

SHRI SYED SHAHABUDDIN : Mr. Speaker, Sir, I find that only five States cover nearly two-thirds of the reported cases, that is, Andhra Pradesh, Rajasthan, West Bengal, Delhi and Uttar Pradesh. Now there is obviously a very wide disparity in the incidence of polio as reported by the State Governments from State to State particularly if you take it on a population basis, that is to say, the number of cases per million population. Obviously, there is a very wide disparity I do not see any reason for that happening. That is why, I feel that these statistics have to be taken with a pinch of salt I would, therefore, request the hon. Minister that instead of depending upon the incidence of 'reportitis' in the State Government, he should order a survey by an independent medical authority of his choice, to have a random survey done on selective territorial basis to test these data that have been supplied by the State Governments. Otherwise if he examines these data, compares the data, as I said, from various States or even with other countries at a similar level of facilities, he would find a tremendous disparity. This may be all unbelievable. That is why, even his report that 93 per cent of the children have been covered by immunisation is not accepted, has no credibility among the people I know of people, I know of doctors who have themselves administered immunisation programme and have told me that because of non-availability of patent serum, they have been injecting practically water. They themselves have said, 'what can we do? This is what we get.' Therefore, I suggest that for ensuring public credibility and for testing these figures and for adopting appropriate programme, will he have an independent survey by a proper medical authority

DR C. SILVERA : Polio vaccine is given orally now and the injection has not been used now. And the fact that there are certain cases of polio in different parts of the country, that is exactly why even though we have covered 93 per cent of the children under three years of age, we are trying to have this National Immunisation Day where the whole country

MR. SPEAKER . Mr. Minister, he wants to know whether you will take steps to collect correct statistics about the incidence of polio death.

DR. C. SILVERA According to the present system, we have to rely on the State Governments and their report has to be depended on

SHRI SYED SHAHABUDDIN . I said that they suffer from a 'reportitis.'

MR. SPEAKER : He is objecting He says that the report, the statistics which you have received from the State Governments is not reliable Would you like to do something to get the correct information ?

DR. C. SILVERA : The unreliability has not been brought to our notice so far. I think he will have to send the information

[Translation]

SHRI LAKSHMI NARAIN MANI TRIPATHI . There are many places in rural areas of Uttar Pradesh where children are affected by polio in the wombs of their mothers and they are born polio affected. I have written in this regard to the Union Health Ministry as well as to the State Health Department. Whether the hon. Minister will ascertain the facts ?

[English]

MR. SPEAKER : Some letter has been written. If you get that letter, please do look into it.

DR. VASANT NIWRUTTI PAWAR Nasik : Mr. Speaker, Sir, in the Polio Eradication Programme, the role of social organizations like Rotary International is maximum and I learnt that to make the polio vaccine available and manufacturing in India, there is a joint venture with the Central Government and the Rotary International. So, I would like to know the status of that manufacturing joint venture to make the oral polio vaccine available in plenty instead of importing that polio vaccine

DR. C SILVERA The bulk polio vaccine is imported and it is blended by two companies in India, one is in Bombay and another is in Delhi. They are producing sufficient quantities of vaccine, required quantity of vaccine at the moment. What the hon Member has suggested can be looked into. It is a good suggestion (Interruptions)

MR. SPEAKER . If you say that it is a good suggestion, it becomes an assurance.

Foreign Investment in Electronics

[Translation]

* 782 SHRI SURENDRA PAL PATHAK Will the PRIME MINISTER be pleased to state

(a) whether the Union Government have invited any multinational company to set up industries particularly electronics industry in the country without any export commitment and with 100 per cent participation ,

(b) if so, the details thereof ,

(c) whether the representatives of the consumer electronics and T V Manufacturers Association Industry have submitted a request not to encourage investment in Electronics Industry Sector .

(d) if so, whether the Government propose to review the policies framed for this sector ,

(e) if so, the details thereof, and

(f) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILISERS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE DEPARTMENT OF ELECTRONICS AND DEPARTMENT OF OCEAN DEVELOPMENT (SHRI EDUARDO FALEIRO)

(a) to (f) A Statement is laid on the Table of the House

[English]

STATEMENT

(a) and (b) : The statement on Industrial Policy laid on the Table of the House on 24th July, 1991 welcomes foreign investment which is in the interest of the country's industrial development and brings the attendant advantages of technology transfer, marketing expertise, introduction of modern

managerial techniques and new possibilities for promotion of exports. Foreign equity investment is subject to the principles enunciated in the policy and prior clearance of the Government. Accordingly, the Government of India have approved cases in the electronics sector.

