

Copies of two Press Notes dated 18th February, 1970 and 13th March, 1970 and three notifications, two dated 19th February, 1970 and one dated 28th February, 1970 issued in this regard were laid on the Table of the House on 4th April, 1970.

DELEGATION TO JAPAN TO STUDY ORGANISATION OF SMALL INDUSTRIES

\*16. SHRI LOKANATH MISRA : Will the Minister of INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS be pleased to state :

(a) whether a Government delegation was sent to Japan last year to study the organisation of small industries;

(b) whether the team has submitted its report to the Government of India ;

(c) whether the delegation has recommended development of ancillary industries in India on a "statutory basis"; and

(d) if so, the reaction of Government in this regard?

THE MINISTER OF INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS (SHRI FAKHRUDDIN ALI AHMED) : (a) to (c) Yes, Sir.

(d) The matter is under examination by the Government.

TUBE RAILWAY IN CALCUTTA

\*17. SHRI MULKA GOVINDA REDDY : Will the Minister of RAILWAYS be pleased to state :

(a) whether a survey was undertaken for a tube railway in Calcutta; if so, whether the survey has been completed; and

(b) whether the survey team has estimated the time required for the completion of the proposed tube railway; if so, the details thereof?

THE MINISTER OF RAILWAYS (SHRI GULZARILAL NANDA) : (a) Techno-Economic Studies are in progress for a Mass Rapid Transit System for Calcutta. The System may consist of underground or overhead railways.

(b) The Survey Team has not yet arrived at any conclusions regarding the

estimated period for the completion of the proposed Mass Rapid Transit System.

NARULA FINANCE (P) LTD., NEW DELHI

18. SHRI GANESHI LAL CHAUDHARY : Will the Minister of INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS be pleased to state :

(a) whether investigations into the charges of falsification of accounts concerning the Narula Finance (P) Ltd., New Delhi have been completed; and

(b) if so, the details thereof?

THE MINISTER OF INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS (SHRI FAKHRUDDIN ALI AHMED) : (a) and (b) No investigation has been ordered to enquire into the charge of falsification of accounts concerning the Narula Finance (Private) Ltd., New Delhi. The aforesaid company has been ordered to be wound up by the High Court of Delhi and the Official Liquidator attached to the Court has taken over charge of the company. The accounts and other relevant books of the company are being examined with a view to finding out whether any action by the Official Liquidator against officers of the company, is necessary for alleged fraud, falsification of accounts, etc.

\*19. [Transferred to the 7th May, 1970.]

VIVIAN BOSE COMMISSION REPORT

\*20. SHRI ARJUN ARORA :

SHRI KRISHAN KANT :

Will the Minister of INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS be pleased to state what further follow-up action has been taken by Government on the Vivian Bose Commission Report?

THE MINISTER OF INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS (SHRI FAKHRUDDIN ALI AHMED) : Many of the recommendations of the Vivian Bose Commission Report, and those of the Daphtari-Shastri Committee which itself was a part of the

follow-up action were given effect to by the amendments of the Companies Act, 1956 in 1963 and 1965.

On 5th May, 1964 the CBI filed a charge sheet in the Court of the District Magistrate, Delhi against 24 persons who had in furtherance of an alleged criminal conspiracy committed alleged criminal breach of trust of the funds of Dalmia Jain Airways Ltd., amounting to Rs. 3.5 crores. Proceedings for commitment of the case to the Court of Session were started in the Court of Additional District Magistrate, Delhi to whom the case was transferred by the District Magistrate. Two of the accused died during commitment proceedings, and the other twenty two were committed to the Court of Session on 20th September, 1969 to stand their trial on the charges against them. The case is now pending in the Court of Session.

#### RESEARCH AND DEVELOPMENT CARRIED OUT BY FOREIGN SUBSIDIARY COMPANIES

\*21. DR SALIG RAM: Will the Minister of INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS be pleased to state

(a) what facilities are given by the Government of India to the foreign subsidiary companies with their principals regarding the research and development carried out in India;

(b) whether they can be exploited by Indian companies of their own; and

(c) whether the principals can be exploited without the permission of Government?

THE MINISTER OF INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS (SHRI FAKHRUDDIN ALI AHMED): (a) to (c) A statement is laid on the Table of the House.

#### STATEMENT

(a) Some of the important incentives available to Indian industrial units including foreign subsidiaries, for engaging in industrial research are as follows:—

(i) The Scientific Research Institutions set up by Industry are recognised as Research Institutions under Clause 35(i) (ii) of the Income-tax Act which provides that the donations

received by the Research Institutions are deducted from the taxable income of the donors. Also the income of the Research Institutions recognised under this clause is exempted from income-tax under clause 10(21) of the Act.

(ii) In order to promote scientific research, the rate of development rebate on machinery and plant installed for scientific research was enhanced from the general rate of 20% to the priority rate of 55% with effect from 1967-68. Also the whole of the capital expenditure incurred after 31st March, 1967 on assets used for scientific research is allowed as a deduction in the year it is incurred.

(iii) Liberal treatment is given by Government in regard to provision for foreign exchange for import of essential instruments and equipment for research laboratories.

(b) Ordinarily the results of research conducted by foreign companies or their subsidiaries are available to these companies only, as the resultant know-how belongs to such companies. Transfer of know-how can, however, take place to other Indian companies, but on terms mutually agreed upon by the concerned parties.

(c) The terms and conditions on which the results of research conducted by foreign subsidiaries in India can be exploited by their principals or vice-versa differ from case to case. Such terms and conditions, which are normally reciprocal, require prior approval of the Government.

#### DOCTORS IN THE RAILWAYS

\*22. SHRI SITARAM JAIPURIA: Will the Minister of RAILWAYS be pleased to state:

(a) whether it is a fact that there are no avenues of promotion for doctors in the Railways and a large number of them have resigned during the last three years;

(b) if so, the number of doctors who resigned during the last three years, year-wise; and

(c) whether the Railway Medical Officers Association has recently sent a memorandum to Government on the grievances of railway doctors; if so, the details thereof and the action taken thereon?