

account the incidental benefits like provident fund, gratuity, house rent allowance, etc.; the total amount that a worker will be entitled to will be Rs. 45 plus Rs. 9 that is about Rs. 54 they get. I think these are the main points which have been made. I believe that the House will be happy about that.

SHRI CHATURANAN MISHRA: I want to seek one very important clarification: Whether all the categories of workers will be getting it or not?

SHRI P. A. SANGMA: The statement is very, very clear. All the workers covered by the second Wage Board will be eligible for this. You her point about the expiry of the last Agreement. It differs from industry to industry. So there, are some people who might be getting prior to 1st January, 1986.

TBE RESEARCH AND DEVELOPMENT CELL BILL/ 1986—ontd.

DR. G. VIJAYA MOHAN REDDY (Andhra Pradesh); Sir

SHRI NIRMAL CHATTERJEE (West Bengal): Sir, when do we adjourn? Today we have not been allowed lunch break. We have not agreed to this also.

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): Mr. Chat! you were not present when the opinion of the House was taken to go through this Bill.

SHRI NIRMAL CHATTERJEE: I was always here.

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): No. You were not present here. Please sit down.

DR. G. VIJAYA MOHAN REDDY: Mr. Vice-Chairman, Sir, we have got another import along with the import of technology. Just now I have heard that this is an import of 'venture capital fund' also. This is some kind of a new information to me. That is how

we jumble ourselves with ideas and create more confusion. I agree that issues are simple. But I want to mention one thing that in every Plan we allot money for the development of science and technology. There are about 900 research laboratories and a lot of money is spent on our scientists but still they are sore. They want to go abroad. This is a phenomenon which is not prevalent in other parts of the world to the extent which we are having here. We must make a thorough investigation as to why this is happening. We should not be content that we are getting a lot of foreign exchange because of the earnings of these Indian scientists who are working abroad. We must try to know that these scientists are working in other countries at a very crucial period of our development. To add to this, the another factor that is, there is no participation at all of the workers in the industries. The scientists are not there. The workers do not participate at any level of management. Then, where is the indigenous technology which we can develop. India was one of the greatest countries, the technology, which India had was one of the greatest in the world that we are able to call upon. Because of our great textile industries, the entire Europe was depending on our textiles. Today, our textile industry is in doldrums. Our farmers who grow all these raw materials are also facing a crisis. That is why Sir, this indigenous factor is lagging behind or completely submerged in the craze for purchase of imported technology in a ready-made form which is highly dangerous for the independent survival of our economy. Technology is one of the main channels through which international money through which international money is infiltrate into our economy and finally make our economy secondary. That is, why our manufacturing capacity, our capacity to compete in the world market is of not much consequence, and we have not a huge trade deficit. That is why we have to take these very important factors into consideration when we are considering a Bill of this nature. That is why, I want that in Clause No 6, this clause may be limited only to indi-

[Dr. G. Vijaya Mohan Reddy] genous technology and exemption in clause No. 7 only where public interest is involved, public utility is involved. Otherwise, there should not be any exemption.

About framing of the rules, the following things may please be kept in mind:

1. Only small entrepreneurs should get the benefit out of this fund because any fund that is created. 50 per cent of it is taken away by the big shots. Then the projects for taking the technology to the rural people should be given the utmost priority and the schemes for the utilisation of solar energy which is in plenty in our country as a energy source should also be given priority. Thank you.

SHRIMATI ELA RAMESH BHATT (Nominated): Mr. Vice-Chairman, Sir, in general, I am agreeable to this Bill. However, I have several reservations regarding this Bill. First of all, in my humble opinion. I see a basic contradiction in the purpose of this Bill. The industry that itself goes for importing technology from outside is expected to play a role in developing indigenous technology. Please let me explain further as to why. The IDBI is basically a bank for developing large-scale organised sectors. Hence the Bill by making the IDBI the primary agency goes against the development of the small-scale, unorganised, indigenous sector which provides the maximum employment to the people. The IDBI basically is a bank and being a bank, it is a business organisation, and thus it is most likely, as I believe, that it will tend to assist these projects in terms of its feasibility, the profitability, viability of a unit. So the funds may flow more easily to the organised sector. There is no preference provided in this Bill that the Venture Fund shall be used for upgrading technology and skills in the small-scale and unorganised sector. It is this sector, as you know, which is supposed to have a national priority according to the well-stated objectives of the Technology Policy Statement of our country. Moreover, this Bill goes against the national policy of self-reliant development since it seems to encourage the import of technology by raising a Venture Fund through a cess on the Import* without specifying [the product

