

seniority to those non-Scheduled Castes/Tribes persons promoted; and

(c) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI MOHAN DHARIA): (a) In accordance with the existing orders, casual workers who are Middle pass and have put in two years of service are eligible for regularisation as peon/messenger. Since the Scheduled Castes/Scheduled Tribes casual workers in the Computer Centre did not possess the requisite educational qualification, they could not be regularised.

(b) and (c) A panel for promotion of Graduate Key Punch Operators to the posts of Tape Librarian was drawn up in the Computer Centre on the 10th November, 1972. On that date no Scheduled Caste/Tribe candidate had the requisite educational qualification. A fresh panel for promotion is shortly to be drawn, when the claim of the scheduled caste candidate who has since acquired the necessary educational qualification, will be duly considered.

Misconduct of some I.P.S. Officers in Chandigarh

606. SHRIMATI LAKSHMI KUMARI CHUNDAWAT:

SHRI MAHENDRA BAHADUR SINGH:

SHRI SAWAISINGH SISODIA:

Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether Government's attention has been drawn to a report regarding misconduct of some Indian Police Service Officers in Chandigarh which appeared in "The Indian Express" of January 5, 1974 under the caption, 'IPS officers caught in midst of orgy; and

(b) if so, whether the Central Government have received any report from the Punjab Government in this behalf?

THE DEPUTY MINISTER IN THE MINISTRY OF HOME AFFAIRS (SHRI F. H. MOHSIN): (a) and (b) Yes, Sir.

L.P.(D)1RSS-3

Report of Study Group on import of capital goods

607. SHRI HARSH DEO MALAVIYA:

SHRI MAQSOOD ALI KHAN:

SHRI IBRAHIM KALANIYA:

SHRI SARDAR AMJAD ALI:

SHRI N. R. CHOUDHURY:

SHRI VITHAL GADGIL:

MISS SAROJ PURUSHOTTAM KHAPARDE:

Will the Minister of INDUSTRIAL DEVELOPMENT AND SCIENCE AND TECHNOLOGY be pleased to state:

(a) whether it is a fact that the study group on capital goods import cases headed by Shri R. V. Subramaniam has made serious observations about the lapses on the part of the Ministry;

(b) if so, the details thereof; and

(c) what steps Government have taken thereon?

THE MINISTER OF INDUSTRIAL DEVELOPMENT AND SCIENCE AND TECHNOLOGY (SHRI C. SUBRAMANIAM): (a) and (b) A statement giving Summary of conclusions and recommendations of the Report of the Study Group under the Chairmanship of Shri R. V. Subramaniam is attached.

(c) The Government have approved/noted these recommendations.

With a view to simplify industrial licensing procedures, including procedures for the approval of the import of capital goods, the Government have introduced a new system with effect from 1-11-73. A Secretariat for Industrial Approvals has been constituted as a Division in the Ministry of Industrial Development. Under the new system time targets have been prescribed for the issue of various clearances. A 90 days target has been fixed for the issue of approval letter for the import of capital goods under the new system.

Under the new system, in November and December, 1973, 79 applications for the import of capital goods were received. Of these 28 were returned to the applicants

because of being incomplete. Decision has been taken on the remaining applications within the stipulated period of 90 days. The new system has thus overcome the delays which were pointed out by the Study Group.

Statement

Summary of conclusions and recommendations of the report of the Study Group

1. The import of capital goods and the procedures relating to it should be viewed not in isolation but as part of a larger effort on the part of Government to ensure that projects are set up speedily and production established quickly. (para 4.1).

2. The cost of delay of capital goods clearances both by itself and through resultant losses in production is large and is something the country cannot afford. (para 4.2).

3. The case studies have revealed that the delays in the clearance of C.G. Applications have become chronic (para 6.6).

4. The advertisement procedure has helped as an instrument for import substitution and there may be no great advantage in dispensing with it except for certain special categories of projects. (para 8.1).

5. For projects with a capital cost of over Rs. 5 crores and expansions of the same magnitude, a project approach for clearance of capital goods and for providing the necessary support to the establishment of the undertaking should be adopted. The advertisement procedure should be dispensed with so far as these special projects are concerned. (para 9.1).

6. In cases where a number of letters of intent are issued simultaneously and Government is keen to set up fresh capacities quickly a special procedure as outlined in Para-10, should be adopted. There will be a single advertisement by the DGT. (para 10).

7. A system of issuing annual guidelines to the C.G. Committee indicating the Government's priorities, should be adopted. (para 10.2).

8. An attempt at forecasting of capital goods requirements should be made; the Economic Adviser should keep an up-to-date industry-wise list of letters of intent where import of capital goods has been specifically allowed. (para 11.1).

