CHAPTER XII
INDUSTRIES

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INDUSTRIES

1. *INTRODUCTION*

12.1.01 'Industry' forms a vital sector in the planned development of the country. Need for protection to indigenous industry as well as control over key industries was recognised even; before Independence. The Industrial Policy Resolution, 1948 is a land-mark in the industrial development of the country. It recognised the importance of rapid industrial development as an essential ingredient of the strategy for economic development. Certain areas, e.g., arms and ammunition, atomic energy and railway transport were to be monopolies of the Union. In basic industries like iron and steel, coal, ship-building, manufacture of telephone, telegraph and wireless apparatus (excluding radio receiving sets), the State would be exclusively responsible for the establishment of new units. The rest of the field was normally open to private enterprise, subject to progressive participation by the State.

12.1.02 A revised Industrial Policy Resolution was adopted by Parliament in 1956, keeping in view the need for rapid planned development and consistently with the objective of a socialistic pattern of society that it had approved a little earlier. This resolution has remained the corner-stone of Industrial Policy ever since. The Second Five Year Plan state: “Essentially, this (Socialistic Pattern of Society) means that the basic criterion for determining the lines of advance must not be private profit but social gain............."[1]

12.1.03 The Industrial Policy Resolution, 1956 envisaged that the State would assume direct responsibility over a wider area in the future development of industry. All industries of basic and strategic importance, as well as industries in the nature of public utilities,; were reserved for development by the State. Other industries which required heavy investment were also reserved for public sector. Industries were classified into three categories. Firstly, there were those exclusively reserved for the public sector, e.g.. Iron and Steel, Atomic energy, Coal and lignite, Mineral oils, Air transport, Railway transport, Ship-building and Generation and distribution of electricity. In the second catogory were those industries which would be progressively State-owned and in which, the State would generally take initiative in setting up new undertakings, e.g., Machine tools, Fertilisers and Anti-biotic and other essential drugs. However, the private sector also was expected supplement the efforts of the State in this category. Thirdly development of all the remaining industries was left open to the initiative of the private sector but subject to social control.

12.1.04 The Industrial Policy Resolution, 1956 also contemplated that the disparities in levels of development between different regions should be progressively reduced and emphasised the need for building up of necessary infra-structure in the industrially less developed areas.

12.1.05 Another important step was the passing of the Monopolies and Restrictive Trade Practices Act in 1969, but this applied only to very big industries and did not raise any Union-State issue.

2. *CONSTITUTIONAL PROVISIONS*

12.2.01 The subject 'Industries' has been enumerated as Entry 24 in List II. However, it is expressly subject to Entries 7 and 52 of List I. With respect to 'industry', which is a legislative head enumerated in List II, the States can be denied competance only to the extent Parliament by law makes the requisite declaration under entry 7 and or entry 52 of List I.

12.2.02 Entry 7 of List I refers to 'Industries declared by Parliament by law to be necessary for the purpose of defence or for the prosecution of war'. Once such a declaration is made by Parliament, it would be entitled to legislate in respect of that industry to the exclusion of the competence of State legislatures.

12.2.03 Again, Parliament may, by law, declare Union control of any industry to be expedient in the public interest vide Entry 52 of List I. This Entry does not as such, confer on Parliament unfettred legislative competence. But once the requistie declaration is made by Parliament, it acquires such competence with respect to that industry.

12.2.04 However, under Entry 7 and/or Entry 52 of List I a declaration in abstract is not sufficient. Parliament must by the law incorporating the declartion, specify the industry and indicated the nature and extent of the union control over it. If this is done, to the extent covered by the declaration and the concomitant legislation, the legislative competence of the states. With respect to that industry, is abstracted out of the States' legislative field. This was clarified by the Supreme Court in *Ishwari Khaitan Sugar Mills (P) Ltd.*, vs., *The State of U.P. and others,*[2] as follows:—

> "the State legislature can be denied legislative power under Entry 24 of List II to the extent Parliament makes declaration under entry 52 and by such declaration Parliament acquires power to legislate only in respect of those industries in respect of which declaration, is made and to the extent as manifested by *legislation incorprating the declaration and no more"*.[3]

3. *INDUSTRIES (DEVELOPMENT & REGULATION) ACT,* 1951

12.3.01 The Industrial Policy resolution, 1948 was followed by a comprehensive enactment, namely, the Industries (Development & Regulation) Act, 1951, (IDR Act). The Act has so far been amended on ten occasions. This Act provided the necessary framework for implementing the policy outline earlier. It enabled the Union Government to direct investment into desired channels of industrial activity in keeping with national development objectives and goals—through the mechanism of licensing. It also gave powers to the Union Government to secure a more blanced regional development through regulation of location of industries.

12.3.02 This Act brought under Union's control the development and regulation of a number of important industries, regulation of which was deemed expedient in 'public interest'. Section 2 of this Act declares that it is expedient in public interest that the Union should take under its control the industries specified and these are placed in the First Schedule of the Act. After the announcement of the industrial Policy Resolution, 1856, by an Amending Act (1957), passed under Entry 52, List I, the First Schedule of the IDR Act was replaced by a more comprehensive one.

12.3.03 The Act provides for the constitution of Advisory and Development Councils to advise the Government of India on matters concerning the development and regulation of the Scheduled industries. It also provides for registration, licensing and investigation of the Scheduled industries. It envisages regulation of production, distribution and prices of any articles or class of articles produced by the industrial undertaking, including prohibition on reducing the production of any particular article or class of articles. It also enables the union to levy and collect a cess on the Scheduled industries. Management of any undertaking can also be taken over. These, among the more important of the various provisions of this Act, show clearly that the Act is comprehensive and deals with practically all aspects of the industries included in the First Schedule to the Act.

4. *CRITICISM*

12.4.01 Except three State Governments, none of the political parties of States, has criticised the structural aspects of Entry 52 of List I. One of them has observed that the expression 'in public interest' is very wide and can bring any and every industry within the scope of entry 52. On this premise it has suggested that Entry 52 be modified and limited to only core industries of crucial importance for national development and these should be specified in the entry itself. On the same lines, another State Government has suggested that only 'key, basic and strategic industries' of 16 types named by it be specified and retained in entry 52 of List I. Yet, a third State Government has suggested that the expression 'in the public interest' should be clearly defined to circumscribe its scope.

12.4.02 Many State Governments and political parties have criticised the action of the Union Government in bringing into the First Schedule of the IDR Act a very large number of industries, thereby denuting the States of legislative competence available to them under Entry 24 of List II. There has been an allegation that as a consequence 'Industry' has got converted into a Union subject. They have also drawn attention to assumption of control over itmes like bycycles, razor-blades, pressure cookers, hurricane lanterns, and the like, as examples of excessive and widespread control. It has also been pointed out that even when the need was felt for regulating only a particular aspect of an industry, by its inclusion in the First Schedule of IDR Act, the Union acquired control over it in all its aspects. While none of the States has questioned the need for the Union to be clothed with sufficient powers to control any specified industry when considered expedient in public interest, it is the excessive occupation of the field of Industry that is being criticised severely as being against the spirit of the Constitution.

