

by the National Wasteland Development Board.

The second question is 'Are we to involve social organisations?' We have a very strong informatics system which we are planning to enlarge to bring in more people and especially I think it will be very good if we could involve ex-service men which we are trying to do.

Performance of Public Sector Electronic Units

*639. SHRI ANAND SINGH: Will the PRIME MINISTER be pleased to state:

(a) the quantum of investment in public sector electronic units towards export promotion targets;

(b) the institutional mechanism devised for the purpose;

(c) whether the targets fixed for 1988-89 and 1989-90 have been achieved;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF SCIENCE AND TECHNOL-

OGY (PROF. M.G.K. MENON): (a) to (e). A Statement is laid on the Table of the House.

STATEMENT

Information regarding investments in public sector electronic units for achieving export promotion targets, the extent of achievements in the years 1988-89 and 1989-90, and institutional mechanisms, as sought for in the question, would have to be obtained from the respective Administrative Ministries of various public sector electronic units, namely; Ministry of Defence for Bharat Electronics Limited (BEL), Hindustan Aeronautics Limited (HAL), and Bharat Dynamics Limited; Ministry of Telecommunication for Indian Telephone Industries (ITI), Hindustan Teleprinters Limited (HTL) and Telecommunication Consultancy India Limited (TCIL); Department of Atomic Energy for Electronics Corporation of India Limited (ECIL); Ministry of Industry for Instrumentation Limited and Bharat Heavy Electricals Limited (BHEL); and also State Governments in respect of units under them. This information is being collected and will be laid on the Table of the House. Information in respect of CMC Limited, Electronics Trade and Technology Development Corporation Limited (ET&T) and Semiconductor Complex Limited (SCL) which are public sector undertakings under the Department of Electronics is given in the Annexure below.

ANNEXURE

(a) and (b). Of the three Public Sector Undertakings under the Administrative control of Department of Electronics, Semiconductor Complex Limited is the only manufacturing unit. This unit was essentially set up to develop indigenous development and production capability in certain areas of advanced micro-electrics; exports are not yet an objective of this Company. The other two companies, namely CMC Limited and Electronics Trade and Technology Development Corporation Limited (ET&T) are not manufacturing companies but are essentially service and trading organisations. Consequently these companies have not made any direct investments for export; they do, however, incur expenditure in order to secure exports.

(c) to (e).

<i>ET&T</i>	<i>1988-89</i>	<i>1989-90</i>
	<i>(Rupees in Lakhs)</i>	
Target	200	300
Achievements	72	336

ET&T Limited could not achieve their target during 1988-89 as some of the anticipated contracts did not materialise.

<i>CMC Limited</i>	<i>1988-89</i>	<i>1989-90</i>
<i>(Rupees in Lakhs)</i>		
Target	100	250
Achievements	54	150

CMC Limited could not achieve their targets as they were building-up the requisite infrastructure and establishing themselves in the market.

SHRI ANAND SINGH: Of the total investment in electronic sector, 51% lies with the public sector and 49% with the private sector. But when it comes to exports, the private sector is exporting ten times more than the public sector, that is, 8% export lies with public sector and 8% with the private sector. I would like to know the reasons for this. Is it due to bad quality, bad management or bad marketing?

PROF. M.G.K. MENON: As far as public sector is concerned, it is primarily set up in order to meet certain basic requirements. For example, there are several undertakings under the Ministry of Defence like Bharat Electronics, Hindustan Aeronautics, Bharat Dynamics. Each one of them is meant essentially to meet the requirements of the armed forces or very sophisticated advanced types of equipment involving radars, communication equipment and the like and, therefore, it is not a question of poor quality or no reliability. But it is a question of the primary objective with which they were set up. It is equally true, for example, of the public sector under the Ministry of Telecommunications, the Indian Telephone Industries Ltd. or the Hindustan Teleprinters Ltd., each one of them is meant to meet national needs. Therefore, the basic answer to the question raised by the hon. Member is that there are strictures on the public sector to meet national requirements invariably in areas of high technology, high reliability and

high quality which they are doing. They were not primarily set up from the point of view of exports. However, wherever export possibilities exist, they are exploited.

SHRI ANAND SINGH: I am very happy that the hon. Minister is satisfied with the functioning of the private sector. But I must remind him that very recently he has constituted a high-power committee to look into the matter and boost exports. If everything is going on so well, what is the need for these committees to be constituted?

Secondly, in CMC Ltd., the target was 100 lakhs and achievement was 54 lakhs. "CMC Ltd. could not achieve their targets as they were building-up the requisite infrastructure and establishing themselves in the market."

