



REPORT

OF THE

REVIEW COMMITTEE ON ELECTRONICS

SEPTEMBER, 1979



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GOVERNMENT OF INDIA

SECRETARY

MINISTRY OF STEEL, MINES & COAL

NEW DELHI

Mantosh Sondhi

30 September '79

My dear Nirmal,

I have great pleasure in enclosing herewith three copies of the Report of the Review Committee on Electronics set up in December last year, under my Chairmanship with Prof. B. Nag, Secretary, Department of Electronics, Shri J.A. Dave, Secretary, Ministry of Communication (now Defence Secretary), Shri M. Menezes, Secretary, Department of Defence Production (now Chairman, Railway Board), as Members.

2. In giving you a brief resume of what the conclusions of the Committee are I can do no better than to reproduce a few paragraphs from Chapter 15 of the Report on 'Conclusions and Summary of Recommendations.'

3. These paragraphs run as under:

"The Committee has completed, in accordance with its terms of reference, a review of the policies, procedures and institutional framework in the Department of Electronics (including the Electronics Commission). In undertaking this review, consultations in depth were held with the electronics industry in all its segments both in the private and the public sectors, Government agencies concerned with electronics directly or indirectly, R & D institutions and professional experts. As a result, the Committee has come to the conclusion that it is possible to achieve much higher and faster rate of growth in the production and use of electronics in the country than has been the case hitherto. This objective can be realised if the existing restrictive climate is replaced by one of positive promotion, consistent with the national socio-economic priorities.

2. Towards this direction, the Committee has recommended a package of measures in the area of industrial approvals, import and tariff policies, fiscal and financial arrangements and exports. The essence of this package is the dismantling of unnecessary controls, restrictions and regulations but with an overall coordinated and integrated approach on growth, with due regard to specific strategies of development. Multi-channel and multi-agency approvals seem to have retarded growth in the past. Streamlined procedures have, therefore, been suggested as well as approvals by a single-point nodal agency, moved by group dynamics so that the Department of Electronics can be held fully accountable for the development of the electronics industry in the country. In respect of the Free Trade Zone, it has been clearly brought out that unless we offer similar facilities, as some of our neighbouring countries do, it will continue to languish. Measures for strengthening the role of the small sector especially in the production of certain types of consumer electronics and in employment intensive assembly operations, have been clearly brought out. Its complementarity to the organised sector has also been stressed.

3. Substantial but selective investments in production-oriented research and development programmes have been highlighted; so also the need for the development of suitable manpower. Specific measures for standardisation and quality assurance have been suggested.

4. To obviate stagnation in the area of computers, specific steps have been proposed for stimulating production and use of computers with due regard to the accelerated development of key sectors of the economy but fully consistent with our socio-economic requirements including the sensitive issue of employment potential. Streamlining of procedures for import of such computers which do not lend themselves to economical production in the short term, has been suggested. An organisational restructuring of the facilities in the public sector for the manufacture and maintenance of computers has also been proposed. The need for greater coordination at the national level for more effective utilisation of costly and powerful computer systems set up in the country has been emphasised.

5. A series of measures for the restructuring of the present Department of Electronics, the Electronics Commission and the organisations functioning under them have been suggested with a view to ensuring clearly demarcated functional and organisational responsibilities. With the implementation of these measures, Department of Electronics assisted by the high-powered inter-ministerial Boards which have been recommended, would have the primacy of policy direction and implementation. The Electronics Development Commission replacing the present Electronics Commission, would essentially be a high level advisory body, free from executive responsibilities, with an enlarged membership concerning itself with studies of and advice on perspective planning for self-reliance, integrated development of the electronics industry, the inter-sectoral applications of electronics and R & D efforts. Its new role would be that of a 'think tank'. Consequently, the existing organisations supporting its activities will be merged in the Department of Electronics."

4. I am sorry that the Committee could not complete its work earlier. It was virtually impossible to do so considering the pre-occupation of the Committee Members with their normal work and the very wide terms of reference given to the Committee.

With kind regards

Yours sincerely,

Mantosh Senapati

Shri N.K. Mukarji
Cabinet Secretary
New Delhi

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