5. *EXAMINATION OF ISSUES*

12.5.01 An eminent Amercan expert, while dealing with Federal legislative power in the United States of America, has observed: "Of course, no one expects Congress to obliterate the states, at last in one fell swoop. If there is any danger, it lies in the tyranny of small decisions—in the prospect that Congress will nibble away at State sovereignty, bit by bit, until essentially nothing is left but a gutted shell".[4] The *vires* of individual actions may not be in doubt, but taking all the decisions in their totality, there is cause for concern if the legislative and executive competence of States in regard to industries is reduced to a vanishing point, notwithstanding the fact that the Constitution enumerates 'Industries' in the State List. It is, therefore, necessary to evaluate the criticism and the various suggestions in the above perspective.

Constitutional Aspects

12.5.02 In the Chapter on Legislative Relations we have dealt with the suggestion that core industries of crucial importance should be enumerated in Entry 52 of List I itself. The need for the Union to have sufficient powers to control specific imporant industries is conceded. As regards the suggestion to modify Entry 52 of List I, we have noted in the Chapter on Legislative Relations that in the dynamic situation that obtains, the control of any industry considered expedient in public interest at a given point of time may not always remain so. In course of time, it may become necessary to bring under Union's control new industries and delete or modify existing items in the First Schedule. If the suggestion to modify Entry 52 of List I is accepted, it would make the system too rigid, calling for amendment of the Constitution every time a deletion, modification or addition becomes necessary, in the public interest.

12.5.03 'Public interest' is not easy to define. Obviously, an expression of widest amplitude has been used to enable the Union to assume control of any industry so as to subserve the accepted socio-economic policies. The concept of 'public interest', if it is to retain its dynamism, has to be adapted and attuned from time to time to the changing socio-economic conditions. This apart, it is not feasible to divide industries into water-tight compartments between the Union and the States on the inconstant criteria of 'public interest'. For the above and other reasons mentioned in Chapter II, we are unable to support the proposed modification of Entry 52.

Use of IDR Act

12.5.04 We now consider the allegation made by some State Governments that the IDR Act has been used by the Union in a manner so as to acquire near total control over the industrial sector. The First Schedule of the IDR Act, contained 37 items in 1951. In 1953, certain items were added to it. In 1957, substitution of an altogether new Schedule brought about a major change through an elaborate and detailed reclassification of Industries. Further additions to the First Schedule were made in 1962, 1973 and 1979. At present the industries included in the Schedule are divided into 38 major heads comprising 171 items. The items now included cover a very wide range of industries. Many on the items listed are prefixed by the expression 'such as' and suffixed by 'and the like'.

12.5.05 Increase in the scope and extent of Union control over industries has been attributed by the Union Government to the needs arising out of planned economic development and the concept of mixed economy adopted by the country. Further, with the growth of industrial and technlogical base, it became possible to produce many more complex and sophisticated items within the country. According to it, it became increasingly necessary to secure that industrial investments were not left to be regulated by market forces alone as this could result in a bias in favour of areas of high profitability but of low national priority. Small industries also needed to be protected against competition from medium and big industries from social consideration.

12.5.06 The Union Government has informed us that one of the most important reasons for enlarging the scope of licensing controls, is the responsibility of the Union to ensure balanced regional development. For example, for the development of backward areas, industrial licensing policy may have to be used purposively in their favour, in addition to subsidies and tax advantages. Similarly, preference may have to be given for the protection and development of small industries also. Setting up of new units or exapansion of existing ones is not normally permitted within the standard urban area limit of a large metropolitan city having a population of more than 10 lakhs and within the municipal limits of a city having population of more than 5 lakhs to prevent concentration of industries in already developed areas and to save densely populated areas from adverse effects of pollution arising out of industrial development. This also helps in industrialisation of less developed areas.

12.5.07 The question, however, arises whether this is the right way of achieving these objectives. Must the Union Government take blanket powers under the IDR Act to deny the State completely the powers that the Constitution primarily gives them? Further, must this denial be for all time to come or there should be some time-limit to it? Should not there be some meaningful and effective review in consultation with the States at prescribed intervals?

12.5.08 A suggestion has been made that where only a limited aspect of an industry needs to be controlled by the Union, it is not necessary to include it under the IDR Act. A large number of industries were added to the First Schedule on the ground that it was necessary to protect small scale industries. As a result the Union has assumed full control over them. This action has been criticised by the State Governments. They have suggested that instead of including such industries in the Schedule to the IDR Act, a separate legislation limit itself to the said objective, would have been sufficient. We find merit in this suggestion.

12.5.09 Entry 52 of List I requires that Parliament should declare, by law, that it is expedient in the public interest for the Union to control a particular industry to a particular extent for a particular purpose. If Union control of a specific aspect of an industry is considered expedient in the public interest, it would be advisable that the IDR Act is suitably amended to facilitate the Union Government's regulation of that aspect only. Parliament may have to pass a separate law under Entry 52 of List I. It will be then able to examine throughly the pros and cons, which could not be done for the items included in a blanket manner in the present IDR Act. If such new legislation presents any serious difficulty, an alternative may be to replace the present First Schedule of the IDR Act by several Schedule, cash of which would specify the purpose for which a particular control was imposed on an industry so that all other areas of Entry 24 of List II remain unoccupied by the Union. We recommend that the Planning Commission, in consultation with the Ministries of Industry and Law and Justice, should prepare a paper on this subject for the consideration of the NEDC at an early date.

12.5.10 We strongly recommend that as a mandatory legal requirement, there should be a periodical review, say, every three years, to determine whether in respect of any of the industries the Union's control should be continued or relaxed or lifted. Such a review may be undertaken by a Committee of Experts on which the State Governments should be represented on a zonal basis. The purpose of the review will be two-fold. first, it will help ascertain the reasons for keeping or including any industry in the First Schedule or for deleting any industry therefrom. Secondly, it will bring out in a specific manner the respective aspects in which the Union and the State Governments will have to play their respective roles in developing and regulating big, medium and small industries. This will, in turn, help foster the needed coordination and consensus between the two levels of Governments. The result of the review may also be placed before the NEDC.

12.5.11 The Union Government has constituted a Central Advisory Council for advising it on all matters concerning the development and regulation of industries. It would be desirable to have the representatives of the State Governments also on this council. We have been informed that very recently the Union Government has provided for observers from the State on the Central Advisory Council on a zonal basis. This is a step in the right direction. But there is a case for raising the status of such representation of the States from that of Observers to Members.

6. *INDUSTRIAL LICENSING AND APPROVALS*

12.6.01 Industrial licensing, alongwith other modes of industrial approval, constitutes a powerful tool of regulation available to the Union Government. Alongwith the license, a prospective enterpreneur may have to obtain one or more of the following approvals in which case a letter of intent has to first issue:

(i) Capital goods import add sanction of foreign exchange.

(ii) Approval of foreign collaboration terms.

(iii) Approval under the MRTP Act.

(iv) Issue of capital for corporate bodies under the Capital Issues (Control) Act.

(v) Approval under the Companies Act for Corporate Bodies.