(c) No, Sir.

(d) to (f) : Do not arise.

[Translation]

SHRI SURENDRA PAL PATHAK : Mr. Speaker, Sir, May I know whether the Government have relaxed the essential condition of investment in India of 100 million U.S. dollars by a Japanese Electronic Company 'SONY' and the company has been permitted to invest only 16 million U.S. dollars ? Why did the Sony company not make any export commitment to the Government of India ? Whether new Government propose to initiate negotiations as fresh with the Sony Company about export commitment ?

[English]

SHRI EDUARDO FALEIRO : Sir, I do not have the details of this particular case I will collect the details from the Ministry of Industry and give them to the hon. Member, I will do that. But now I would like to say here that there is no export commitment, repatriation of dividends at will, that have not been allowed, in any case, to my knowledge. In every case, the minimum that is required is balance dividend, that is, you cannot repatriate the dividends at least for a period of time, either you have to plough them back or you have to take the dividend in the form of goods produced in this country.

[Translation]

SHRI SURENDRA PAL PATHAK : Sir, the Indian colour T.V. industry and its ancillaries with a capital investment of Rs. 4000 crore have their own special significance in India. They generated employment potential, augmented government revenue and developed considerably the engineering capabilities of Indians. In spite of this, the Government is adopting a very liberal attitude towards multinational companies and providing them most flourishing opportunities in this country by accepting almost all of their terms, whether bad or good while it is following a rigid policy in respect of indigenous industry.

I would like to know from the hon. Minister whether Government propose to offer some special incentives and concession to the Indian Electronic Industry to make it viable enough to stand in competition with the multinational companies ? If so, the details thereof ?

[English]

SHRI EDUARDO FALEIRO : Firstly, yes, the indigenous industry must have some advantages and they do have some advantages. They have advantages in the form of fiscal incentives. They have advantages in the form of the promotional measures that the Government is taking. I would not go into the details in terms of software technology part, the Export Promotion Council, training of man power, so on and so forth. That is one part.

The other part is that the growth that we have been able to achieve in the electronics sector and particularly in the software sector, which the hon. Member is mentioning, is around 38 per cent per year, which is perhaps the highest rate of growth in any sector of the Indian economy. This has been made possible substantially due to the foreign collaboration. My hon. colleague will see that practically every TV in the country made locally is with a foreign collaboration; it is either Toshiba or Sharp. That is one aspect of the thing.

We need foreign technology. But foreign technology has to be in the interest of this country. Specifically what is meant by national interest has been defined in the Industrial Policy Statement which was discussed in the House and the outline of which I have given in the written reply itself.

SHRI INDRAJIT GUPTA : I would like to know from the hon. Minister that since this New Economic Reforms Policy was introduced after the present Government was installed in office, during this intervening period, how many new units in this field of manufacture have been set up with foreign equity participation. One can get technology. There are many ways of acquiring technology. It does not necessarily mean that you have to have foreign equity participation. I would like to know how any new companies have been allowed to have foreign equity participation since the introduction of the New Economic Policy.

SHRI EDUARDO FALEIRO : I have no idea. Number will grow to be very large. It may go even to hundreds. I am not sure of this. I will collect all this information—the number of companies, the details of the companies—and give it to the hon. Member.

I would like, however, to say that basically the areas which built the industrial base of our country—software, computer—are the areas where these joint ventures have taken place.

[Translation]

SHRI BHERU LAL MEENA : Sir, the new industrial policy of the Government provides for setting up of electronic industry also. Whether Government will train rural youth and provide them jobs in those electronic units as and when they start functioning ? Otherwise, they will be deprived of job opportunities and benefit will go to prosperous people only.

[English]

SHRI EDUARDO FALEIRO : Electronics development, as we see it, cannot be only for the benefit of a small fringe at the top. It has to be for the benefit of the country as a whole and particularly the rural areas which are often neglected in this high technology development. Specially the students, the young people, women and others must get used to electronics if they have to survive in the new age. I would like to mention here that the only scheme that has been approved for equipment under the MP's Local Area Development is in the field of electronics. Members of Parliament, under the Rupees One Crore Scheme can now give in their constituency equipment and facilities of several sorts in the electronics sector for the benefit of young people, women and others in the rural areas. (Interruptions)

MR SPEAKER If it has to be done we will look into it

SHRI EDUARDO FALEIRO It is already a part of the scheme

SHRI NIRMAL KANTI CHATTERJEE He is rightly on the wrong side I will come to that later

We are aware of this kind of statement that they make Our crisis was that we were importing too much as compared to exports That was during 1990-91 Therefore the whole economic policy was based on the reduction in the gap in foreign trade and forgetting all that what we are stating now is that foreign capital is an instrument for Indian economic development not for meeting the crisis wherefrom originated the new economic policy I am trying to explain it but he has not understood

MR SPEAKER That question can be replied to by the Finance Minister why do you ask it from the Minister for Electronics ?

