

CLOSURE OF SMALL SCALE ENGINEERING INDUSTRIES IN HOWRAH

1374. SHRI SARDAR AMJAD ALI : Will the Minister of INDUSTRIAL DEVELOPMENT AND SCIENCE AND TECHNOLOGY be pleased to state :

(a) whether Government are aware of the fact that number of small scale engineering industries in Howrah in the State of West Bengal are lying closed for a long time;

(b) if so, whether Government have any reasons therefor; and

(c) what steps Government have so far taken to assist the State Government to reopen the said firms ?

THE DEPUTY MINISTER IN THE MINISTRY OF INDUSTRIAL DEVELOPMENT (SHRI Z. R. ANSARI) : (a) to (c) Information is being collected and will be laid on the Table of the House.

INDUSTRIAL LICENCING AUTHORITY

1375. SHRI SARDAR AMJAD ALI : Will the Minister of ELECTRONICS be pleased to state :

(a) whether it is a fact that Government of West Bengal have written a letter to Central Government on August 13, 1970 protesting against the Industrial Licensing Authority for issuing a licence to a firm of Maharashtra for manufacturing radio sets;

(b) if so, the details thereof; and

(c) what action Government have taken on the said letter ?

THE MINISTER OF ELECTRONICS (SHRI K. C. PANT) : (a) to (c) A statement is laid on the Table of the House.

STATEMENT

M/s. Philips India Ltd., a majority foreign equity company (with a foreign equity holding of 69.2% recently reduced to 60%) were issued an industrial licence on December 29, 1956 for manufacture of 60,000 radio sets per annum in their factory at Calcutta. In September, 1967, they had applied for expansion of their capacity from 60,000 to 1,00,000 sets. In that application, they had stated that their

production during 1967 had gone upto 1 lakh sets and that the application, which they had submitted for expansion, was in fact for regularisation of the capacity already installed by them. Philips had submitted this application on the basis of a review undertaken by the Directorate-General of Technical Development in respect of units whose production had gone up beyond 25% over the licensed capacity. As at that time, the general policy to be applied to such units, was being examined by the Ministry of Industrial Development, this application was kept pending by them. As this application was pending for a long time, the Department of Defence Supplies (which had started handling the "Electronics Industry") asked, Philips on February 3, 1969 to submit another application for expansion instead of for regularisation.

2. Philips submitted another application in April, 1969, for a post-expansion annual capacity of 1.75 lakhs sets. This application was considered along with three other applications by the Licensing Committee in their meeting held on the 13th October 1969. The Philips proposal for expansion was recommended by the Department of Defence Supplies. In the meeting of the Licensing Committee held on the 13th October, 1969, the Development Commissioner, Small Scale Industries objected to the proposal on the plea that the case of reservation of radios exclusively for the small scale sector was under consideration.

3. The Licensing Committee suggested discussion of the proposal at an inter-departmental meeting before the matter was again brought up before the Committee. An Inter-ministerial meeting was held on the 9th February, 1970. It was the view at this meeting that there should be no exclusive reservation of radios for the small sector. The case of Philips along with the other cases, which had been received in the meanwhile, was put up for consideration of the Licensing Committee with the following general comments :—

"Manufacture of radios is not in the core sector. As such no industrial licence would be required for setting up capacity for the manufacture of Radio Receivers unless the requirements of capital goods were more than 10% of