

loped areas in the neighbouring districts. Since I belong to one of the neighbouring districts, may I know from the hon. Minister what is the difficulty in the Ministry itself coming forward with the scheme? Why is it waiting for the Baijal Committee to tell him what to do and when does he expect the Baijal Committee to give its report?

SHRI NARAYAN DATT TIWARI : The veteran Member has more experience than me in the field of industrial development. (*Interruptions*).

PROF. MADHU DANDEVATE : He knows that when the problem is not solved, it is referred to the Committee.

SHRI NARAYAN DUTT TIWARI : That has been the practice both ways. With his vast experience as railway minister, I think we can supplement it. Baijal Committee is expected to give its report by the end of this year. Since this Committee has already been constituted and this question being inter-ministerial question, it is not to be decided only by the Ministry of Industrial Development, the Ministry of Finance and the Planning Commission. But allocation of funds, how much they can provide in the Plan, all this is an inter-ministerial question and, therefore, we have set up inter-ministerial committee.

SHRI BHAGWAT JHA AZAD : May I know what are the reasons why the licences given to cities like Allahabad, Bhagalpur, Bhilwara or Guntur are not implemented. It is because the industrial houses corner the licence from the Government, because they have know-how to put the project and others who have not and, ultimately they do not implement it, so that the production in that sector is less than the demand and prices are hiked up. How do you propose to stop this?

SHRI NARAYAN DATT TIWARI : Of course, there are two parts of this question which the veteran Member has asked. One is general policy towards houses which corner the licences. The other is regarding Allahabad and others...

MR. SPEAKER : Do you mean putting questions by the veterans?

SHRI BHAGWAT JHA AZAD : We have put the question to the most veteran Minister. All through his life, he is continuing in the Ministry.

SHRI S. JAIPAL REDDY : The veterans have put the most valid questions.

SHRI NARAYAN DUTT TIWARI : I hope the House will not disagree that the hon. Member from Bhagalpur is a veteran Member. This expression is parliamentary courtesy to an hon. Member.

SHRI BHAGWAT JHA AZAD : I compliment him. *Aho Roopam, Aho Dhvani.*

PROF. MADHU DANDEVATE : It is called a veterinary approach.

SHRI NARAYAN DATT TIWARI : What I was mentioning is that as far as these cases go, pertaining to Allahabad, the implementation of licences for three items, for General Electric Company of India, they have now undertaken the manufacturing of high-speed diesel circuit breakers and special purpose transformers and General Electric Company is also implementing the letter of intents for Brothers representative type of transformers. So far as the District of Allahabad goes, as of now, we do not find any such example. But generally we are always taking all precautions that if certain big houses to corner licences, we cancel those licences.

Development of Technology by Private Sector

*371. **SHRI SRIBALLAV PANIGRAHI :** Will the Minister of INDUSTRY be pleased to state :

(a) whether Government propose to encourage private sector for the development of technology through their own research and development skills ;

(b) whether Government have made any study in the industrial field regarding slow pace in developing indigenous technology for certain industries during the last three years ; and

(c) if so, the details regarding the schemes Government have framed in this regard ?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT (SHRI M. ARUNACHALAM) : (a) to (c). A statement is given below.

Statement

(a) Government has been encouraging the promotion and development of technologies in private sector through their own research and development skills.

(b) Given clear cut objectives and the necessary support our scientists and technologists have shown their capacity to solve problems.

During the last three years studies in certain areas such as hand-tools, tractors, fibre glass etc. have been made.

(c) The schemes initiated by the Government include :

According recognition to the inhouse Research Development units in Industry ; such recognised inhouse R & D units can import equipments and raw materials including pilot plant for research and development under Open General Licence, Income Tax concessions on expenditure incurred on scientific research and on investments made on scientific equipments and capital assets to undertake Scientific Research ; Preferential treatment in licensing of the technologies developed indigenously ; de-licensing of industries based on technologies developed in approved Institutions ; enhanced investment allowance on the plant and machinery installed etc.

SHRI SRIBALLAV PANIGRAHI : I had put this question about the slow pace of development in the field of indigenous

technology in the country. But the reply is silent about it. Anyway it has been referred to in the reply that there was a study made during the last 3 years about certain areas such as hand-tools, tractors fibre glass etc. I would like to know from the hon. minister as to what is the result of this study, whether the Government programme regarding promotion and development of indigenous technology is progressing and is being implemented properly and whether the progress achieved so far is satisfactory.

THE MINISTER OF INDUSTRY AND MINISTER OF PETROLEUM AND NATURAL GAS (SHRI NARAYAN DUTT TIWARI) : The study shows that substantial work has been done in the field of indigenous manufacture of tractors, tyres, lead-acid batteries, hand-tools, and fibre glass. Similar studies have also been undertaken for many items which relate to foreign collaboration. I have a whole list with me which I can furnish to the hon. Member and I think these studies which are being undertaken by the Council of Scientific and Industrial Research will continue.

SHRI SRIBALLAV PANIGRAHI : The Minister in his reply stated that given clear-cut objectives and the necessary support, our scientists and technologists have shown their capacity to solve problems. What are these clearcut objectives and the support that is being given by the Government to solve the problems ? What is the impact of the present liberal policy in respect of import of technology and how it has affected the promotion and development of technology in our country? What is the real requirement and what is the gap between the need and the requirement and the technology available at present and what steps are being proposed by the Government to bridge this gap ?