areas for which the imports themselves will be allowed. Areas like energy sources need our maximum and urgent attention. How do we ensure that the industry will pursue these areas and not go into unwanted consumer items like, if I may name it, Pepsi-cola? Sir, this reflects the traditional approach of merely raising revenue, instead of a development approach combined with social justice. What is the meaning of the Technology Policy Statement that we already have in this country, if it is not put into actual law? It is submitted that the Members be provided with a status paper on the existing state of R & D in the industry and whether it has helped in any way the development of indigenous technology or creation, of new job opportunities. Without this information, it is rather difficult to see how the Bill will enable the Union Government to bring in a new technological order within this country which we have been promised off and on. Moreover it is suggested that autonomous and semi-autonomous and non-profit-making bodies set up by the Union Government like the National Research Development Corporation, the Khadi and Village Industries Commission, the National Rural Development Corporation, the National Cooperative Development Corporation or the All-India Handicrafts Board, may be associated as a collegium for planning the technology inputs for which the cess should be levied and the sectors to which money should be paid on a priority basis from the Venture Fund. The least that can be done to ensure social justice is to have a provision that in accordance with the directive principles of the Constitution, no industry will be financed by the IDBI which employs child labour or contract labour. The IDBI should also be required to seek a social impact analysis report from the industry it proposes to finance from this Venture Fund. The report should state the possible development or displacement of labour and in case of displacement of labour, a scheme for re-training and absorption of such labour as also the environmental impact of the new technology should be an in-built part of this report. Our Technology Policy Statement clearly states that the 'social impact analysis' be applied

regorously to see that the utilisation of the total resources is enhanced and not just the productivity of the particular enterprise. How do we ensure that while formulating its opinion the IDBI will not sacrifice, the human aspect for the sake of industrial growth and development?

Now the last point which is of utmost concern to me, and that is the case of women. All through the history or her story, barring a few exceptions, technology has not been kind of rather technology has been unkind to women, taking away their traditional occupations and women more and more unemployed. 3.3 million women have lost their jobs between 1960 and 1981 and those not thrown out are again further pushed down to low scale, low productivity and low wage in manual jobs. The examples of women who have been displaced from their employment are numerous. Each rice mill displaces 1500 women-workers while giving work to 45 men. Examples of mechanised fishing are well known. Examples of textile and jute are well known. I take an example of recent times, 30,000 women in net-making at home fear displacement because of the newly imported net machine. More than 30,000 women in tobacco processing, 10,000 in Nippan and 20,000 in Khera district of Gujarat are losing jobs because of the mechanised process. The examples are numerous. Also women-workers work with archaic technology which is developed keeping women specifically in view. Let me tell you, technology appropriate for men is not always appropriate for women even in the same field. The example of the paddy transplanters recently developed by ICAR are not suitable for women. Although women do most of the transplanting. The areas identified as causing the maximum drudgery to women are fetching water, collection of fuel and fodder combined with household work. This is the reality of millions of women today. In this Bill we need an assurance from the Development Bank that women's employment will not be sacrificed at the altar of R&D activities under Clause 6 of the Bill.

To conclude, I say that the cess which may be charged will create or may gene-

rate resources but what is the assurance that well-stated objectives of the Technology Policy Statement will be strictly followed and implemented? We need to have these safeguards inbuilt in the statute. We cannot simply leave it to the 'opinion' of the local Development Bank. We need to ensure that the Development Bank will see that the new technology will assist the projects keeping in view the aspects of employment, energy consumption and environment.

Lastly, only such specific requirements in the law will enable the Union Government to decide what is necessary or expedient in public interest to exempt any industry from the payment of the cess. Thank you.

SHRI JASWANT SINGH (Rajasthan): I shall be brief. I have sensed the mood of the House. We have been at work since yesterday. This is a welcome measure brought by the mover of the motion, that a cess be imposed on imports of technology and that be utilised for encouraging a venture capital fund. Both are sound ideas because, on one hand, you are, by imposing a cess on import of technology, implicitly restraining an uncontrolled import of technology and simultaneously attempting to develop a venture capital linked with research and development. I, therefore, welcome the measure and commend the Government for bringing this measure in the form of an enactment. But I would like to leave one thought with the honourable Minister in connection with research and development.