9. There is need to associate consultants and draw up in advance the list of machinery needed for important projects or cases where multiple letters of intent have been issued. (para 10.4).

10. Where ICIC/IFC loans are involved, the project has only one source of finance and the equipment needed is of a balancing or replacing nature, a special procedure as in Para-12, should be followed in order to cut down the time taken in the various clearances needed. (para 12.1).

11. The DGT or the Technical Adviser concerned may themselves send summaries to the CG Committee sending a copy in advance to the administrative Ministry together with a list of points if any, on which the administrative Ministry's comments will be needed. The representative of the administrative Ministry will then present his views at the time of the C.G. Committee Meeting. This procedure will save, on an average, two months which are being spent currently on routing the summary through the administrative Ministry. Ministry of Commerce will continue to sponsor export oriented cases. (para 13.1).

12. In order to reduce the time taken for import of capital goods by small scale units, the Committee in DC (SSI)'s Office should be integrated with the C.G. *ad-hoc* Committee. (para 13.2).

13. The level of competence of the C.G. *ad-hoc* Committee should be raised to Rs. 10 lakhs from the present level of Rs. 5 Lakhs. (para 14.2).

14. Further steps, as recommended in para 14.3 could be taken to utilise East European sources of capital goods in a greater measure. The stock and state procedures, resulting in import of capital goods which are available in the country, would need to be reviewed. (para 14.3).

15. The application form and the summary for the C.G. Committee have been

streamlined. The application will be made in three copies as against two hitherto, in order to enable the Economic Adviser's Office to keep central watch over pendency and disposal. A set of clear instructions to the applicants, preferably in the form of do's and don'ts is recommended. (para 14.6).

16. The public sector organisations should observe, anybody also, the time limits laid down for responding to advertisements. (para 14.8).

17. In the course of scrutiny by the DGTD if the value of items under objection is less than 5 per cent of the value of capital goods involved in an application, then the application should be cleared waiving the objections after obtaining the approval of the Deputy Director General concerned. (para 15.2).

18. The minutes of the C.G. Committee could be standardised in a proforma which could be kept ready even before the C.G. Meeting and issued forthwith, incorporating the decisions taken in the meeting. The decisions should be communicated to the CCI&E and the applicant within a time limit of two weeks by the Office of the Economic Adviser. (para 15.5).

19. The DGTD should give a C.G. No. to every C.G. application and should also issue a deficiency-cum-acknowledgement slip to the parties. The Office of the Economic Adviser should function as the central agency to keep track of the C.G. applications and maintain up-to-date information about their pendency. The Staff requirements in this regard would need to be worked out. (paras 15.7 and 15.8).

20. The validity period of the C.G. clearance should be increased to 5 months as against 3 months at present. (para 15.10).

21. The CCI&E may be empowered to effect increases in the value of import licences upto 10 per cent. Changes arising out of revaluation of currencies could also be effected by the CCI&E. (para 15.11).

22. The issue of import licences should not be held up for want of Income Tax Verification Certificates, if the applicant had quoted the IVC No. The need for insisting on the IVC should itself be

examined in consultation with the Department of Revenue. (para 15.12).

23. The CCI&E's powers of disposal of import licence applications should be raised to a value of Rs. 25,000 from Rs. 12,000. A separate allotment of foreign exchange should be made for this purpose. (para 15.13).

24. There must be a liberal policy for import of prototypes and there should be no procedural requirement except a considered recommendation by the sponsoring authority. (para 16.1).

25. In regard to the requirements of Research and Development institutions, the advertisement procedure should be waived and applications given special attention as in the case of export oriented ventures. A representative of the Department of Science and Technology should be associated in such cases when they are considered by the C.G. Committee. A procedure of registration of R&D institutions should be evolved so that on a sponsorship by the registering authority, licences could be issued without any further procedural requirement. It would be of advantage to be liberal in regard to criteria, of indigenous clearance and sources of credit in order to ensure the accuracy and reliability of the work done on pilot plants and on R&D. (para 16.2).

26. Information about delays in IFC/ICICI cases should be maintained systematically in order to ensure follow up with these institutions at an appropriately high level. (para 17.1).

Calcined Petroleum Coke

608. SHRI HARSH DEO MALAVIYA:
SHRI IBRAHIM KALANIYA:
SHRI N. R. CHOUDHURY:
SHRI MAQSOOD ALI KHAN:
SHRI SARDAR AMJAD ALI:
MISS SAROJ PURUSHOTTAM
KHAPARDE:
SHRI VITHAL GADGIL:

Will the Minister of INDUSTRIAL DEVELOPMENT AND SCIENCE AND TECHNOLOGY be pleased to state:

(a) whether Government have approved any scheme for the manufacture of calcined petroleum coke;