

MR. SPEAKER : He has already said it.

*(Interruptions)*

SHRI SAIFUDDIN CHOWDHURY : We are importing technology.

MR. SPEAKER : You have to borrow at certain times.

*(Interruptions)*

SHRI SAIFUDDIN CHOWDHURY : We require more. It is not enough.

AN HON. MEMBER : They go because they are not given facilities here.

SHRI RAJIV GANDHI : A time-bound programme is there in the Seventh Five Year Plan.

MR. SPEAKER : Shri Harish Rawat. Setting up of Electronics Industry by Foreign Companies

\*467. SHRI HARISH RAWAT : Will the PRIME MINISTER be pleased

**Statement**

List of Companies with foreign equity of 40% or more issued approval in 1984-85 is given below :

S. No.	Name of Company	Location
1	2	3
1.	M/s Datapro Consultancy Services	SEEPZ, Bombay
2.	M/s Computer Automation (India) Ltd.	SEEPZ, Bombay
3.	M/s Data Storage Technology	SEEPZ, Bombay
4.	M/s Softech Systems	SEEPZ, Bombay
5.	Dr. Bhupinder Kumar Modi	SEEPZ, Bombay
6.	M/s Strata Search Sahpoorji Pvt. Ltd.	SEEPZ, Bombay
7.	M/s Associated Software Co.	SEEPZ, Bombay
8.	Shri G. K. Pillai	MEPZ, Madras
9.	Ms/Amrit J. Patel	Tehsil : Vatwa (GIDC Indl. Area., DISTT : Ahmedabad STATE : Gujarat

to state :

(a) whether foreign companies had applied for grant of licence to set up any electronics industry on their own or with equity participation with Indian companies during the year 1984-85; and

(b) if so, the particulars of those foreign companies and proposed industries as well as the names of the places for which licences have since been issued ?

THE MINISTER OF STATE IN THE MINISTRY OF SCIENCE AND TECHNOLOGY AND IN THE DEPARTMENTS OF OCEAN DEVELOPMENT, ATOMIC ENERGY, SPACE AND ELECTRONICS (SHRI SHIVRAJ V. PATIL) : (a) Yes, Sir.

(b) A Statement is laid on the Table of the House.

1	2	3
10.	Shri Balbir Singh Bajaj	Tehsil : Veerasardra Distt. : Bangalore State : Karnataka
11.	M/s Reliance Systems (P) Ltd.	Tehsil : New Delhi Distt. : New Delhi State : Union Territory.
12.	Shri M.K. Chowdhury	Tehsil : Noida Distt. : Ghaziabad State : U.P.
13.	M/s Relco India Pvt, Ltd.	Tehsil : Omalur Distt. : Salem State : Tamilnadu
14.	M/s Saren Tronics (I) Pvt, Ltd.	Tehsil : Gandhi Ngr. Distt. : Gandhi Ngr. State : Gujarat.
15.	M/s Nilgiris Technology Park	Tehsil : Kothagiri Distt. : Nilgiri State : Tamilnadu.
16.	M/s Hyderabad Technology	Tehsil : Rajinder Ngr. Distt. : Ranga Reddy State : A.P.
17.	M/s Siemens (India) Ltd.	Nasik, Maharashtra
18.	*M/s Tata Burroughs Limited	Thivim Industrial Estate, Union Territory of Goa.
19.	M/s G.K.W. Ltd.	Backward Area in U.P.

\*Letter of Intent (LOI) granted subject to foreign equity being brought down to below 40%.