It is not that I expect an answer to that thought. This is more a holistic problem that the whole country faces as far as transforming research into development is concerned. The words that you are using are "Research and Development". Please mark the words. When it comes to pure research, I think India, as a country has a few equals and it stands on par with any other country in the world. But in the matter of productionising that intellect, we lack and that is where we falter and that is where we are to be

[Shri Jaswant Sing'n] found fault with. It is not something that the Government can enact about and it is not something that you can control or reform. This is something about which we all ought to be concerned. Whenever any question relating to R & D have come up, I have often mentioned that the primary problem that we face in the field is one of productionising the great intellect that this country has.

Sir, I commend the Government, as I said earlier, for bringing forward this measure. I support the Bill which is under the consideration of this House. Thank you very much.

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): Now, Prof. Asima Chatterjee.

PROF. (MRS.) ASIMA CHATTERJEE (Nominated): Mr. Vice-Chairman, Sir, I thank you for giving me this opportunity to speak on the Research and Development Cess Bill, 1986.

Sir, the Government's policy regarding the import of technology for industrial growth as reflected in the Research and Development Cess Bill is indeed encouraging and laudable. It is gratifying to note that the Government has realised the importance of research and development in the field of technology so essential for the economic growth and self-reliance of the country. Sir, the Government has to be congratulated for introducing this Bill which has emphasised that the policy on foreign investment and collaboration would be selective. This is very important and the import of technology should be allowed wherever it will be used in the national interest and generally in those areas where technology is not available in India or is not adequately developed for effective utilization.

Sir, it has been mentioned that the transfer of technology from foreign countries might involve import of designs, drawings, publications and deputation of industrial personnel. So far as technical personnel are concerned, I have a humble submission to

make and it is this that there should be flow from either side, that is, from India to foreign countries and *vice-versa*. Otherwise, the objective is not going to be fulfilled. For this purpose, a cess which is a kind of tax will be levied on the import of technology first, to be credited to a Venture Capital Fund, as indicated in clause 5 of the Bill. It would be funded in part by a 5 per cent cess on all payments made on purchase of technology from abroad. To fulfil these objectives, a piece of legislation is going to be introduced through this Bill and the Fund operating through the Venture Capital Fund, to start with, will be ultimately administered by the Industrial Development Bank of India. The annual collection will be about Rs. 15 crores and, in this context, Sir, sub-clause (2) of clause 3 needs clarification. The provision under this sub-clause that the cess would be paid by an industrial concern to any specified agency might lead to an unpleasant situation. This agency might take advantage of this provision by adopting unfair means and asking for more money from the industrial concerns. I feel that the industrial concerns should pay the cess directly to the Government. In view of the quantum of know-how and technology for wider domestic applications, for pharmaceutical, for agricultural and for engineering purposes and for the production of various essential things, the 5 per cent cess on all payments is meagre and this should be enhanced at least by 5 per cent. There must also be restraint on the use of clause 7 in giving exemptions to anybody. From experience I can say that it might not lead to proper justice.

Sir, coming to indigenous technology, it has been observed that in spite of the availability of know-how, foreign technology has been imported on many occasions and this is going to dampen and frustrate the spirit of our scientists and technologists. Therefore, the import of technology already available in India should be stopped. Otherwise, this will have an adverse effect on the R&D progress in our country which will have a retrograde

effect on self-reliance. The universities and the research institutions and various industrial concerns should be given proper incentive to develop such technology which is going to be imported because the imported technology, on many occasions, cannot be used as such. It needs modification so that it can be applied effectively with the available facilities. (*Time Bell rings*) viz. equipments, manpower and scientific and technological intellectuals available in the country. Sir, the same compulsion should be imposed on the industrial concerns for the development of R.&D. organisation. This will help them to improve the quality of the product and also to produce new products in order to maintain the good health of the industry. A scientific and technology committee should be set up in every State (to collect the data on R.&D. activities and to have information on new technological development in various areas, in educational institutions, in research institutions and in industries.

Sir, I have a suggestion which is necessary to make the Bill more effective. The Government should establish a separate department to process all the applications for importing technology, collection of cess and proper utilisation of funds and to monitor how these funds are used by the industries taking advantage of the cess.

