give notice.

#### ONGC's Assistance to China

\*345. SHRI SHIVENDRA BAHADUR SINGH : Will the Minister of PETROLEUM be pleased to state :

(a) whether China has approached Oil & Natural Gas Commission to assist them in various projects in China ; and

(b) if so, the details thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM (SHRI NAWAL KISHORE SHARMA) :

(a) No, Sir.

(b) Does not arise.

SHRI SHIVENDRA BAHADUR SINGH : I would insist upon the hon. Minister to again verify whether the Chinese Government has approached ONGC or not, because it has appeared in the press. I would also like to know in case they are approached, what will be the reaction of the Government ?

PROF. MADHU DANDAVATE : It had appeared only in the 'National Herald'. That is why, the Minister had not taken it seriously.

SHRI NAWAL KISHORE SHARMA : I take every paper seriously and the 'National Herald' much more seriously.

Whatever reply I have given I stand by that. The question which has been put by my friend is that whether China has approached ONGC to assist them in various projects in China. I say that there is no specific proposal which has been made by China to India. Of course, there has been some sort of interaction between ONGC and China for the last few years and there have been certain exchange of delegations also.

But that does not mean that there is a proposal on the part of the Chinese Government to the ONGC for assistance in the various projects.

SHRI N. VENKATA RATNAM : Sir, I will put the question in a rather reverse way. Did our country approach any

other country to help ONGC and, if so, what are the countries and what are the promises made by those countries ?

SHRI NAWAL KISHORE SHARMA : Many countries have approached us in the exploration and survey.....(Interruption)

SHRI N. VENKATA RATNAM : My question is what are the countries whom we have approached to help ONGC.

SHRI NAWAL KISHORE SHARMA : That does not arise out of this question. I require a separate notice for that.

SHRI N. VENKATA RATNAM : Is China included in those countries ?

PROF. MADHU DANDAVATE : He is allowed to reverse the question, Sir.

SHRI G. G. SWELL : Sir, I am happy that the Minister has cleared a little bit of confusion which appeared in the national Press. On the face of what he has said, the very question appears to be unlikely. I would like to know from the hon. Minister whether he is in a position to confirm or deny these figures that in 1979, China produced 106 million tonnes of crude oil which placed China amongst the first ten oil producers in the world. The report is that today they are producing something in the region of 300 million tonnes and are heading towards 450 million tonnes which would place them amongst the first five oil producers in the world. So, I would like to know whether some American geologists have estimated that China will soon overtake the Soviet Union in the field of oil technology. Most of this oil is, of course, on-shore and the Chinese have almost opened the doors wide to multinationals to explore oil in their off-shore areas which are rich in hydro-carbon. On the face of it, do you consider it ever likely that China will approach us or we will approach China ?

SHRI NAWAL KISHORE SHARMA : So far as the question of the production that China is having, I do not have the exact figures. But to the best of my knowledge and information, China is making great strides towards the production of oil. I do not know whether it would be able to outbeat Russia in the matter of oil. I