SHRI NARAYAN DATT TIWARI : Already the Council of Scientific and Industrial Research has recognised 924 inhouse development units in the country out of which 89 are in the public sector and 835 are in the private and joint sectors. These R & D units have spent

more than Rs. 500 crores during the year 1985-86. 155 units are spending between Rs. 25 lakhs to Rs. crore each on R & D and 71 units are spending above Rs. 1 crore each on R & D. I have all the information with me. The report of the Department of Scientific and Industrial Research has furnished all the necessary information.

As far as future is concerned, already the House has considered the R & D Cess Bill which is going to impose a levy of 5% on payments for import of technology. This fund will contribute Rs. 10 to 15 crores as venture capital and support pilot studies to absorb and adapt imported technology. Then there is a proposal to establish a Technology Development Fund on the anvil. It is also proposed to put before the House a proposal to increase the cess from 1/8% to 1% so that we can create a Technology Development Fund of Rs. 500 crores. We propose to bring this amendment before the House in the coming week. Already we have set up research funds for including automobile research work out of the statutory provisions that we have and about Rs. 2 crores are being funded to the Automobile Research Centre at Pune for this purpose. So, I think, the steps that are being taken by the CSIR and by the Industry Department will contribute in a major way for development of R & D in our country.

SHRI INDRAJIT GUPTA : I would like to know whether it is a fact that the private sector companies which are actually branches or associates of foreign multinational company and which are operating in this country and are carrying on a certain amount of Research and development work in India, are generally transmitting the benefits of this research work more to their parent companies abroad, rather than utilising them for the benefit of our own industrial development, and whether it is Government's policy to give such companies not only the incentives which are mentioned in the statement, but even allow them 51 per cent participation in equity capital if they can show some about of research and

development work done here, even if it is of a very elementary nature, as in the case of Hindustan Lever.

SHRI NARAYAN DATT TIWARI : I do not have ready information now available on this particular matter which the hon. Member has raised, but I will certainly look into the matter regarding Hindustan Lever.

SHRI INDRAJIT GUPTA : What about the first part of my question? It is widely reported that the main benefits of their research and development here in the case of branches of multi-national company are being transmitted to their parent companies abroad and are not being in India.

SHRI NARAYAN DATT TIWARI : I do not have any such information.

SHRI K. S. RAO : We have great admiration for the increased quantum of budget allocation made by Government for R & D and for the Minister's bringing forward the R & D Cess Bill in which I also participated and supported. It is also known that the Indian scientists are capable of doing good work if only right encouragement is given. But in BHEL, where the annual turnover is around Rs. 2,000 crores, about a couple of days back, six scientists of which two are supposed to be experts in that line much against the suggestion of the Head of the Research & Development Wing, have been transferred to a place where they cannot put their brains of technology or knowledge to use and where they have to sit totally idle. They have been transferred on the ground of some personal differences between the top management and the employees. If this attitude were to be continued, I do not think any purpose will be served by the Bill that has been brought by the Minister or by making increased budgetary allocation for R & D. I would like to know from the hon. Minister whether he will ensure proper implementation and whether freedom of expression will be allowed in the R & D wing in various industries without construing it as indiscipline.

SHRI NARAYAN DATT TIWARI : I do not have ready information on this because it concerns a specific undertaking, BHBL.

SHRI S. JAIPAL REDDY : It is evident from the Minister's reply that substantial sums are being shown to be expended by the private sector units on their in-house R & D undertakings. I would like to know whether it is a fact that these in-house R & D undertakings are being used mainly for dodging taxes and if so, what steps are Government contemplating to prevent such misuse of tax concessions in this area.

SHRI NARAYAN DATT TIWARI : I do not have any information regarding any unit having dodged taxes, but I will be thankful if the hon. Member can give me some examples.

SHRI S. JAIPAL REDDY : I have referred to many such specific cases in my speech on Science & Technology Demands.

SKD and CKD units in Automobile Industry

*372. **SHRIMATI KISHORI SINHA :** Will the Minister of INDUSTRY be pleased to state :

(a) whether Government have decided to eliminate semi knocked down condition (SKD) and completely knocked down condition (CKD) units based on imported components in the automobile industry ;

(b) if so, the present import content in each brand of automobiles ; and

(c) how Government propose to indigenise these components ?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT (SHRI M. ARUNACHALAM) : (a) Imports are permitted as per phased manufacturing programme approved by the Government.

(b) A statement indicating the phased manufacturing programme approved in respect of various vehicles is given below.

(c) Government have encouraged the component manufacturers to upgrade the technology including obtaining foreign collaborations. Various measures such as de-licensing of auto-ancillary industry, fiscal concessions, broad-banding, etc. have also been taken by the Government.

Statement

Name of the Unit	Vehicle	Percentage import content as per approved PMP	
		1st Year	2nd Year
1	2	3	4
1. M/s Hindustan Motors Limited.	Passenger Car (only Isuzu Engine & Transmission.)	71.40	56.50
2. M/s Premier Automobiles Limited.	Passenger Car only Nissan Engine & Transmission.	72.75	54.63
3. M/s Standard Motors	Passenger Car (Rover 2000)	32.37	(a) 22.25 for 1000 cars. (b) 16.31 for 2500 cars.