12.6.02 The system of industrial approvals was streamlined in 1973 with the setting up of a centralised Secretariat for Industrial Approvals (SIA) in the Ministry of Industry. A Project Approval Board (PAB), a high power Committee of the Government, was set up to provide overall supervision and guidance, to review pending cases every quarter and to effect composite clearance of applications. Under the existing procedures, since 1980, letters of intent foreign collaboration approvals and capital goods clearance are to be issued within 60 days of the receipt of applications and for the MRTP cases within 90 days. However, in actual practice, the industrial approvals are known to have taken much more time.

12.6.03 It appears that if there is even one inefficient link or agency among the several that are usually involved in the decision-making process, the prescribed time-limit breaks down. A useful corrective may be to appoint an 'empowered Committee' for taking a final decision, subject to a sort of 'sunset' rule that if any link or agency does not give its comment by the due date, the Committee will take a decision without waiting for it.

12.6.04 The State Governments, while critising the present centralisation of powers in the Union Government, have suggested that powers may be delegated to them or some specified agency of the State Government, in the manner found necessary, for licensing of industries, import of capital goods, foreign collaboration, etc. Where this cannot be done, agencies of the Union Government itself may be established in all State capitals (and even two or three other towns in the big States, if necessary) with adequate powers for these purposes. Yet another suggestion is that States may be represented on a Zonal or selective basis in the licensing committees so that their views are available to the Union Government before decisions are taken. It is also urgent that States may be delegated powers to shift units, for example, from one "no industry district" to other such areas within a State.

12.6.05 The demand for delegation of licensing powers stems from the fact that often there are considerable delays in giving various approvals. It has been alleged that inspite of various attempts to streamline the procedures for grant of licences, etc., even now approvals are required from a large number of agencies of the Union Government and from financial institutions and this entails considerable delays. Many witnesses have complained that over the years, rules, regulations, procedures, etc., for industrial licensing have become unduly complicated and time-consuming. Unless an enterpreneur is located near Delhi or has a good lobbyist there, it is impossible for him to get a licence within a reasonable time.

12.6.06 Big industrialists often make use of this complicated procedure and their own lobbying power to shut out potential competition. Medium and small enterpreneurs are at great disadvantage, especially if they are located within outlying States or in outlying regions in a big State. There is a view that the relatively slow growth rate of industries in recent decades is partly due to the complicated procedures and centralisation that has taken place over the years.

12.6.07 The Department of Industrial Development, Government of India, has stated that in case powers are delegated to the States, the national perspective which is possible only at the Union's level maybe lost sight of since each State Government would be having its own priorities. Further, the objective of achieving balanced regional development may receive a set back. Industries set up without proper corrdination at the national level may lead to infructuous investments also. Further, it is important to ensure environmental safeguards and left to the States the possibility of environmental interests being over-looked is high.

12.6.08 State Governments have on the other hand, pointed out that even where an industry is included in the First Schedule of the IDR Act, there are many areas in which the Union can delegate powers and functions to them. It would be a situation somewhat analogous to the Mines and Minerals (Regulation and Development) Act, 1957. The MMRD Act occupied the entire field on the subject, but for implementation of its policy and provisions it makes considerable delegation to the States. Section 25 of the IDR Act also provides for delegation of certain powers to the State Governments. However, it appears that so far no power has been delegated there under by the Union Government to the States.

12.6.09 We have considered carefully the various views placed before us and are of the view that the real solution does not lie in delegation of blanket powers to the States as such but in the Union exercising greater degree of restraint in occupying the industrial field. Once an industry is brought within the purview of Union's control in public interest, it is necessary that it is dealt with at the national level.

12.6.10 We find merit in the suggestion that delegation of powers, to the extent permissible under Section 25 of IDR Act, to the State Governments, would lead to convenience and efficiency in the implementation of the Act, the full enforcement of which, in any case, has to be secured with the cooperation of the machinery of the States. Where delegation of powers to States may not be desirable, greater decentrlisation through the Union's own agencies should be considered.

12.6.11 So far as granting of industrial licenses proper is concerned, the function continues to be centralised. This has been justified by the Union Government on the ground that the Ministry of Industry has to consult continuously and frequently other Union Ministries concerned. However, the problem of entrepreneurs in distant areas are real. Resolutation of these problems and difficulties will be in the interest of balanced industrial development of the country. We are of the view that in a number of cases, not involving large investments, it will be conducive to public convenience, quick disposal and efficiency in administration, if licences are issued to the entrepreneurs from offices located in the States. With computerisation and recourse to advanced communication technology, a streamlined system of regional clearance of licences can be evolved and coordinated with other types of industrieal approvals.

12.6.12 We recommend that the Union Government may consider opening licensing offices not only in four or five metropolitan cities but also in all State capitals and two or three other important towns in big States and vest them with adequate powers.

12.6.13 We now consider the suggestion that offices should be opened by the Union Government and its agencies for other industrial approvals in each State in order that relatively smaller matters can be speedily disposed of at these places. We have been informed that offices of regional Controller of Imports and Exports have been opened in the metropolitan cities. Similarly, some regional branches have been opened by the Director General of Technical Development. Limited powers have been given to these regional offices. National financing institutions like IDBI and IFCI have also opened regional offices with certain amount of delegation to approve both direct and re-finance applications. But this is not enough. We are of the view that considerable hardship to the entre-preneurs can be avoided and objections of States met if the recommendation made by us in para 12.6.12 is implemented.

12.6.14 We would caution that it will not help in any way if these agencies located in the States are not given adequate powers and are made to act only as “post offices” as it were. That will only add to the delay, inefficiency and resentment.

7. *LOCATION OF PUBLIC SECTOR PROJECTS*

12.7.01 Location of public sector projects has been a matter of concern to the States right from the beginning as they are expected to bring in their wake gains in terms of development of infrastructure, expansion of employment opportunities and development of ancillary industries. Some studies have, however, highlighted that several of the large public sector projects, because of the nature of their technology, did not generate strong inter-industrial linkages and spread-effect to benefit the local economics.

12.7.02 The views of the States in regard to location of Central public sector projects are broadly as follows:

(a) There is a general agreement that location of projects should be based on sound techno-economic criteria.

(b) A few States have expressed doubts whether, in practice, techno-economic considerations are being applied in all cases to determine best locations. They have cited cases alleging arbitrary deviation from objective considerations and changing of locations to other States even after decisions had been taken and communicated to them.

(c) Some of the less developed States have suggested preferential treatment to backward areas in the location of Central Projects.

(d) Several State Governments have compained that they are not adequately consulted in the matter of determing location within the States.

(e) A State Government has complained that inspite of the instructions issued by the Ministry of Industry, the Union Ministries continue to rest various concessions from them for locating their projects.

12.7.03 State-wise distribution of value of gross block and employment in Central Public Sector projects as in 1984-85 is furnished in Annexure XII. 3. It signifies a fairly dispersed investment among the States. Some of the States have no doubt received in the past, large shares in investment because of location of raw materials and minerals supporting some basic and heavy industries. In terms of employment also, some States have relatively larger shares especially due to concentration of coal mines which is an employment-intensive sector. But this was in national interest. The distribution of Seventh Plan outlay on public sector projects among States classified by sectors and departmental allocations (Annexure XII. 4) indicates, however, a more dispersed investment pattern.