I would like to know the reason for giving them these targets when the requisite infrastructure is not there and when they have not established themselves in the market. What was the ground and reason for giving them these high contracts when these things were not available?

PROF. M.G.K. MENON: Sir, as far as these two organisations, concerning which details have been provided—CMC and ET&T—which come under the Department of Electronics are concerned they themselves indicated that this is the sort of a target they would work towards. It so happened that these targets were set by them on an ambitious basis and without infrastructure. It is a fact. However, both the organisations which are essentially not manufactur-

ing but to serve these organisations providing various aspects relating to systems engineering service, trade and so on are now establishing what are really required for exports which are structured abroad and which can handle export aspects i.e. marketing outlets, servicing areas and things of this nature. Obviously if you send equipment abroad, unless you provide along with it the right sales, servicing and so on, exports will not build up. That is being done in the present moment.

SHRI SAMARENDRA KUNDU: Mr. Speaker, Sir, the hon. Minister in his reply has stated: ET&T Limited could not achieve their target during 1988-89 as some of the anticipated contracts did not materialise." I would specifically like to draw the attention of the Minister to the word 'anticipated'. Now, I would like to know from the hon. Minister whether a former Chairman of this Corporation—who indulged in politics—through two of his companies based in Bombay such as Intel Instruments Bombay and the Applied Electronics, Bombay, exported about 500,000 dollars worth goods using the ET&T. The ET&T's export dipped down to Rs. 7 crores during the last four years i.e. from 1983 to 1987, whereas his imports increased to Rs. 103 crores. If so, what steps have been taken to inquire into it? Secondly, how does he, at the same breath, say that the achievement in the year 1989-90 which was targeted at Rs. 300 lakhs has now exceeded to Rs. 336 lakhs? This is the lacuna which exists at present. I would like to know the answer in this regard.

Also, there are reports in the newspapers that the Government is violating certain norms of the Public Sectors where an officer who was appointed to head ET&T is insisting that he should hold lien in his parent department. I am told that the Government is also supporting that there should be lien. If it is so, it will amount to violation of certain norms so far adopted by the Public Sector Undertakings.

PROF. M.G.K. MENON: With respect to the detailed question asked by the hon.

Member on the previous Chairman of the ET&T and the question on contracts, I would like to have a separate notice for the same. I will certainly provide information after inquiring into it because that is a matter of detail. With regard to the second point he raised about the appointment of the Chairman and Managing Director of ET&T and violating certain Government norms, it is not true. Government does not intend to do it. It will appoint only on the basis of the recommendations by the Public Sector Enterprises Selection Board as approved by the ACC and fully in accordance with the norms that the Government requires for the appointment of Public Sector Executives.

SHRIMATI SUBHASHINI ALI: Mr. Speaker, Sir, I would like to know from the Minister certain details. There are several allegations. The point is that the units in the Public Sector engaged in Electronics Production have got very good research teams available with them, who are able to develop many products indigenously without resorting to any kind of foreign collaboration, which will then result in our being more self-reliant and a lot of our imports will be cut back. But the allegations that we are receiving are that in many instances such research work is actually being discouraged and stopped because agreements are being entered into with foreign companies and multinational companies to supply the very things which we are capable of developing ourselves in this country. I would like to know from the Minister, if steps are being taken, if enquiries are being made to look into these allegations to see that our own research is developed to make us more self-reliant.

PROF. M.G.K. MENON: As far as research and development is concerned, it is fully encouraged. We would like to increase and grow it in the production undertakings themselves. I am also aware of the fact that on the basis of research and developed done in the country, both within the undertakings themselves or in the national structures, national R&D laboratories, associated project management structures, a great deal has been designed in the field of electronics,

which is wholly indigenous, bringing up to a position of total self-reliance. And some of the best examples are the advanced areas of electronics used in the Defence systems such as in the ADGES plan of the Air Force, in the AREN plan, in the area of radar and sonar, electronic warfare equipment and the like. There are large number of such examples which clearly demonstrate our capabilities in R&D and our self-reliant position. We have attained self-reliance in much of these systems which is a fact that we are not going in for foreign collaboration in many of these items. However, if there are specific allegations with regard to any specific undertaking, I would certainly be happy to look into that and have it looked into, because as is explained in the answer, most of the undertakings do not come under the administrative purview of the Department of Electronics. They come under the administrative purview of various Ministries such as, Ministry of Defence, Ministry of Communications, Ministry of Industrial Development and so on. So, I will certainly have that looked into if I see any specific allegation or information on that.

