

(c) what is the estimate of the loss due to the collapse of the structure and damages to the machinery; and

(d) the details of action taken against the officials and contractors connected with the construction of the structure?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI-MATI ABHA MAITI): (a) and (b). Government has seen only the Preliminary Report submitted by the Committee. The final Report which has been submitted by the Committee to the management of BHEL, Tiruchy on 27th April, 1978 contains the technical details. This report is being examined by BHEL and their recommendations are awaited. The preliminary report has revealed certain inadequacies in the design and deviations between the drawings and actual constructions.

(c) In a preliminary report of the Committee received in the Ministry the extent of damage to the building has been assessed at about Rs. 12 lakhs. To assess the damage of the machinery, a representative of the suppliers has also been invited to visit the place and submit his assessment. The final figures in this regard are not yet known.

(d) Pending enquiry, three officers concerned with the design and execution of construction work have been placed under suspension. All the works under execution by the contractor have been stopped.

#### Capability of Firms to participate in Joint Projects abroad

9938. SHRI RAM KISHAN: Will the Minister of ELECTRONICS be pleased to state:

(a) whether it is a fact that a delegation from the Common Market computer industry visited India during March this year to assess the technical capability of firms to participate in Joint projects abroad;

(b) the subjects discussed during the visit of the delegation;

(c) whether Government gave any clarification on areas of supply of help for projects outside India, joint projects in third countries, the supply of general services on contract to European firms and official policy towards foreign collaboration; and

(d) if so, the details thereof?

THE PRIME MINISTER (SHRI MORARJI DESAI): (a) to (d) A delegation from the European Economic Community (EEC) visited India during March 27--April 4, 1978 to ascertain the potential for cooperation between Indian and European Electronic Data Processing (EDP) Industries. This was a follow up of an earlier visit during November 1977 of an Indian delegation to Brussels when this matter was first discussed. The following subject areas for potential cooperation were discussed:

1. Supply of computer software and software services;

2. Participation by skilled Indian EDP staff in computer software projects executed by European companies in the Middle East, Africa and Europe;

3. Formulation of collaborative joint projects, between European Computer Software firms and counterpart Indian organizations, to be implemented in Middle East, Africa and Europe;

4. Supply of specialized services (in the area of computer software) by Indian organisation for use by Europeans in international projects;

5. Import of European computer software by Indian firms and supplementing these for use in India and export;

6. Computer hardware manufacture in India in collaboration with EEC companies.

Government recognizes the field of computer software as one to be encour-

aged, not only to meet domestic requirements but also for export, using the personnel skills available in India. Government would encourage joint projects proposed by software houses in the EEC region and in India on terms to be approved by Government. Towards this, clarifications were provided at these discussions on Governmental policy in the field of computer manufacture, use of computers in India, Foreign Exchange Regulation Act, foreign collaboration, import/export policy, and support that could be reasonably provided.

#### **National Management Convention on Employment Opportunities**

9939. SHRI DHARM VIR VASISHT: Will the Minister of INDUSTRY be pleased to state:

(a) the strategy suggested for developing employment opportunities by the sixth National Management Convention organised by the All India Management Association at Madras on April 8, 1978; and

(b) whether it meets the objective of Government to ensure full employment in the next decade and if not, the alternative strategy to achieve the goal?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI-MATI ABHA MAITI): (a) and (b). The Sixth National Management Convention organised by the All India Management Association at Madras on April 8, 1978 was a forum for exchange of ideas of the different sectors regarding provisions of inputs for developing employment opportunities. Government are not aware of any strategy having been developed by them. Some of the office bearers of the AIMA are in touch with the officials of the Ministry of Industry with a view to seeing how far they can assist in the functioning of the District Industrial Centres.

#### **Payment of Income Tax by Military Commissioned Officer on Reimbursed House Rent Amount**

9940. SHRI G. M. BANATWALLA: SHRI MUKHTIAR SINGH MALIK:

Will the Minister of DEFENCE be pleased to state:

(a) whether it is a fact that Military Commissioned Officers are entitled for rent free accommodation or accommodation at concessional rent;

(b) whether it is also a fact that when Government is unable to provide free accommodation, they are permitted to hire a private house in the open market and can get the rent paid re-imbursed from Government and on the amount so received from Government they have to pay Income Tax; and

(c) if so, the reasons for charging Income Tax on the amount received by Officers for payment of rent which should have been paid by Government direct?

THE MINISTER OF DEFENCE (SHRI JAGJIVAN RAM): (a) Commissioned Officers are not entitled to rent free accommodation. They have to pay rent at 5 per cent of pay or assessed rent of the house whichever is lower.

(b) and (c). Service Officers who cannot be allotted Government-owned accommodation or accommodation hired by Government are allowed to hire houses on their own and claim reimbursement from Government. The amount of reimbursement in excess of Rs. 400 p.m. is subject to income tax under the provisions of Section 10 (13-A) of the Income Tax Act, 1961, as amended by Finance Act, 1975. It has not been found possible to relax this provision in the case of Service Officers alone as provisions in the Income Tax Act in the matter of tax on allowances given to an assessee by an employer to meet expenditure actually incurred on payment of rent are of universal application. However,