[~~Translation~~]

**SHRI HARISH RAWAT :** Mr. Speaker, Sir, due to the efforts on the part of Government and the Prime Minister, an awareness has been created in the minds of people about electronics and the electronics industry, and licences have been given to some foreign compa-

nies for the setting up of such industries. The criticisms and the other news reports appearing in the press in this regard indicate that most of the companies to whom licences have been given are either M.R.T.P. companies or such other companies as have tried to set up industries in the country in collaboration with foreign companies. These foreign

companies are totally silent about the use of obsolete technology in the developing countries or in our country. An impression has also been created about these companies that in addition to using their technology in these countries for industrialisation, they also take interest in other fields. Through you, Sir, I would like to ask the hon. Minister whether licences have been issued to some M.R.T.P. and F.E.R.A. companies to set up electronics industries in the country and if so, the percentage of equity shares of the foreign companies to which licences have been given on the basis of participation in equity shares with foreign companies. I would also like to know whether Government propose to reduce further the percentage of foreign equity fixed at present and whether Government have thoroughly examined the *bonafides* and the antecedents of the foreign companies which have been permitted to collaborate with Indian companies on the basis of equity participation, so that it could be ensured that these companies take interest only in industry and not in any other field? And.....

MR. SPEAKER : You put your supplementary otherwise in this way you will lose all the time and the question will not be put.

SHRI HARISH RAWAT : I would like to ask the hon. Minister whether licences have also been given to the companies covered under M.R.T.P. Act to set up electronics industry and if so, what is the basis thereof? When such a demand has also been made by some public undertakings, why were licences issued to the M.R.T.P. and F.E.R.A. companies overlooking the former's claim? And.....

MR. SPEAKER : What are you doing? Yesterday also I requested you, today again I would like to tell you that there is a procedure to ask supplementaries. Please study that and learn to put supplementary questions.

[English]

I do not agree with this. You are just taking the time of the House. The monologue goes on and on.

[Translation]

SHRI SHIVRAJ V. PATIL : His question was.....

MR. SPEAKER : You also give a brief answer. I doubt whether there was a question at all

SHRI SHIVRAJ V. PATIL : As to how many licences were given to the foreign companies during the year 1984-85, we have given here a list of 19 companies. Of them, 16 companies are for export purposes and are in export areas and we have the expectations of 100 per cent export from them. The remaining three companies have also been asked to reduce foreign equity participation to 40 per cent. Of these, one company has not been asked to reduce equity by SIA, because it is not mandatory under the law.

We endeavour to develop new technology in the country or develop indigenously even the technology which we have imported and use it

Now the question is what these foreign companies are doing here. These companies are engaged in production here. They bring with them foreign technology which we are using. It is necessary for Government to keep a watch on their activities and Government's procedure in this regard is being followed. Our effort is to make new technology easily available in the country and to have production by making use of it.

SHRI HARISH RAWAT : I welcome the efforts made by the Government in the development of electronics industry, but I would like to ask the hon. Minister whether Government have any scheme, under these licences which have been issued or in future, to expand electronic industries in the hilly and tribal areas, because there are some remote, backward and hilly areas whose climatic conditions are such that only electronic industries can be set up there and even for environmental preservation it is necessary to set up such industries there and if so, what are the details of such a scheme?

**SHRI SHIVRAJ V. PATIL :** Government are aware of it.

[*English*]

What is nervous system to the body, electronic system is to the industry for its economic development.

[*Translation*]

Keeping this in view Government, especially our Prime Minister, has formulated new policies in this regard. At the same time, it has been ensured that more and more industries are set up in the hilly areas and it has been said in the new package of policy that special steps should be taken to set up electronic industries in the hilly areas and, apart from this, the new policy recently framed by the Department of Industry stipulates that the ceiling for the purpose of subsidy in the hilly areas for other industries is Rs. 25 lakhs where as in the case of electronic industry, this ceiling has been raised to Rs. 50 lakhs. We hope that such a big concession will pave the way for the setting up of electronics industries in the hilly areas

So far as other facilities are concerned, we are raising funds with the assistance of the State Government and also from our own resources. Hon. Members have always been raising this question and this policy has, therefore been framed keeping that in view.

[*English*]

**SHRI UTTAM RATHOD :** The information that is being given through the magazines about the CIH working, shows that the CIH is trying to spread its net in all the developing countries through multinationals. May I know from the hon. Minister whether the Government is taking precautions to find out if these foreign agencies have such interests in our country also, that is, whether they are working as CIA agents.