In this connection, it deserves mention that a technology data bank should be maintained and this information should be passed on the State Directorates of Industries and other major industries so that they may be aware of the technologies which they need for their industrial operation. The Universities, National Laboratories and Research Institutions should take active interest in the imported technology in order to upgrade it as applicable to the Indian climate or the Indian conditions. Care must be taken not to import obsolete technology. This is very important. Our experience is that outmoded technologies have been imported from foreign countries and after a year or so we feel that this is not effective

and is not effective. We should purchase another technology. Therefore, before you impart technology, it should be very carefully examined. (*Time Bell rings*) Sir, the technology, i.e. "know-how" for micro-films and for fabrication of sophisticated instruments should also be imported to prevent drain of the large amount of foreign exchange which is happening every year. It is our experience that sophisticated instruments which have been imported are very often found to be outmoded and, therefore, it is desirable that the technology which is necessary for the fabrication of sophisticated instruments and which cost 15 or 20 lakhs of rupees should be utilised fully by our competent scientists and technologists.

Sir, lastly I would like to say that for the development and fabrication of instruments, inter-disciplinary research is necessary and this should be encouraged to develop new and better technology. This would not only help to prevent the drain of foreign exchange, but will also increase productivity and the economic growth of the country. India would also be in a position to export sophisticated instruments. With these words, I conclude. Thank you.

SHRI V. RAMANATHAN (Tamil Nadu): Sir, I am very glad to support the Bill because this is the first stage to give opportunities to the industrialists to purchase technology for the improvement of industries. It is very important. There is nothing to be shy about it. Even Japan once borrowed technology from foreign States. Now, it is selling technology to the States. Even last year, Korea purchased foreign technology worth more than 200 million dollars. Therefore, there is nothing to be shy about getting foreign technology. Now, I want to submit one thing. The fund must be utilised for the improvement of research and development. As my learned Member just now suggested, it must not only go to the research but the research also must live to the industrial development. And on the practical side, it must be utilised for the improvement of the industry. It is not on the theoretical side alone that it

[Shri V. Ramanathan] will be used. Research must be clubbed with the industries, and the universities also should be utilised for the improvement of the industries. The entire amount should go to the research alone. And the research must live to the industrial development. First of all, we must have information banks. We must know what is the research that ought to be needed, and what are the fields in which the research and industrial development must go. We must find all these things and on that the amount must be utilised. Here Clause 3 says: "There shall be a cess at five per cent on all payments made towards the import of technology, as the Central Government may from time to time specify by notification in the official Gazette." It can even go up to 10 per cent. There is no alarm in it. The entire amount, instead of going to the Consolidated Fund must go to a separate fund specially created for the purpose. An intellectual and expert body must be given power to use this amount. And that amount must be utilised only for research, and the research must be connected with the development of so many different industries. And identification of industries on which the technology is to be used is also essential. For example, on agricultural technology, we have improved a lot and we are in a position to give the agricultural technology even to some backward countries also. But anyway even in agricultural technology, we have a long way to go. For example, sugar industry is adopting an old technology that was introduced some 20 or 30 years back. Now a lot of development has come in. But that is not adopted. If it is adopted, it will give a lot of extraction also and it will give benefit to the factory in the matter of profit also. All these things must be considered. If the Fund is utilised for research, it will be useful in the larger interest of the nation. That must be considered.

With these words, Sir, I conclude.

THE VICE-CHAIRMAN (SHRI H. » NUMANTHAPPA): Shri Raoof Valiullah—Be brief after seeing the mood of the House.

SHRI RAOOF VALIULLAH (Gujarat): Mr. Vice-Chairman, Sir, how can I be brief? I am the last speaker.

Sir, I rise to support the Research and Development Cess Bill, 1986. In fact, this place of legislation should have seen the light of the day long time ago. As pointed out by Mr. Poddar, it was an assurance on the part of the Government. Sir, 11 years ago, the former Finance Minister, Mr. C. Subramanian, while presenting the Budget, said in his speech in 1975-76, and I quote:

"Hon. Members would no doubt also welcome Government's decision to levy a R and D cess to mobilise resources to finance such ventures. The Ministry of Industry and Civil Supplies would be introducing legislation in this regard in this session."