SHRI VASANT SATHE: I am glad to hear from the hon. Minister that there is good potential in this field, in the public sectors under various Departments. He has said, in reply, that these two companies, about which figures have been given, are not, in fact, manufacturing companies. They are service and trading organisations. And, therefore, they have made investment for exports, basically they are not meant for export earning. I would like to know, and I am glad that the hon. Prime Minister is here, I wish him very good health... (*Interruptions*)

THE PRIME MINISTER (SHRI VISHWANATH PRATAP SINGH): You do not like my recovering... (*Interruptions*)

SHRI VASANT SATHE: I said, I am glad. (*Interruptions*)

MR. SPEAKER: You wished him God's speed.

SHRI VASANT SATHE: Yes, I wished him. I am glad that he was overcome his morning sickness of Monday. Why I am referring to the Prime Minister is that because these various departments are not under the control of the hon. Minister Prof. Menon. In view of the fact that such high technological skills are available in all these departments in our country, I would like to know whether there is surplus capacity. We have made such huge investments in these public sector units, is there a surplus capacity and can our technological expertise and scientific expertise be utilised for manufacturing and producing some electronic hardware and software items which can be exported and earn the much needed foreign exchange? I would like to know that.

PROF. M.G.K. MENON: First, let me refer to the points made by the hon. Member with regard to two public sector undertakings under the Department of Electronics, the CMC and the ET&T. The answer clearly states what they are. They are not the undertakings which manufacture themselves items like the Bharat Electronics, HAL and so on. The second point is, one must also try to understand why and how they were set up. The CMC, for example, was originally set up in order to maintain computers in India. This arose at a time when IBM was essentially told that they could not continue in the country on the basis of the proposals they had as a 100% foreign equity company. There were a large number of computers which had to be maintained and the Government entered the scene and therefore decided to maintain these computers. Thereafter from maintenance CMC has grown to the extent of being a very powerful systems engineering firm which has in India not only done a great deal of work within the country of providing systems engineering, providing the right type of computers that are imported not as whole items, but as individual parts put together and also in providing software services like the entire railway reservation system which you see operating just now in Delhi and so on.

ET&T was set up largely in the begin-

ning for trade in respect of Eastern Europe and that is what they have been doing.

The hon. Member is certainly right; I would like to see these organisations grow. They are growing and we will encourage them to do very much better from the view point of exports.

He asked a specific question about the capability which exists in the public sector on account of investments and the very high skills of our scientists and technologists. But basically what this amounted to is that a very large part of their time and investments which have been made in these concerns are being utilised for fulfilling our own internal requirements which means we can meet these requirements without having to import.

On the other hand certainly it is true that one can expand production capacity, put more investments in it and therefore lead to exports. I would like to remind the hon. Member that there was a time when the total TV expansion was taking place in this country. Everyday you could see on the television a new station opening. At that time originally, the hon. Member would recall, the idea was that all of this should be done by importing. I can certainly recall being Chairman of BEL at that time stating that BEL would be able to do it. All those television transmission systems were manufactured in India out of our own designs performing perfect. The first and foremost element has been to meet our needs in the country: not to import; to be self-reliant. But what the hon. Member has said is correct, in the sense that with this capability, with the appropriate type of investment, enhancing the production base we should be able to export. That certainly will be taken note of.

MR. SPEAKER: Next question.

SHRI M.M. PALLAM RAJU: Sir, I was the first one to raise my hand.

MR. SPEAKER: Next question. Shri Madhavrao Scindia.

SHRI M.M. PALLAM RAJU: If you don't allow me to ask a question, what is the point in my attending the House?

11.43 hrs.

(Shri M.M. Pallam Raju then left the House)

New Acquisition by Pak Navy

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*640. SHRI MADHAVRAO SCINDIA:
SHRI S. KRISHNA KUMAR:

Will the PRIME MINISTER be pleased to state:

(a) whether it has been brought to the notice of Government that by its new acquisitions, Pakistan's Navy has acquired critical minimum surface and air capabilities to inflict conspicuous and possibly unacceptable damage to Indian Naval order of battle; and

(b) if so, the steps Government have taken or propose to take to meet this threat to Indian Navy?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (DR. RAJA RAMANNA): (a) The Government have seen reports to the effect that the Pakistan Navy has been making certain acquisitions to enhance its operational capabilities.

(b) The Government keep a close watch on all developments that have a bearing on the country's security and take adequate measures to maintain full defence preparedness at all times.

SHRI MADHAVRAO SCINDIA: Just a couple of days ago the hon. Prime Minister has stated in the Press that in view of the situation in the sub-continent, the Defence outlay requires to be stepped up even further. As the hon. Minister has just clarified, the degree of sophistication of the Pakistan Navy has acquired a new level in the recent past. Keeping this in mind it is very important that the Indian Navy also be given a large