12.7.04 There is now evidence of a greater prefernce in favour of the industrially backward States.

12.7.05 We have been informed that it is, indeed, the policy of the Government of India that techno-econmic considerations should form the basis for determining the location of Central public sector projects. Even the consideration shown to the industrially backward State is stated to be subject to satisfaction of these criteria.

12.7.06 In 1972, the procedure for consideration of investment proposals was streamlined. We are informed that at present projects involving investment of Rs. 10 crores and above, come under its purview. Investments between Rs. 10 to 20 crores are scruitinsed first by the various agencies of the Government viz. Planning Commission, Bureau of Public Enterprises, Department of Economic Affairs, Plan Finance Division of Ministry of Finance, Director General of Techncal Development (D.G.T.D.), Department of Environment and the others concerned. After the Public Investment Board (PIB) clearances, the project is submitted to the Union Cabinet for approval. In case of projects involving investment of Rs. 20 Crores and more, provision of a two-stage clearance has been laid down. First the proposal is cleared for preparing a Feasibility Report by a Committee of the PIB comprising Secretary (Expenditure) Secretary of Planning Commission and Secretary of the administrative Ministry concerned. Thereafter the same procedure as for other projects is followed. It is clear that a fairly detailed drill has been laid down for ensuring proper consideration of investment proposals. Nonetheless, there have been complaints from States in regard to location of Central Public Sector Units. A creditbility gap appears to exist.

12.7.07 We now consider the suggestion that State should be represented on the Public Investment Board. PIB's function is techno-economic examination which may even require consideration of alternative locations between two or more States. States' representation on it may take lobbying to this level also besides making it unduly large a body. However, once the locational decision is taken, it will only be advantage-ous to consult the concerned State Government regarding alternative locations and the complementary provisions which the State will be required to make in its own Plan.

12.7.08 In order to reduce the possibility of any misunder-standing on locational decisions we recommend that a comprehensive paper be prepared every year for discussion at the NEDC giving. *inter alia*, information separately for new large scale (i) 'foot loose' and (ii) 'non-foot loose' industries in (a) public and (b) private sectors on some key aspects, e.g., location, investment, raw-material source, output, employment, assistance expected from local governments and date of start and completion. The NEDC will also be an appropriate forum to sort out any breach of discipline in matters like alleged 'bargaining' by some Union Ministries or entrepeneurs for undue concessions from States for locating projects.

8. *FREIGHT EQUALISATION POLICY*

12.8.01 A specific issue represented to us by a State Government is that the Freight Equalisation Policy followed with respect to basic commodities like Iron and Steel, Cement and Fertiizer (Nitrogenous), produced in that State, has operated to its disadvantage as similar freight equalisation has not been done in respect of other important raw materials, such as cotton. We understand that such representations have several times received attention of expert committees in the Union Government. On the recommendations of the Pande Committee and the Inter-Ministerial Group on Freight Equalisation of Commodities[5]. while considering it not desirable to extend the Freight Equalisation Scheme to raw materials like raw cotton, the Union Government initially decided to phase out the scheme in respect of industrial commodities like cement and steel also. We understand that in view of representations received subsequently from some State Governments, the Union Government has reviewed its earlier decision and now decided to refer the matter to the National Development Council for a final decision. This is as it ought to be. In view of this situation, we refrain from making any recommedation in this regard.

9. *SMALL SCALE INDUSTRIES*

12.9.01 Except for reservation of items, small-scale industries have been kept out of the purview of licensing and other regulations by the Union Government. Their development thus remains the responsibility of the State Government under Entry 24 of the State List of the Seventh Schedule. However, to advise the government on policies and programmes of small-scale industries and to effect necessary coordination at the Union Government's level, the Government of India set up the Small Industries Development Organisation (SIDO) in 1954. For specialised purposes, All-India Handloom and Handicraft Boards, Coir Board, Central Silk Board and Khadi and Village Industries Commission have also been set up. Whereas these agencies may coordinate policies regarding supply of raw material, credit, modernisation, imports, skill development. marketing support, etc., other crucial aspects of development in the field are to be dealt with by the States.

12.9.02 On the issue of their role in developing small-scale. Khadi and Village Industries, the views of the States may be broadly categorised as under:

(i) Backward States are finding it difficult to support small-scale industries. A specific suggestion made is that State Trading Corporation, Minerals and Metals Trading Corporation, and National Small Industries Corporation should open their branches in all the States with powers to assist local Small Industries Services Institutes. District Industries Centres need to be developed further as coordinating agencies.

(ii) For the supply of raw materials and import of machinery the State Governments have to depend on Union Government and its agencies, where difficlties are often experienced.

(iii) A specific suggestion made is that flow of foreign technology should be routed through a single institution.

12.9.03 The role of small-scale, Khadi and Village industries in our industrial development and providing large and broadbased employment cannot be over-emphasised. The problems highlighted by the State Governments to us, as mentioned above, are administrative and sectoral in nature and will have to be solved with innovative adjustments within the type of institutional structure that has come into being. We understand that the Union Government is seized of these matters. We would like to draw attention to the comprehensive examination of such problems in the three reports of the National Committees on the Development of Backward Areas, viz., on Industrial Dispersal (October, 1980), Industrial Organisation (March, 1981) and Village and Cottage Industries (March, 1981) and urge that its suggestions received the full attention of the Union and State Governments.

12.9.04 In the Note on New Industrial Policy prepared by the Planning Commission, it has been recognised that reservations do not provide sufficient conditions for the growth of small industries, and that improved local planning, infra-structure and policies of technology-support, constitute pre-requisite for healthy development of small scale industries.[6] We fully endorse this perception.

12.9.05 A point that needs examination is that many of the economics of large-scale production can be brought to the small-scale industries, even as defined now, and under the jurisdiction of the States, if these industries are planned in such a way that each unit specialieses in the production of only one or two components while assembly is done in a separate plant. But this will be feasible only if very stringent standards regarding design, quality control and transport are laid down in a systematic manner and enforced.

10. *DEVELOPMENT OF BACKWARD AREAS*

12.10.01 Promoting balanced regional development is recognised as one of the objectives of industrial policy. In its licensing policy and determination of location of Industrial projects, the Union Government has consciously given a preferential treatment to the industrially backward States and districts.

12.10.02 Since the Fourth Five Year Plan, following the recommendations of Pande and Wanchoo Working Groups appointed by the Planning Commission, a set of fiscal and financial incentives are being provided to the industrial units in the identified industrially backward areas. These incentives include Central Investment Subsidy, concessional finance by term-lending financial institutions like IDBI, IFCI and ICICI, and Central Transport Subsidy. In 1983, following the recommendations made by the National Committee on Backward Areas, the industrially backward districts were renotified and classified into following categories:

Category 'A' (Comprising 93 No-industry Districts and 38 Special Region districts)

—eligible for 25 per cent Central Investment Subsidy subject to a maximum of Rs. 25 lakhs.

