

MINUTES OF THE SDRC MEETING HELD ON 20-11-2003 AT
11.00 A.M. IN THE CONFERENCE HALL OF MEGHALAYA
MAIN SECRETARIAT.

The list of participants is as at Annexure I.

The meeting was presided over by Shri E.K. Mawlong, Co-Chairman, SDRC who welcomed all the members and officers present in the meeting and initiated the discussion by outlining the important issues that the Commission wanted to deliberate on. Thereafter he requested the members and officers to offer their views and suggestions that can be sent to the Cabinet for incorporation in the revised Industrial Policy draft, which is under its consideration.

Shri D.N. Joshi, Deputy Chairman, SDRC was of the view that reforms being proposed by the Industries Department should include measures to effectively stop electricity theft and environmental pollution which have already had quite a deleterious effect on the financial/ fiscal health of the State Government/ MeSEB and the physical health of many people living in places adjoining industrial estates/ parks/ areas. He was against granting of indiscriminate permissions to start industries in various parts of the State just for the sake of putting the State on the industrial map of the country. It should be seen that industries make a really positive contribution to the State and its people. **(Action: Industries Department)**

In his submission before the Commission, Shri S.K. Tiwari, IAS, Additional Chief Secretary i/c Industries Department informed that there are two Industrial Policies applicable to the State – the State Government's Industrial Policy 1997 which lapsed in 2002 and the Central Government's Industrial Policy for the North Eastern Region. In addition, the North Eastern Council also has a scheme called SPINE under which the capital subsidy granted to industrial units is said to be even higher than that of the Central Government. Given the importance that the State Government has been attaching to employment generation, Shri Tiwari also informed the Commission that a survey of direct and indirect employment generated so far has been completed and the report is almost ready and would be made available to the Commission. Thereafter, he gave a number of suggestions, for consideration of the Commission. These are: -

1. Employment potential should be a criterion for granting licence/ permission to industrial units to operate in the State.
2. Proper Cost – Benefit Analysis should be insisted upon to ensure that the State's resources both financial and physical are utilized optimally for the maximum benefit of the maximum number of people of the State. No part of the State and no section of the people should suffer deprivation as a result of reckless utilization or over consumption of certain resources by certain units.
3. Industries with a high probability of falling sick should not be promoted. For instance, power intensive industries can no more be encouraged to come to the State in view of the fact that our State has now become a power deficit State. In that way, consequent indirect losses to many people can be avoided.
4. The State should be seriously concerned about environmental pollution and degradation. For example, industries consuming an enormous quantity of charcoal every day should not in future be allowed to be set up.
5. Procedures should be further streamlined especially for ensuring that all concerned Departments' views are not failed to be obtained in their proper order before final clearances are issued.
6. Subsidies should be used as an effective tool to encourage desirable unit and to discourage undesirable units.
7. A comprehensive study on the impact of industrialization so far on the State is urgently called for. Some qualified independent agencies may be asked to undertake this job on consultancy basis.
(Action: Industries Department)

After listening to these views/ suggestions, the Co-Chairman desired that MeSEB, PHE Department (State Pollution Control Board) and North Eastern Council should also be invited to the next meeting of the Commission for necessary inputs from their side also. MeSEB is, however, to be called separately.
(Action: SDRC)

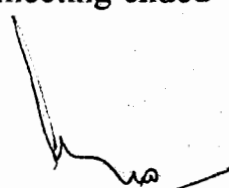
After explaining the different factors affecting industrialization of the State, the Chief Secretary, Shri J. Tayeng, IAS felt that the environmental impact assessment (EIA) are not being done properly whether for new or existing units. As a result, the ecological damage already done has been incalculable. Besides, he felt that the Government has been giving too many incentives and tax concessions/ exemptions while the State does not get any revenue even in the long run. He was also of the opinion that even the terms of supply of electricity to industrial units are against the interest of the State and the MeSEB. Over and above that,

the units indulged in rampant power theft to the extent of about 35% of their energy needs. This is done in three ways: firstly, supplies are taken from the main line which are not metred; secondly, metre reading is often not properly done; and thirdly, rebate is given even to defaulting units besides easy installments for clearing outstanding bills. (Action: Industries Department and MeSEB)

The Chief Secretary also suggested that in the Industrial Policies of both the Centre and the State there should be safeguards against running away by industrial units after the expiry of the subsidy periods. Otherwise the State would not be getting anything to invest in the socio-economic service sector. He also said that the working hours, accommodation, etc. are made difficult for local labourers so that they give up their jobs at the earliest. Both the Chief Secretary and the Additional Chief Secretary also wondered how polluting industries were allowed to be set up in the EPIP, which is supposed to be pollution-free. (Action: Industries Department)

Regarding State Undertakings, Shri Tiwari opined that management problem is the foremost impediment and this is partly due to faulty selection of people who are not trained for the job and as such do not have the necessary expertise. He is also not in favour of political appointees heading the Corporations. (Action: Industries Department)

Concluding the deliberations, the Co-Chairman shared the view that most entrepreneurs especially those from outside the State set up their units just to grab the subsidies and he conceded that so far industries have not helped the State in any meaningful and significant way. The meeting ended with a vote of thanks from the Chair.



(E.K. Mawlong)

Co-Chairman,
State Development Reforms Commission.

Memo No. SDRC.3/2003/___

Dated Shillong, the 4th December 2003.

Copy to: -

1. The Private Secretary to the Co-Chairman, State Development Reforms Commission for kind information of the Hon'ble Co-Chairman.
2. The Private Secretary to the Deputy Chairman, State Development Reforms Commission for kind information of the Hon'ble Deputy Chairman.
3. All Members of the State Development Reforms Commission (both official & non-official) for kind information.
4. The Private Secretary to the Additional Chief Secretary i/c Industries Department/ Forests & Environment Department for kind information and necessary action of the Additional Chief Secretary.
5. The Secretary, North Eastern Council, Shillong for kind information.
6. The Consultant (Industries), North-Eastern Council Secretariat, Shillong for kind information.
7. The Commissioner & Secretary to the Govt. of Meghalaya, Public Health Engineering Department for kind information.
8. The Commissioner & Secretary to the Govt. of Meghalaya, Programme Implementation Department for kind information.
9. The Commissioner & Secretary to the Govt. of Meghalaya, Industries Department for kind information and necessary action.
10. The Principal Chief Conservator of Forests, Meghalaya, Shillong for kind information.
11. The Director of Industries, Meghalaya, Shillong for kind information and necessary action.
12. The Chairman, State Pollution Control Board, Meghalaya, Shillong for kind information.

By order, etc.

(WMS Pariat)

Principal Secretary to the Govt. of Meghalaya
& Member-Secretary, State Development Reforms Commission.