SHRI NIRMAL KANTI CHATTERJEE My question therefore is that he has mentioned television But what has happened in the television sector is that there are foreign collaborations with our companies here in the past Now that is being supplanted by direct subsidiaries of foreign companies in India like Panasonic Samsung etc Now is this beneficial for us ? They are directly having their subsidiaries here

Part (b) of my question is this To what extent has this import of technology enabled us to export our software ? We are very superior in software in terms of both brain-ware and software in electronics We are incomparable in the world I can tell you I am slightly in the know of things So to what extent at all has the import helped in our exports ? Even without that we would have succeeded

And the last is the MPs Local Area Development Scheme There is a gap This is for you also Sir because you are *(Interruptions)*

MR SPEAKER That is exactly what I said that if it is there, it is a good scheme and if it is not there we will see what can be done

(Interruptions)

SHRI NIRMAL KANTI CHATTERJEE There is a problem of guideline Unless something is Government owned Ajit Panja perhaps has written to you—we cannot allocate the funds The deed of the property has to be in the name of the Government Then only we can provide the instrument This is true for schools colleges and everywhere *(Interruptions)*

SHRI EDUARDO FALEIRO Now let us have one at a time There are two questions One is about the software and the other is about the MPs Local Area Development Scheme

As far as software is concerned let me say this I have said this earlier also The annual compounded rate of growth of software is 38.68 per cent The export segment of this industry has grown at an even higher rate that is 46.6 per cent So, software growth has been around 38 per cent whereas the growth of exports of software has been 46.6 per cent

SHRI NIRMAL KANTI CHATTERJEE What is the foreign capital involved in that export

SHRI EDUARDO FALEIRO I can give you the detail There is no question of subsidy I can give you the detail

The second point is, as far as the MPs Local Area Developments is concerned, I have got the brochure 'Electronic Projects under Members of Parliament Local Area Development Scheme' It is there and what is required *(Interruptions)*

MR SPEAKER You have not asked that question Why are you pleading for others ?

SHRI EDUARDO FALEIRO What is required under this scheme is that this equipment can be given either for Government institutions as approved by the Speaker or institutions which get grants from the Government *(Interruptions)*

SHRI NIRMAL KANTI CHATTERJEE No Sir He is entirely wrong

MR SPEAKER Now the interpretation is entirely with the Speaker I will interpret in a proper manner Let us not discuss it on the floor of the House

SHRI EDUARDO FALEIRO Now as far as the subsidiaries are concerned Indian companies to go and get their partners as they have done in the past We do not go by arranging this type of situation

SHRIMATI PRATIBHA DEVISINGH PATIL Sir I would respectfully submit that the answer is not complete to the questions which have been asked The questions (a) and (b) ask whether the Union Government have invited any multi national company to set up industries particularly electronics industry in the country without any export commitment and with 100 per cent participation and if so the details thereof

So details have been asked about the companies which are coming into India and setting up industries

In the answer there is no such particular answer given Only one sentence is there that 'the Government of India have approved cases in electronic sector' How do we know as to how many cases have come? According to the question it is asked whether it is 100 per cent participation or partly participation Which are the industries ? What are they going to manufacture ?

So sir the main question has not been answered This is what I want to bring to you notice

Secondly regarding the industries which are coming here I would like to know whether they are bringing hardware technology also because whatever is being done is that they bring the hardware instruments or the software components here and what is done in India is assembling which we are already doing About the software as Shri Nirmal Kanti Chatterjee has said we have ample brain and ample expertise in our country Under the name of or under the guise of transfer of technology the question is whether our expertise is being used as it is a cheap labour and export is being done So it is necessary that we must have a clear idea about this

SHRI EDUARDO FALEIRO : Sir, on the reply to the question if I have not been clear, I make myself clear. The question was, 'Have the Government of India invited some multinationals to come here?'

Sir, the question of inviting multinationals does not arise. We do not invite. It is not a question of invitation. May I respectfully submit that the Industrial Policy Statement invites everybody - investors, national or domestic - to come on those terms which are mentioned there ?