Category 'B' (Comprising 55 districts equivalent areas)

—eligible for 15 per cent Central Investment Subsidy subject to a maximum of Rs. 15 lakhs.

Category 'C' (Comprising 113 districts equivalent areas)

—eligible for 10 per cent Central Investment Subsidy subject to a maximum of Rs. 10 lakhs.

(excluding MRTP/FERA Companies).

The term-lending financial institutions make available a range of concessions to the industrial units located in the 299 identified backward districts/areas. In the specified backward States/regions, in view of their remoteness and difficult terrain, the industrial units are eligible for 50 per cent subsidy on transportation costs of their finished products and raw materials from specified rail heads/ports. In addition, State Governments are offering their own incentives for promotion of industries in the backward areas identified by them, some of which are besides those identified by the Union Government.

12.10.03 In the context of the approach to backward areas development several State Governments have expressed satisfaction with the set of incentives being provided by the Union Government. However, a few State Governments have expressed dissatisfaction with the criteria followed as a result of which, some of the known backward areas could not qualify to get included in Category 'A'. A State Government has also alleged that it was not consulted at the time of notifying the backward areas in April 1983. Some States have also suggested alternative criteria and periodical review of categorywise subsidy levels. It has also been suggested that on a selection basis units below the district-level should also be provided assistance—as industrially backward areas.

12.10.04 We have been given to understand by the Ministry of Industry that in the reclassification of the backward areas, the approach recommended by the National Committee on Backward Areas was followed, and that on the suggestion of State Governments, the list of No-industry District was enlarged from 83 to 93. Subsequently, in April 1985 the State Government were asked to communicate the names of districts created before 31-3-83 which had no large/medium scale industry for inclusion in the 'No-industry District' category but no names were received. In our opinion adequacy or otherwise of criteria in special cases and suggestions for units below district level, etc. are matters for consideration by the Union Government to which the State Governments can make recommendations. We understand that some adjustments on similar lines were made in the past also. But it will be useful if the subject is included in the agenda of NEDC, at least once every three years.

12.10.05 While industrial units in a large number of districts have become eligible for concessional finance and other capital incentives we note that the actual utilisation of these concessions and incentives continue to vary widely among the States. The National Committee on the Development of Backward Areas also drew attention to this fact. The States will have to take effective steps, in cooperation with other agencies, to develop in areas which are lagging behind, capabilities of local enterpreneurs to avail of the incentives that are being provided.

12.10.06 The monitoring of the utilisation of incentives for intended uses is very necessary. We note that the Ministry of Industry has recently started collecting unit-wise information on Central Investment Subsidy and shall be computerising it. Appropriate follow up action, down to the field level, needs now to be taken.

12.10.07 We understand that the concept of Growth Centres for promoting industrial development and development of backward areas is being made concrete and operational. This would necessitate detailed planning and monitoring. The Planning Commission has suggested—creation of a Cell in the Ministry of Industry to coordinate the preparation of detailed plans of growth-centres and monitoring their implementation. This cell is also proposed to be assisted by an inter-Ministerial group involving officers from the State Governments also.[7] This is a step in the right direction. We cannot agree more with the Planning Commissions' approach in this regard which emphasises that "location is not just a matter of licensing but involves active promotional policies on the part of both the Central and more importantly the State Governments." State Governments have to be encouraged to formulate location policies of their own and it should be the responsibility of the Centre to ensure that these blend harmoniously with national priorities.[8]

11. *RECOMMENDATIONS*

12.11.01 If Union control of a *specific aspect* of an industry is considered expedient in the public interest, it would be advisable that the IDR Act is suitably amended to facilitate the Union Government's regulation of that aspect only. Parliament may have to pass a separate law under Entry 52 of List I.... If such new legislation presents any serious difficulty, an alternative may be to replace the present First Schedule of the IDR Act by several Schedules, each of such would specify the purpose for which a particular control was imposed on an industry so that all other areas of Entry 24 of List II remain unoccupied by the Union. The Planning Commission, in consultation with the Ministries of Industry and Law and Justice, should prepare a paper on this subject for the consideration of the NEDC at an early date.

(Para 12.5.09)

12.11.02 As a mandatory legal requirement, there should be a periodical review, say, every three years, to determine whether in respect of any of the industries the Union's control should be continued or relaxed or lifted. Such a review may be undertaken by a Committee of Experts on which the State Governments should be represented on a Zonal basis. The result of the review may also be placed before the NEDC.

(Para 12.5.10)

12.11.03 It would be desirable to have the representives of the State Governments on the Central Advisory Council. Recently, the Union Government has provided for observers from the States on the Central Advisory Council on a zonal basis. This is a step in the right direction. But there is a case for raising the status of such representation of the States from that of Observers to Members.

(Para 12.5.11)

12.11.04 In the context of undue delays in industrial approvals, a useful corrective may be to appoint an 'Empowered Committee' for taking a final decision, subject to a sort of "sun-set" rule that if any link or agency does not give its comments by the due date, the Committee will take a decision without waiting for it.

(Para 12.6.03)

12.11.05 Delegation of powers, to the extent permissible under Section 25 of IDR Act, to the State Governments, would lead to convenience and efficiency in the implementation of the Act, the full enforcement of which, in any case, has to be secured with the cooperation of the machinery of the States. Where delegation of powers to States may not be desirable, greater decentralisation through the Union's own agencies should be considered.

(Para 12.6.10)

12.11.06 In a number of cases, not involving large investments, it will be conducive to public convenience, quick disposal and efficiency in administration, if licences are issued to the entrepreneurs from offices located in the States. The Union Government may consider opening licensing offices not only in four or five metropolitan cities but also in all State capitals and two or three other important towns in big States and vest them with adequate powers.

(Paras 12.6.11 and 12.6.12)

12.11.07 In order to reduce the possibility of any misunderstanding on locational decisions, a comprehensive paper be prepared every year for discussion at the NEDC, giving, *inter alia*, information separately for new large-scale (i) 'foot-loose' and (ii) 'non-foot loose' industries in (a) public and (b) private sectors on some key-aspects, e.g., location, investment, raw-material source, output, employment, assistance expected from local governments and date of start and completion.

(Para 12.7.08)

12.11.08 A comprehensive examination of the problems of small-scale, cottage and village industries was carried out in the three reports of the National Committee on the Development of Backward Areas, viz, on Industrial dispersal, Industrial Organisation and Village and Cottage Industries. Its suggestions should receive the full attention of the Union and State Governments.

(Para 12.9.03)

12.11.09 Adequacy or otherwise of criteria for identifying industrially backward areas and suggestions for units below district level, etc. are matters for consideration by the Union Government to which the State Governments can make recommendations. It will be useful if the subject is included in the agenda of the NEDC at least once every three years.

(Para 12.10.04)

12.11.10 The States will have to take effective steps, in cooperation with other agencies, to develop in areas which are lagging behind, capabilities of local entrepreneurs to avail of the incentives that are being provided. The monitoring of the utilisation of incentives for intended uses is very necessary. The Ministry of Industry has recently started collecting unit-wise information on Central Investment Subsidy and shall be computerising it. Appropriate follow-up action, down to the field level, needs now to be taken.

