

regarding the anticipated increase in private German investment in our country; and

(b) if so, what steps Government have taken to encourage such investments in our country?

THE MINISTER OF INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS (SHRI FAKHRUDDIN ALI AHMED): (a) Yes Sir. The Government have seen the press report.

(b) A number of facilities and incentives are already available to foreign investors including those from West Germany, within the broad framework of the Government's policy on foreign investment and collaboration. Such facilities include non-discrimination against foreign capital once it is admitted into the country, freedom of remittance of profits and dividends, avoidance of double taxation of income and various relief and exemptions to foreign companies and investors in the matter of taxation of dividends, royalty and know-how fees, income-tax exemption to technicians etc. With the constitution of the Foreign Investment Board and the publication of Government's guidelines, applications for foreign investment/collaboration are also being disposed of expeditiously.

22. [Transferred to the 5th May, 1970].

ENQUIRY INTO INDUSTRIAL LICENCES GIVEN TO BIRLAS

23. **SHRI M. G. GORAY:** Will the Minister of INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS be pleased to state:

(a) whether the enquiry into the alleged excessive number of industrial licences given to the House of Birlas has been completed;

(b) if so, the details of the investigations; and

(c) the steps taken by Government to streamline the industrial licensing policy?

THE MINISTER OF INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS

(**SHRI FAKHRUDDIN ALI AHMED**): (a) to (c) A statement is attached.

STATEMENT

(a) to (c) The Industrial Licensing Policy Inquiry Committee which enquired into the working of the industrial licensing system during the period from 1956 to 1966 has in its Report referred to certain instances of irregularities, lapses or improprieties said to have taken place in the matter of grant, utilisation or implementation of industrial licences by the larger industrial houses, including the House of Birlas. The various instances of such irregularities, lapses or improprieties referred to in the Committee's Report which have allegedly taken place to the advantage of the large industrial houses have been recently referred to a Commission of Inquiry set up under the Commissions of Inquiry Act, 1952, with a view to determining the concerns, institutions or persons responsible for them and what measures are necessary to prevent their recurrence. Certain other allegations relating to the Birla Group of concerns have also been referred to the Committee. A copy of the notification announcing the terms of reference, composition and the period within which the Commission is expected to submit its Report to Government was laid on the Table of the House as an enclosure to the answer given to the Unstarred Question No. 17 on 23-2-70. The Commission, which consists of Shri A. K. Sarkar, formerly Chief Justice of the Supreme Court of India, is expected to submit its report within a year.

In the light of its findings, the Industrial Licensing Policy Inquiry Committee has also made a number of important and specific recommendations on a wide range of subjects including licensing, concentration of economic power, the role of the large industrial houses, the joint sector, the functioning of the financial institutions etc. Government's decisions on these matters have also been announced. A copy of the Press Note issued in this regard on 18-2-70 was laid on the Table of the House as an enclosure to the answer given to Unstarred Question No. 23 on 23-3-70.

24. [Transferred to the 8th May, 1970.]