**SHRI SHIVRAJ V. PATIL :** For me, from the Electronics Department or the Scientific Department, it will be very difficult to say which company belongs to which undesirable organisa-

tion from outside countries. As far as possible, we try to see that only those activities which are helpful for the economic development, take place. We shall also have to see that we cannot entirely close our doors to the new things that are happening in the world. We shall have to take and give. This has to take place. We shall have to balance the interests of the developments in new areas as well as to balance the interests of the country also.

**THE PRIME MINISTER (SHRI RAJIV GANDHI) :** I would like to just add to that. We are always keeping a watch out for such activities and there is no question of allowing any such activities in India.

**DR. V. VENKATESH :** Sir, I would like to know from the Prime Minister whether the Government has got any idea of having electronic based industries in the country, particularly in the drought-prone areas, such as, Kolar and Bidar districts of Karanataka, and other parts of the nation.

**MR. SPEAKER :** What has drought to do with this industry ?

**DR. V. VENKATESH :** In the drought-prone areas I want to know about the setting up of electronic industry.

**SHRI SHIVRAJ V. PATIL :** The intention of the Government is to see that the industry is spread out equitably and in a proper manner throughout the length and breadth of our country. The industries Ministry has adopted a policy which helps the industries go to the non-industry areas, the backward areas and the areas which are affected because of some natural climatic conditions also. If all these things are taken into account, it will be possible for the industry to reach Bidar or Kolar districts of Karnataka.

**MR. SPEAKER :** Mr. Mahajan seems to be very very eager today.

**SHRI Y.S. MAHAJAN :** Sir, the Soviet Union had shown interest in the development of electronics industry and

we had entered into an agreement with them in 1982 for a period of three years. Has that agreement been renewed and what has been the consequence of the cooperation with the Soviet Union ?

**SHRI SHIVRAJ V. PATIL :** Sir, in fact, we take the assistance and help from all the countries from which it can be had, and we do cooperate with all the countries with which it is possible for us to do. Under the agreement, we had to import some computers and in return for the computers imported by us, it was agreed that components will be sent to that country. I do not have specific information on this agreement at this point of time but if the hon. Member is interested, I can supply that information.

[Translation]

#### Mahi Irrigation Project

\*468. **SHRI DILEEP SINGH BHURIA :** Will the Minister of PLANNING be pleased to state :

(a) whether the Advisory Committee of the Planning Commission has approved the Mahi Irrigation Project in Madhya Pradesh;

(b) whether the Planning Commission is further considering this scheme from the investment point of view;

(c) whether the Planning Commission propose to grant approval to the implementation of this Project under the State Plan; and

(d) if so, by what time ?

[English]

**THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI K. R. NARAYANAN) :** (a) Yes, Sir.

(b) to (d) The Planning Commission has communicated its approval of the scheme to the State Government on the 1st January, 1985.

[Translation]

**SHRI DILEEP SINGH BHURIA :** Mr. Speaker, Sir, I would like to express my thanks to the hon. Minister for approving this project. Initially, the cost of this project was Rs. 27 crores which has now gone upto Rs. 61 crores. I would like to ask the hon. Minister by what time the work on this project will start and by what time it will be completed and the source from which the funds would be made available.

**MR. SPEAKER :** There is nothing to know about it. When the project has been sanctioned, the work on it will also be started. Government would of course provide the funds for the purpose.

**SHRI DILEEP SINGH BHURIA :** The State Government do not have resources. If funds are not provided for this project, the project would remain on paper only.

[English]

**SHRI K. R. NARAYANAN :** The total cost of the project was estimated at Rs 61.52 crores. Even though the Planning Commission has approved this project, it has to be finally agreed upon through discussions between the State Government and the Planning Commission, because this approval is subject to the State Government finding enough funds for the execution of the scheme.

Secondly, the period of execution of the scheme would cover about eight to ten years. That was originally planned.

[Translation]

**SHRI DILEEP SINGH BHURIA :** I would like to know whether any proposal for making the funds available for this project has been sent to the World Bank. I would also like to ask the hon Minister what action is being taken in this regard. Would the Central Government provide funds for this project or would the funds be obtained from the World Bank and only then the work on this project will be started ?