(Paras 12.10.05 and 12.10.06)

ANNEXURE XII. 1

Extrects from the Original Industrial (Development and Regulation) Act, 1951

"2. Declaration as to expediency of control by the Union.—It is hereby declared that it is expedient in the public interest that the Union should take under its control the industries specified in the First Schedule.".

"3. (i) "Scheduled industry" means any of the industries specified in the First Schedule."

"THE FIRST SCHEDULE

[See sections 2 and 3 (i)]

Any industry engaged in the manufacture or production of any of the following, namely:

(1) Aircraft.
(2) Arms and ammunition.
(3) Coal, including coke and other derivatives.
(4) Iron and steel.
(5) Mathematical and Scientific instruments.
(6) Motor and aviation fuel, kerosene, crude oils and synthetic oils.
(7) Ships and other vessels propelled by the agency of steam, or by electricity or other mechanical power.
(8) Sugar.
(9) Telephones, Telegraph apparatus and wireless communication apparatus.
(10) Textiles made wholly or in part of cotton or jute.
(11) Automobiles, including tractors.
(12) Cement.
(13) Electric lamps and fans.
(14) Electric motors.
(15) Heavy chemicals including fertilisers.
(16) Heavy machinery used in industry including bell and roller bearing and gear wheels and parts thereof, boilers and steam generating equipment.
(17) Locomotives and rolling stock.
(18) Machines tools.
(19) Machinery and equipment for the generation, transmission and distribution of electric energy.
(20) Non-ferrous metals including alloys.
(21) Paper including newsprint and paper board.
(22) Pharmaceuticals and drugs.
(23) Power and industrial alcohol.
(24) Rubber goods.
(25) Leather and leather goods.
(26) Textiles made of wool.
(27) Vanaspati and vegetable oils.
(28) Agricultural implements.
(29) Batteries, dry cells and storage.
(30) Bicycles and parts thereof.
(31) Hurricase lanters.
(32) Internal combustion engines.
(33) Power-driven pumps.
(34) Radio-receivers.
(35) Sewing and Knitting machines.
(36) Small and hand tools.
(37) Glass and ceramics.

ANNEXURE XII.2

The First Schedule of Industries (Development & Regulation) Act, 1951

Any industry engaged in the manufacture of production of any of articles mentioned under each of the following headings or sub-headings, namely:

1. Metallorgical Industries

A. Ferrous

(1) Iron and Steel (metal)

(2) Ferro-alloys

(3) Iron and steel castings and forgings

(4) Iron and steel structurals

(5) Iron and steel pipes

(6) Special steels

(7) Other products of iron and steel.

B. Non-ferrous

(1) "Precious metals," including gold and silver, and their alloys

(1A) Other non-ferrous metals and their alloys

(2) Semi manufactures and manufactures

2. Fuels

(1) Coal, Mlignite, Coke and their derivatives

(2) Mineral oil (crude oil), moter and aviations spirit, diesed oil, kerosene oil, fuel oil, diverse hydrocarton oils and their blends including synthetic fuels, lubricating oils and its like

(3) Fuel gases—(Coal gas, natural gas and the like).

3. Boilers and steam generating plants

4. Prime Movers other than Electrical Generators

(1) Steam engines and turbines

(2) Internal combustion engines

5. Electrical Equipment

(1) Equipment for generation, transmission and distribution of electricity including transformers

(2) Electrical motors

(3) Electrical fans

(4) Electrical lamps

(5) Electrical furnaces

(6) Electrical cables and wires

(7) X-ray equipment

(8) Electronic equipment

(9)Household appliances such as electric iron, heaters and the like

(10) Storage battaries

(11) Dry cells

6. Telecommunications

(1) Telephones

(2) Telegraph equipment

(3) Wireless communication apparatus

(4) Radio receivers, including amplifying and public address equipment

(5) Television sets

(6) Teleprinters

7. Transportation

(1) Aircraft

(2) Ships and other vassels drawn by power

(3) Railway locomotives

(4) Railway rolling stock

(5) Automobiles (motor cars, buses, trucks, motor cycles, scooters and the like)

(6) Bicycles

(7) Others, such as fork lift trucks and the like.

8. Industrial Machinary

A. Major items of specialised equipment used in specific industries

(1) Textiles machinery (such as spinning frames, carding machines, powerlooms and the like) including textile accessories

(2) Jute machinery

(3) Rayon machinery

(4) Sugar Machinery

(5) Tea machinery

(6) Mining machinery

(7) Metallurgical machinery

(8) Cement machinery

(9) Chemical machinery

(10) Pharmaceuticals machinery

(11) Paper machinery

B. General items of machinery used in several industries such as the equipment required for various “unit proceses”

(1) Size reduction equipment—crushers, ball mills and the like

(2) Conveying equipment—bucket elevators, skip hoists, cranes, derricks and the like

(3) Size separation units—screens, classifiers and the like

(4) Mixers and reactors—kneeding mills, turbo mixers and the like

(5) Filteration equipment—filter process, rotary filters and the like

(6) Centrifugal machines

(7) Evaporators

(8) Distillation equipment

(9) Crystallisers

(10) Driers

(11) Power driven pumps—reciprocating, centrifugal and the like

(12) Air and gas compressors and vacuum pipes (excluding electrical furnaces)

(13) Refrigeration plants for industrial use

(14) Fire fighting equipment and appliances including fire enginers

C. Other items of Industrial Machinery

(1) Ball, roller and tapered bearings

(2) Speed reduction units

(3) Grinding wheels and abrasives

9. Machine Tools

(1) Machine tools

10. Agricultural Machinery

(1) Tractors, harvestors and the like

(2) Agricultural implements

11. Earth-Moving Machinery

(1) Bulldosers, dumpers, scrapers, loaders, shovels, drag lines, bucket, wheel excavators, road rollers and the like

12. Miscellaneous Mechanical and Engineering Industries

(1) Plastic moulded goods

(2) Hand tools, small tools and the like

(3) Razor bisdes

(4) Pressure Cookers

(5) Cutlery

(6) Steel furniture

13. Commercial, Office and Household Equipment

(1) Typewriters

(2) Calculating machines

(3) Air conditioners and refrigerators

(4) Vacuum cleaners

(5) Sewing and knitting machines

(6) Hurricane lanterns

14. Medical and Surgical Appliances

(1) Surgical instruments— sterilisers, incubators and the like

15. Industrial Instruments

(1) Water meters, steam meters, electricity meters and the like

(2) Indicating, recording and regulating devices for pressure, temperature, rate of flow, weights, levels and the like

(3) Weighing machines

16. Scientific Instruments

(1) Scientific instruments

17. Mathematical, Surveying and Drawing Instruments

(1) Mathematical, surveying and drawing instruments

18. Fertilisers

(1) Inorganic fertilisers

(2) Organic fertilisers

(3) Mixed fertilisers

19. Chemicals (other than Fertilisers)

(1) Inorganic heavy chemicals

(2) Organic heavy chemicals

(3) Fine chemicals including photograph chemicals

(4) Synthetic resins and plastics

(5) Paints, varnishes and enamels

(6) Synthetic rubbers

(7) Man-made fibres including regenerated celluloserayon, nylon and the like

(8) Coke oven by-products

(9) Coal tar distillation products like naphthalene, anthracene and the like.