Sir, it was a firm assurance on the part of the Government. And for 11 years this assurance was never kept. I would at least like the hon. Minister to explain why this Bill took 11 years to come before* the Parliament. In the Seventh Plan, the outlay for Research and Development in all the Ministries is Rs. 2,466 Th. non-Plan expenditure is expected to be of the order of Rs. 4,000 crores. Thus, the total Plan and Non-Plan expenditure would come to around Rs. 6,500 crores. Sir, during the Sixth Plan period again the plan allocation of Rs. 1,959 crores was there and the non-plan component was about Rs. 1,500 crores for science and technology, making a total of Rs. 3,400 crores. Sir, in this connection, I would like to recall that in the long-term fiscal policy presented by the hon. Finance Minister it was stated that Rs. 10 crores would be provided for this kind of research and development work. Therefore, I would like the hon. Minister to say whether that Rs. 10 crores is in addition to the Rs. 15 crores provided as venture capital fund under this Bill. (*Interruptions*). I appreciate, Sir, that not only this Cess but besides this any amount given as grant by the Central Government for the purpose of this Act or any amount given to the fund from any source and any income for invest-

ment of the amount in the fund would form the corpus of this fund. Sir, it is understandable that on technical reasons the IDBI cannot impose a cess on the imports, for that matter import of technology and, therefore, the Government has come with this Bill and it will then give it over to the IDBI. Sir, I do not know how far the IDBI financial institution will be able to help in this sphere. Sir, I only hope that this cess released for these imports would not be used for any other purpose except the purpose which is contemplated in this Bill.

Sir, I would like to refer to section 7 of the Bill. Sir, I do understand about the exemptions as pointed out by hon. Member, Mr. Vishvajit Singh. Sir, I can understand that exemptions are allowed under section 7. But I would like the Minister to assure the House that no commercial venture or commercial undertaking would get exemption from this fund. Sir, even charitable purposes and importing technology for welfare purposes will have to be scrutinised, that no institution is benefited from exemption to make profits. Sir, when the rules are framed this important thing should be borne in mind and I hope what Mr. Vishvajit Singh was trying to say was this. Sir, the power should be sparingly used to give exemptions and that was the point brought out by many hon. Members. Sir, the Government should also instruct that in framing rules as far as possible big concerns and profit making concerns having finances of their own will not be entitled to have any assistance under this scheme. Sir, this fund primarily should help entrepreneurs in the small scale sector and those who have difficulty in raising the equity capital. Sir, the Government should also encourage scientists and research scholars and they should get adequate facilities and all other equipments they want for research and development. Sir, section 3 of the Act has something to say about the rate of the percentage of the cess to be levied. Sir, the cess as defined in the Act will be at a rate not exceeding 5 per cent on all payments made towards the money of technology. But, Sir, I do not understand why it is kept at the

maximum. Why not from 5 to 10 per cent or from 10 to 15 per cent?

7.00 P.M.

Why it is kept at the maximum? Therefore, Sir, I would request the hon. Minister that after a few years, a review of the scheme should be taken and if it is found that this needs to be enhanced it should be reconsidered.

Section 9 of the Act, clause 9 of the Bill, I mean, deals with penalty. Here also, in the other House, the hon. Minister of State for Finance *suo motu* brought forward an amendment raising the penalty from five times to ten times. But I think, the defaulters in this regard should be dealt with more firmly and I would request the hon. Minister that even though the penalty has been enhanced from five times to ten times of the arrears, still, something in the rules should be provided so that there are no more defaulters.

Sir, the scheme should also have a selective approach as pointed out by Mrs. Asima Chatterjee and some other Members from the other side and the beneficiaries should be selected on the basis of needy industries and not industries which are meant to promote luxury or luxurious articles. I would like to have an assurance from the hon. Minister that while giving this kind of assistance from the venture capital fund this aspect will also be taken care of. On the whole, the cess is definitely going to help the development of indigenous technology. I think, the initial sum of Rs. 15 crores for this venture capital fund is not enough for the purpose. I would also like to suggest that for proper utilisation of this fund, there should be some monitoring not only on the part of the IDBI but also by an independent agency. In this connection, I would like to point out what the Public Accounts Committee has said. The PAC in its 171st report has observed that proper funds are not being provided to the Council of Scientific and Industrial Research and that the working of CSIR is not up to the mark. Therefore, Sir, I would suggest that instead of entrusting this fund to the IDBI, this fund should be earmarked to the Council of Scientific and Industrial Research.

