

(a) (Figures in '000 omitted)

Year	Dividend	Technical know-how
1971	32,26	..
1972	32,26	4,9*

(b) An amount of 14,34 564 was remitted in 1972 on account of Research fees as per details given below:—

Period	Amount
1-10-1965 to 30-9-1966	£26,320
1-10-1966 to 30-9-1967	£24,758
1-10-1967 to 30-9-1968	£28,120
	<u>£79,198</u>

Rs. 14,34,564

(c) Some of the measures taken by the Government to lessen the remittances of such companies are as under:—

- (i) Under Section 18A of the Foreign Exchange Regulation Act, 1947, which came into force on 1st April 1965, foreign branches and foreign majority companies are prohibited from acting as technical and management advisers or as agents in the trading or commercial fields except with the general or special permission of the Central Government or the Reserve Bank of India.
- (ii) The industrial licensing policy has been tightened in the case of foreign majority companies, so that further expansions will be restricted to those lines which are considered essential for the economic and industrial development of the country. Such expansions are generally allowed on the condition that

the companies will issue additional equity to Indian nationals so as to dilute the foreign shareholdings.

- (iii) Period of royalty agreements is now of shorter duration and the rate of royalty allowed is also lower.
- (iv) The new Foreign Exchange Regulation Act, 1973 has recently been enacted and in terms of that Act, branches of foreign companies as well as Indian companies having more than 40 per cent foreign shareholding will have to seek the Reserve Bank of India's approval for carrying on their existing business activities.

Additional areas in A.P. for Subsidy

2501. SHRI P. NARASIMHA REDDY: Will the Minister of INDUSTRIAL DEVELOPMENT AND SCIENCE AND TECHNOLOGY be pleased to refer to the reply given to Un-Starred Question No. 1351 on the 22nd November, 1972 regarding the benefit of 10 per cent subsidy to Rayalaseema in A.P. and state whether Government propose to include whole of Chittoor District in Andhra Pradesh for eligibility in this regard in view of its peculiarly difficult economic conditions?

THE DEPUTY MINISTER IN THE MINISTRY OF INDUSTRIAL DEVELOPMENT (SHRI ZIAUR RAHMAN ANSARI): The proposal is still under consideration.

Licence to open an Electronic Manufacturing Unit at Chittoor (A.P.)

2502. SHRI P. NARASIMHA REDDY: Will the Minister of ELECTRONICS be pleased to state:

- (a) whether a Letter of Intent or Licence has been issued to the Andhra Pradesh Industrial Development

*The amount represents Research fees for the year ended 30th September, 1968 in terms of Joint Research Agreement with M/s. British Oxygen Limited, U.K., for a period of 10 years with effect from 1st October, 1959. This agreement was terminated on 30th September, 1969.

corporation to establish an Electronic Manufacturing Unit at Chittoor in Andhra Pradesh;

(b) the manufacturing programme;

(c) the progress in implementing his project; and

(d) the steps proposed to be taken to expedite and assist this project?

THE PRIME MINISTER, MINISTER OF ATOMIC ENERGY, MINISTER OF ELECTRONICS AND MINISTER OF SPACE (SHRIMATI INDIRA GANDHI): (a) and (b). The Andhra Pradesh Industrial Development Corporation, Hyderabad has been issued a letter of intent on June 15, 1970 for the manufacture of Styroflex Capacitors (10 million nos. per annum) Electrolytic Capacitors (5 million nos. per annum) and Ceramic Trimmers (5 million nos. per annum).

(c) and (d). The Andhra Pradesh Industrial Development Corporation proposes to implement the Project in the joint sector at Chittoor which is a backward region of the State. According to the information furnished by the Corporation, steps are now being taken for the formation of a new company and also for finalising the promotional agreement with a private party in the State. Negotiations for suitable know-how, both from within the country and abroad, are also being conducted. The validity of the letter of intent has been extended from time to time and is currently valid upto March 12, 1974.

Grant of Scholarship to wards of P&T Employees

2503. SHRI RAMAVATAR SHASTRI: Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether in the Bihar Circle, cases relating to grant of scholarships to the wards of the P&T Employees are generally processed and finalised

very late—sometimes after more than 6 months or so;

(b) whether the procedure followed by the P.M.G., Bihar for verification from educational institutions is also very time-taking and halting as well; and

(c) if so, the steps taken for timely and early payment of the scholarships by re-orienting the procedure and ensuring completion of all formalities within a month or so?

THE MINISTER OF COMMUNICATIONS AND TOURISM AND CIVIL AVIATION (SHRI RAJ BAHADUR):

(a) Applications for scholarships are received by the Scholarship Award Committee (in the circle) by 15th September, and the awards are to be finalised by the Award Committee by 31st October. At times these dates have to be extended due to some delays in finalisation of admissions of the students by the educational institutions.

The award declined by the recipients if any, is awarded to the next eligible candidate by the Circle Scholarship Award Committee by the 20th December.

(b) The procedure regarding verification has been laid down by the Directorate General of Posts and Telegraphs for all the circles. It is working quite satisfactorily in all the Circles. Verifications wherever possible are being got done through the employees themselves.

(c) The existing procedure is working satisfactorily. It is not possible to complete the formalities within a month. Heads of Circles etc., have been instructed to take expeditious action to complete all the formalities and to make payments of scholarships as quickly as possible to avoid hardship to the employees.