(10) Explosives including gun powder and safety fuses

(11) Insecticides, fungicides, weedicides and the like

(12) Textile auxiliaries

(13) Sizing materials including starch

(14) Miscellaneous chemicals

20. Photographic Raw Film and Paper

(1) Cinema film

(2) Photographic amateur film

(3) Photographic printing paper

21. Dye-stuff

(1) Dye-stuffs

22. Drugs and Pharmaceuticals

(1) Drugs and Pharmaceuticals

23. Textiles (including those, dyed, printed or otherwise processed):

(1) made wholly or in part of cotton, including cotton yarn, hosiery and rope

(2) made wholly or in part of jute, including jute, twine and rope
(3) made wholly or in part of wool, including wool tops, woollan yarn, hosiery, carpets and druggets
(4) made wholly or in part of silk, including silk yarn and hosiery
(5) made wholly or in part of synthetic, artificial (manmade) fibres, including yarn and hosiery of such fibres

24. Paper and Pulp including Paper Products
(1) Paper-writing, printing and wrapping
(2) Newsprint
(3) Paper board and straw board
(4) Paper for packaging (corrugated paper, craft paper, paper bags, paper containers and the like)
(5) Pulp— wood pulp, mechanical, chemicals, including dissolving pulp

25. Sugar
(1) Sugar

26. Fermentation Industries
(1) Alcohol
(2) Other products of fermentation industries

27. Food Processing Industries
(1) Canned fruits and fruit products
(2) Milk foods
(3) Malted foods
(4) Flour
(5) Other processed foods

28. Vegetable Oils and Vanaspathi
(1) Vegetable Oils, including solvent extracted oils
(2) Vanaspathi

29. Soaps, Cosmetics and Toilet Preparations
(1) Soaps
(2) Glycerine
(3) Cosmetics
(4) Perfumery
(5) Toilet preparations

30. Rubber Goods
(1) Tyres and tubes
(2) Surgical and medical products including prophylactics
(3) Footwear
(4) Other rubber goods

31. Leather, Leather Goods and Pickers
(1) Leather, leather goods and pickers

32. Glue and Gelatin
(1) Glue and gelatin

33. Glass
(1) Hollow ware
(2) Sheet and plate glass
(3) Optical glass
(4) Glass wool
(5) Laboratory ware
(6) Miscellaneous ware

34. Ceramics
(1) Fire bricks
(2) Refractories
(3) Furnace lining bricks—acidic, basic and neutral
(4) China ware and pottery
(5) Sanitary ware

(6) Insulators

(7) Tiles

(8) Graphite Ceramics (from 33.1.78 Amendment Act, 17 of 1979)

35. Cement and Gypsum Products

(1) Portland cement

(2) Asbestos cement

(3) Insulating boards

(4) Gypsum boards, wall boards and the like

36. Timber Products

(1) Plywood

(2) Hardboard, including fibre-board, chip-board and the like

(3) Matches

(4) Miscellaneous (furniture components, bobbins, shuttles and the like)

37. Defence Industries

(1) Arms and ammunition

38. Miscellaneous Industries

(1) Cigarettes[1]

(2) Linoleum, whether felt based or Jutebased[2]

(3) Zip fasteners

(4) Oil Stoves

(5) Printing, including litho printing industry

Explanation 1.—The articles specified under each of the headings Nos. 3,4,5,6,7,8,10,11 and 13 shall include their component parts and accessories.

Explanation 2.—The articles specified under each of the headings No. 18,19,21 and 22 shall include the intermediates required for their manufacture.

ANNEXURE XII. 3

Distribution of Gross Block and Manpower in Central Public Sector Projects 1984-85

	GROSS BLOCK		EMPLOYMENT (including casual employees)	
	Rs. Crores	As percentage to total	Lakhs	As percentage to total
1	2	3	4	5
1. Andhra Pradesh	3983.12	8.42	0.92	4.22
2. Assam	2451.15	5.18	0.54	2.48
3. Bihar	5833.77	12.33	4.55	20.86
4. Gujarat	1771.77	3.74	0.51	2.34
5. Haryana	411.80	0.87	0.15	0.69
6. Himachal Pradesh	211.05	0.45	0.04	0.20
7. Jammu & Kashmir	48.28	0.01	0.04	0.20
8. Karnataka	1327.53	2.80	1.19	5.46
9. Kerala	831.22	1.76	0.31	1.42
10. Madhya Pradesh	5396.12	11.40	2.85	13.07
11. Maharashtra	7601.81	16.06	1.72	7.89
12. Manipur	131.32	0.28	0.03	0.14
13. Meghalaya	1.89	Negl.	0.01	0.05
14. Nagaland	72.98	0.15	0.01	0.05

15.	Orissa	2997.74	6.33	0.70	3.21
16.	Punjab	563.62	1.20	0.24	1.10
17.	Rajasthan	647.62	1.37	0.35	1.60
18.	Tamil Nadu	2548.86	5.39	0.82	3.76
19.	Tripura	93.38	0.20	0.01	0.05
20.	Uttar Pradesh	2532.77	5.35	1.13	5.18
21.	West Bengal	3345.37	7.07	4.20	19.28
22.	Andaman & Nicobar	6.21	0.01	0.02	0.09
23.	Chandigarh	3.52	0.01	0.01	0.05
24.	Delhi	1238.83	2.62	1.01	4.63
25.	Goa	17.79	0.04	0.03	0.14
26.	Pondicherry	7.66	0.01	0.03	0.14
27.	Others and Unallocated	3246.09	6.86	0.39	1.79
	Total	**47,323.27**	**100.00**	**21.81**	**100.00**

Source: Government of India, Ministry of Industry, Bureau of Public Enterprises—*Public Enterprises Survey,* 1984-85, *Vol. 1* (pp. 360-61)

ANNEXURE XII. 4

Statewise Outlay on Central Industrial and Mineral Projects (Excluding Coal, Petroleum and Power) by Major Sector during the Seventh Plan (1985—90)

(Rs. in Crores)

Sl. No.	State/Sector/Ministries	Steel	Mines	Petroleum and Natural Gas	Fertilisers
1	2	3	4	5	6
1.	Andhra Pradesh	2531.80	40.00	16.72	36.00
2.	Assam	..	..	105.00	93.54
3.	Bihar	885.49	74.94	..	203.60
4.	Gujarat	..	..	..	2.95
5.	Haryana	..	3.00	..	71.13
6.	Himachal Pradesh	..	..	..	..
7.	Jammu & Kashmir	..	..	..	..
8.	Karnataka	87.14	19.10	..	..
9.	Kerala	..	..	57.53	225.00
10.	Madhya Pradesh	1067.83	327.05	2.55	563.84
11.	Maharashtra	14.00	..	29.33	213.00
12.	Nagaland	..	..	..	..
13.	Orissa	679.20	1200.72	..	342.00
14.	Punjab	..	..	..	110.53
15.	Rajasthan	..	130.18	..	3.15
16.	Tamil Nadu	16.06	..	28.59	25.00
17.	Uttar Pradesh	..	..	28.23	39.86
18.	West Bengal	933.91	..	18.71	85.68
Union Territories					
19.	Delhi	..	..	0.56	1.47
20.	Goa	0.60	..	..	..
	Total (Excluding unallocated)	**6216.03**	**1794.99**	**287.22**	**2016.75**
	Unallocated Outlays	**204.10**	**255.01**	**20.48**	**9.00**
	Grand Total	**6420.13**	**2050.00**	**307.70**	**2025.75**