[Shri Raof Valiullah]

Another provision is, this cess will be collected from industrial concerns. The term industrial concern has the meaning assigned to it under the IDBI Act. This cess will be collected from industrial concerns which are importing foreign technology and this would be utilised only in the industrial sphere. I would like to know whether agriculture, agro-industries and agriculture technology have also been included in this definition under the Bill. Sir, the Government should also be cautious when allowing import of foreign technology. If it is obsolete technology in a foreign country, it would be so after some time in this country. Secondly, the technology should be relevant to this country, to the environment and to the people of this country. Thirdly, foreign technology should generate additional employment in our country and it should not throw out, as Mrs. Bhatt rightly pointed out, women from their employment. Will the hon. Minister, therefore, give us an assurance that this R&D will be utilised for the development of indigenous industry and will create additional enrolment in this country? (*Time-bell rings*).

Sir, one last point. Even while liberalising import of capital goods and spare parts, we have observed that we have not been able to boost our exports substantially, the cause of this should be identified, enquired into and remedial measures taken. In the name of R&D, let us not fall prey to the machinations of the corporate sector. Further, it is not clear whether the import of technology would be restricted to basic technology or technology in general because free import of technology will adversely affect our self-reliance and technological advancement. Sir, which reviving the hon. Minister may kindly clarify on this point also. I am particularly concerned about this point because this was one of the important aspects emphasized in the Technology Policy statement issued by the Union Government two years ago. It said that while the import of technology did have a role in augmenting and developing the technology reservoir in the country, it alone could never put the economy

on a sound footing. It was important that we, on our own, concurrently took up activities that would enable us: (1) to make the best of the imported technology—its proper harnessing, assimilation, maintenance and adaptation; and (2) to develop our own capabilities for inventing and innovating new products and processes.

This is our own Policy Statement made in this House two years ago. If this R&D or venture capital fund or import of technology renders counter to our policy statement, will the Minister please assure this House that it will not be so?

Sir, the development process becomes a self-sustaining one only if a nation learns to develop its own capabilities. It is herein that R&D activities assume a place of strategic importance. Therefore, R&D should be restricted to import of technology for purposes of institutions and agencies engaged in R&D work in our country. There are Government sponsored agencies like the CSIR, the Indian Council of Medical Research, Department of Space, Department of Science and Technology. There are many other Government sponsored organisations. Over and above that there are academic institutions and universities. And thirdly, the in-house R&D laboratories of our public sector enterprises and our corporate sector are there. (*Time-*

bell rings). Sir, one last point and I will conclude. I will like to inform the House that it is estimated that in 1983-84 the total R&D expenditure incurred by all the three categories that I have mentioned, the government, the semi-government, that is the institutions, and the private and public sector undertakings was of the order of Rs. 1338 crores only. As a proportion of GNP, it was approximately 0.8 per cent, the corresponding figure for the USA being 2.5 per cent, the USSR 4.9 per cent, Japan 2.4 per cent and South Korea 1.0 per cent. Therefore, I feel that this Bill, though belatedly brought before this House is of great significance inasmuch as the import of technology, that is the right type of technology,

will encourage commercial application of indigenously developed technology and adaptation of imported technology.

SHRI JANARDHAN POOJARI: Sir, I shall be very short. This Bill is very simple with a laudable objective for which we received valuable contributions from the hon. Members, particularly from lady Members. I refer to the maiden speech by Mrs. Bhatt and also the contribution made by Shrimati Asima Chatterjee.

Sir, the policy of import technology is selective on and is allowed in an area of national interest. It is also allowed in an area, particularly where the local knowhow is not available. The fund, namely this Venture Capital Fund, is created. The hon. Members have asked for the assurance that it would be used in an appropriate manner. I can give the assurance to the hon. Members that the assistance will flow to the most needy and also to the deserving cases, particularly where in the overall national interest this assistance is required. Also that this Fund will not be used for exploitation of know-how in low priority areas. Also it will not be used for assisting the profit-making concerns. Also the assistance will not flow to areas where they have got sufficient resources. This is the assurance that I will give to the hon. Members.

So far as exemptions are concerned, here also it will be exceptionally used; it will be particularly used in the area of research, namely research in cancer or research in family planning.

Now coming to the point raised by Shri V. P. Singh, he has said that there is a contradiction between section 3(1) and section 6. For the benefit of the hon. Member, I can say that practically there is no contradiction. So far as section 3 is concerned, it applies to the rate of cess and section 6 relates to the end use and also to applicability of the Fund. So practically these sections are not self-contradictory.