Therefore, we have said that there is no question of invitation. The terms are detailed there.

On the second question, 'whether they are transferring technology or nearly making assembling things' I would say that they must have a manufacturing base in this country. If I may say so, this growth which I have mentioned, which is among the highest if not the highest in any sector of our economy is precisely due or at least in a large measure, due to this foreign collaborations and transfer of technology

Instrumentation Ltd.

*783. **SHRI INDRAJIT GUPTA**

SHRI PRAMOTHES MUKHERJEE

Will the PRIME MINISTER be pleased to state :

(a) whether the Government propose to privatise the instrumentation Limited. and the bids from private sectors have been received or are in the process of being invited ;

(b) if so, the details thereof .

(c) whether the Government have seen various press reports decrying the privatisation efforts ,

(d) whether the PSU has been working since 1960 and till 1990 on a profitable footing and the company has net worth much more than its liabilities and is having orders worth crore of Rupees ;

(e) whether the BIFR is yet to pronounce its decision; and

(f) if so, the facts and details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY AND (DEPARTMENT OF INDUSTRIAL DEVELOPMENT AND DEPARTMENT OF HEAVY INDUSTRY) (SHRIMATI KRISHNA SAHI) : (a) and (b) BIFR has asked the Operating Agency (OA) to invite offers from private parties for revival of Instrumentation Ltd. The Govt. has conveyed to BIFR in principle agreement for conversion of IL into a joint venture/ takeover by private sector. The OA is evaluating the offers received by it.

(c) : Yes, Sir.

(d) : The Company started its operations in 1968 and was making profit till 1990-91. The net worth of the company was Rs. (-) 15.57 Crore on 31.3.1994. As on 1.4.1995 the company had orders worth Rs. 98 Crores.

(e) and (f) : The final decision of BIFR is awaited.

SHRI INDRAJIT GUPTA : Sir, this Company, the instrumentation Limited has got three plants in this country, viz ,

one at Kota in Rajasthan, one at Palghat in Kerala and one at Jaipur in Rajasthan. If I may say so, it is a strategic sector company. Its job is to supply systems for nuclear power stations, for heavy water plants and so on. These are the items which are not very easy to procure from foreign suppliers. So, this company is playing a strategic role in the development of these Industries in our country.

I suppose the Government should think ten times before glibly referring it to BIFR and wanting to hand it over to private parties. It is not just an ordinary company

It is the only one of its kind in this country. It is true that despite an accumulated loss of Rs. 32 crore that this company has incurred, today its order book shows that it has got orders of Rs. 140 crore. I hope the hon. Minister will concede that, it is a fact and the reason of this sickness—if you like to call it—losses is that the Government asked this company to go in for some very expensive capital investments in 1990. These capital investments at a high rate of interest of 20 to 22 percent are now eating into the finances of the company. It has not fallen sick for any other reason or for inefficiency or any poor quality production or anything like that. It is the financial tangle into which the company has been brought in by reason of these high capital investments which the Government had asked it to carry out

Sir, now, I would like to know whether the Government, before inviting foreign companies to try to turn this company around, are prepared to invest an additional equity of only about Rs. 30 crore which would be sufficient provided some loans are written off - the loans which are taken for these high capital investments. The company has got assets, land and buildings which can be sold in order to raise this amount if the Government is not prepared to invest directly.

So, the question that I would like to put is : In cases like this, does the Government go simply by the balance sheet of a company of any particular year or two years and if there is a loss, immediately does the Government declare it sick and send it to the BIFR ? Or, do they also consider the strategic value of a company of this sort in the interest of the overall development of our country's economy ? Do they give any consideration for that or not ? Will they consider that ? Or will they carry on with their present decision ?

[Translation]

SHRIMATI KRISHNA SAHI : Mr Speaker, Sir, I associate my feelings with the anxiety of the hon. Member over the I.L. His first question was about Orders and second about the manufacture of strategic sector instruments by I.L.

As far as first question is concerned, I agree that there was no competitor of I.L. till 1990, and in a way it had monopoly in the market but during eighties, a revolutionary change took place in the controlled instrumentation industry and because of basic change over from electro mechanical to electronical control, the Instrumentations Ltd. was adversely affected. I agree with the hon. Member that, as I have said in my reply, the supply orders amounted to Rs. 98 crore. But I would also like to state that because of stiff competition, the company used to receive supply orders on marginal cost and supplies were made to it on no-profit basis. Some