Sl. No.	State/Sectors/Ministries Electronics Cooperation	Agriculture and Petrochemicals	Chemicals and ses	Public Enterpri- lopment	Industrial Deve- Transport	Surface	
1	2 7	8	9	10	11	12	
1.	Andhra Pradesh 62.00	..	15.60	277.97	..	51.00	
2.	Assam	..	..	151.39	..	..	..
3.	Bihar	..	..	62.00	..	..	..
4.	Gujarat	132.71	432.22	2.50	..	..	..
5.	Haryana	..	0.80	162.28	..	..	..
6.	Himachal Pradesh	..	..	2.23	..	..	..
7.	Jammu & Kashmir	..	..	3.75	..	..	..
8.	Karnataka	..	..	96.18	10.00	..	7.00
9.	Kerala ..	..	32.00	15.00	..	45.00	
10.	Madhya Pradesh	..	2.02	272.81	..	..	2.00
11.	Maharashtra	..	180.26	22.67	10.00	8.00	58.00
12.	Nagaland	..	..	3.52	..	..	45.00
13.	Orissa	..	2.04	0.50	..	..	..
14.	Punjab	..	..	8.88	..	..	45.00
15.	Rajasthan	..	0.01	42.45	..	..	..
16.	Tamil Nadu	..	0.44	119.03	..	..	..
17.	Uttar Pradesh	502.29	12.71	100.83	..	..	..
18.	West Bengal ..	..	11.00	179.52	..	21.00	
Union Territories							
19.	Delhi	..	4.70	9.00	..	..	39.00
20.	Goa ..	..	..	..	..	..	
	Total (excluding 213.00 unallocated)	**635.00**	**702.80**	**1532.51**	**20.00**	**125.00**	

Unallocated Outlays		**..**		**3.75**		**122.29**	**315.20**	**5.00**	**258.00**
Grand Total	**635.00**	**706.55**	**1654.80**	**335.20**	**130.00**	**471.00**			

ANNEXURE XII. 4—*Concld.*

(Rs. in Crores)

Sl. No.	State/Sectors/Ministries	Atomic Energy	Finance	Other Schemes of Ministries*	Total Outlays (1985-90)	Percentage to total excluding unallocated
1	2	13	14	15	16	17
1.	Andhra Pradesh	539.56	8.52		3579.17	23.8
2.	Assam	..	..	..	349.93	2.3
3.	Bihar	89.60	..	12.00	1327.63	8.8
4.	Gujarat	124.58	..		694.96	4.6
5.	Haryana	..	..	..	237.21	1.6
6.	Himachal Pradesh	..	..	..	2.23	Negli.
7.	Jammu & Kashmir	..	..	..	3.75	Negli.
8.	Karnataka	..	..	..	219.42	1.5
9.	Kerala	13.50		20.76	408.79	2.9
10.	Madhya Pradesh	4.55	46.22		2288.87	15.2
11.	Maharashtra	118.45	190.24	22.88	875.83	5.8
12.	Nagaland	..	..	..	3.52	Negli.
13.	Orissa	20.43	..	..	2244.89	14.9
14.	Punjab	..	..	13.00	177.41	1.2
15.	Rajasthan	6.66	..	..	182.45	1.2
16.	Tamil Nadu	156.87	..	6.79	352.78	2.4
17.	Uttar Pradesh	0.75	11.00	61.48	757.15	5.1
18.	West Bengal	..	5.44	26.64	1281.90	8.5
Union Territories						
19.	Delhi	0.05		3.05	57.83	0.4
20.	Goa	..	..	..	0.60	Negli.
	Total (excluding unallocated)	**1075.00**	**261.42**	**166.60**	**15,846.32**	**100.0**
	Unallocated Outlays		**865.58**	**163.40**	**2221.81**	
	Grand Total	**1075.00**	**1127.00**	**330.00**	**17,268.13**	

Sources : Planning Commission, I & R Division.
Note : *Includes Ministry of Civil Supplies, Commerce, Textiles, Dept. of Science & Industrial Research, Supply & Occean Development.

ANNEXURE XII. 5

Statewise Direct Assistance Sanctioned by Public Sector Financial Institutions 1982-83

(Rs. in Crores)

	State	I.D.B.I. Amount	Percentage to total	I.F.C.I. Amount	Percentage to total	I.C.I.C.I Amount	Percentage to total
	1	2	3	4	5	6	7
1.	Andhra Pradesh	44.3	8.3	29.31	13.4	147.18	5.9
2.	Assam	7.3	1.4	0.87	0.4	14.13	0.6
3.	Bihar	9.8	1.8	5.67	2.6	98.61	4.0
4.	Gujarat	97.4	18.1	21.49	9.8	344.25	13.9
5.	Haryana	15.9	3.0	2.09	1.0	62.63	2.5
6.	Himachal Pradesh	1.5	0.3	4.26	1.9	-	-
7.	Jammu & Kashmir	0.5	0.1	0.45	0.2	-	-
8.	Karnataka	3.0	6.7	20.39	9.3	184.33	7.5
9.	Kerala	16.9	3.1	6.16	2.8	39.83	1.6
10.	Madhya Pradesh	7.7	1.4	8.95	4.1	83.08	3.4
11.	Maharashtra	76.5	14.3	34.83	15.9	657.69	26.6
12.	Manipur	-	-	-	-	-	-
13.	Meghalaya	-	-	-	-	-	-
14.	Nagaland	-	-	-	-	-	-
15.	Orissa	22.9	4.3	8.59	3.9	52.52	2.1
16.	Punjab	24.5	4.6	12.99	5.9	65.95	2.7
17.	Rajasthan	51.3	9.6	18.76	8.5	109.13	4.4
18.	Sikkim	-	-	-	-	-	-
19.	Tamil Nadu	42.4	7.9	9.55	4.3	236.96	9.6
20.	Tripura	-	-	0.11	0.1	-	-
21.	Uttar Pradesh	33.7	6.3	22.40	10.2	145.37	5.9
22.	West Bengal	36.8	6.9	4.25	1.9	139.21	5.6
23.	Union Territories	10.2	1.9	8.38	3.8	92.21	3.7
	Total	**535.6**	**100.0**	**219.50**	**100.0**	**2473.00**	**100.0**

Source : Annual Reports: 1982-83 of IDBI, I.F.C.I. and I.C.I.C.I.