Coming to the point raised by the hon. Member, Shri Raoof, as to whether the amount of Rs. 15 crores that is going to be collected as cess would be the only amount, or a sum of Rs. 10 crores would be coming from other sources also, I can tell the hon. Member that, as contemplated in the long-term fiscal policy, a sum of Rs. 10 crores would come either from the Government or from financial institutions. Here also I can tell the hon. Member that the corpus of this Fund would be Rs. 25 crores and not Rs. 15 crores, as suspected. Further, I can tell the hon. Member that so far as allocation in the Sixth Plan is concerned, to which he has made a reference, for science and technology, as against Rs. 3400 crores, an allocation of Rs. 8,500 crores was made in the Seventh Plan and we are expecting another Rs. 2000 crores from the private sector in this field so that there would be an expectation that it would be about 10,500 crores of rupees.

I will not take much of the time of the House. I promised to the hon. Minister of Parliamentary Affairs, our master, that I shall not take more than 5 minutes. After seeing the mood of the House and the stress under which the House is working, I commend this Bill for consideration. I say that this Fund will not be used for profit-making concerns but for persons who are actually in need of it, persons who are not in a position to contribute for the equity and also it will be used for people who have got the capacity, competence and know-how but who do not have the funds for starting pilot projects. For those people it will be used.

SHRI N. E. BALARAM (Kerala):
Sir, one question.

THE VICE-CHAIRMAN (SHRI H.
HANUMANTHAPPA): At this late
hour?

SHRI N. E. BALARAM: Anyway it
is late and I have been sitting here.
Just one question. You know, I am
not a long speaker. There was a sug-
gestion from honourable Members on

[Shri N. E. Balaram] this side whether it would not be better to hand this over to the CSIR. What is the opinion of the Government with regard to this?

SHRI JANARDHAN POOJARI: Sir, here the IDBI is administering the Fund and they have to take into consideration the capacity of the entrepreneur to pay the promoter's contribution, that is, equity contribution, and when the entrepreneur has not got sufficient resources then this Fund will provide assistance. Not only that. The IDBI is going to give finance to the project also. That means, from financial institutions, banks and other sources the funds will come. Under these circumstances, in the judgment of the Government, the IDBI would be the proper institution to administer this Fund.

SHRI RAOOF VALIULLAH: About the import of technology I asked as to what will be the quality of imported technology and who will decide whether the technology is relevant in this country or not.

SHRI VISHVAJIT PRITHVIJIT SINGH: Are you going to accept that a committee will be formed?

SHRI JANARDHAN POOJARI: Sir, here the import of technology will be scrutinized by a high-powered committee.

SHRI VISHVAJIT PRITHVIJIT SINGH: Thank you.

SHRI JAGESH DESAI: (Maharashtra): Sir, in the Statement of Objects and Reasons it is mentioned that "The proposed Venture Capital Fund shall be utilised for providing further incentive for the commercial application of indigenously developed technology and to adapt improved technology to wider domestic applications." But I find that according to this Bill this will be given in the form of equity capital or other financial assistance. I would like to know whether there will be any part of subsidy. I want to know whether only if incentive is there something like subsidy will be given I

and also whether some funds will be given to research associations so that research can be done with the help of these funds.. (Interruptions)..

SHRI VISHVAJIT PRITHVIJIT SINGH: This is meant to enjoy the fruits of it.

SHRI JANARDHAN POOJARI: Sir, whatever was possible, I have said it in my reply. So far as other suggestions are concerned when the guidelines are going to be framed all these points will be kept in view. (Interruptions) _____

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): The Minister has said that all the suggestions will be taken note of. The question is:

"That the Bill to provide for the levy and collection of a cess on all payments made for the import of technology for the purposes of encouraging the commercial application of indigenously developed technology and for adapting imported technology to wider domestic application and for matters connected therewith or incidental thereto, as passed by the Lok Sabha, be taken into consideration."

The motion was adopted.

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): We shall now take up clause-by-clause consideration of the Bill.

clauses 7 to 10 were added to the Bill. Cuius:- I, the Enacting Formula and the-Title were added to the Bill.

SHRI JANARDHAN POOJARI: Sir, I beg to move:

That the Bill be returned.

The question was put and the motion was adopted.

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): The House stands adjourned till 11 a.m. tomorrow.

The House then adjourned at twenty minutes past seven of the clock, till eleven of the clock, on Thursday, the 7th August, 1986.