

PART VI

**RATIONALISATION
OF THE
FUNCTIONS, ACTIVITIES AND
STRUCTURE OF THE
DEPARTMENT OF INDUSTRIAL
POLICY & PROMOTION**

**Rationalisation of the functions, activities and
Structure of the
Department of Industrial Policy and Promotion**

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DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION

Executive Summary

1. The role and functions of the Department have shifted from regulatory to promotional ones and functions related to developmental activity have come down considerably. Only core policy items of work have remained.
2. A large number of sections/desks need to be cohesively grouped for better supervision, coordination and rationalisation of work. Reporting levels should be reduced and level jumping implemented.
3. Based on analysis of division-wise work allocation, the following restructuring is recommended:
 - (i) The department need have only 19 sections and 17 desks manned by Section Officers and Desk Officers, and four sections without Section Officers headed by Under Secretaries.
 - (ii) At the branch level, the department need have 10 Under Secretaries and 4 Deputy Directors.
 - (iii) Out of 14 posts of Director/DS/Joint Director level in the department, not more than 6 posts will be necessary.
 - (iv) At JS level, two posts including the one which is laying vacant, may be abolished. The department will thus be left with two posts of Joint Secretaries.
4. Implementation of these recommendations will result in abolition of 74 posts out of the sanctioned strength of 151 at the level of sections officers and above (as in Annex 'E'). The supporting level posts in the department may also be reduced correspondingly after an intensive review of the revised work load.
5. Based on pro-rata reduction of support level posts, the overall reduction out of the total sanctioned posts of 990 in the department would be not less than 450, which would be inclusive of 200 posts (130+70) identified for abolition as per COS's decision of August, 2000.

6.
 - (a) The levy of cess on salt manufacture, which gives a revenue of only Rs.2.5 crore could be discontinued.
 - (b) The 26 Quality Control Laboratories of the Salt Commissioner's Office, along with the staff could be transferred to the Public Health Division of the Ministry of Health and Family Welfare.
 - (c) Of the lands under the control of the Office of the Salt Commissioner, those which are now leased for salt production (about 45,000 acres) can be transferred to the States along with the responsibility for leasing of these lands. The States could be allowed to retain the lease rentals. The remaining lands can be vested in the Ministry of Urban Development which can take action for the disposal of these lands.
 - (d) The Office of the Salt Commissioner, along with all the field offices could then be closed down.
7. From among the organisations under the administrative control of this department that are receiving grants, IARI, Pune, IRMRA, Thane, NCCBM, Ballabgarh, CMTI, Bangalore and CPPRI, Saharanpur may be put on notice that their non-plan budget support would be phased out over the next three-year period. They should increase the generation of internal resources and regulate their activities and programmes within the framework of the resources available with them.

1. Introduction

1.1 The Department of Industrial Policy and Promotion (DIPP) in the Ministry of Commerce and Industry is entrusted with the responsibility of planning, formulating and administering the industrial policy of the Government of India, keeping in view the national priorities and the socio-economic objectives in the larger perspective. The main objectives of the industrial policy are to maintain a sustained growth in productivity, enhance gainful employment, achieve optimal utilization of available resources, attain international competitiveness and transform India into a major partner and player in the global arena. For implementing the promotional and developmental measures for advancement and growth of the industrial sector, it encourages development of infrastructure, technology up-gradation and modernization

2. Historical Evolution of the Department

2.1 The evolution of the Department of IP&P under the Ministry of Commerce and Industry, dates back to 1905 when a Department of Commerce and Industry was created in the Government of India, to deal with all matters relating to trade and commerce. Since then, the Department underwent several changes following bifurcations from and mergers with other departments/ministries resulting in the re-structuring of the Department over the years. In 1943, it was constituted as the Department of Industries and Civil Supplies. In 1951, after amalgamation of a portion of the then Ministry of Commerce, with a portion of the Ministry of Industry and Supply, it was known as the Ministry of Commerce and Industry. In 1956, it was re-constituted as the Ministry of Industry comprising Department of Industrial Development and Department of Heavy Industries.

2.2 In 1950's, 1960's and 1970's, a number of ministries/departments or portions thereof were integrated with or bifurcated from the Industry Ministry. Ministry of Commerce and Consumer Industries, Ministry of Heavy Industries, Department of Chemicals, Department of Company Law Administration, Department of International Trade, Department of Company Affairs, Department

of Civil Supplies and Cooperation etc. were some of the Ministries/Departments which got integrated with or separated from Industry Ministry. In 1976, the Ministry of Industry was reconstituted comprising the Department of Industrial Development and Department of Heavy Industry. The Department of Small Scale Industries and the Agro Rural Industries was created in 1990 under this Ministry, for promotion, development and protection of small scale industries and khadi and village industries.

2.3 With the lessening of control and licensing functions as a result of the liberalized licensing policy, a decision was taken in April, 1994 to wind up the Directorate General, Technical Development, which was the main technical body assisting the Ministry of Industry in the licensing of industries. A separate Department was created in March, 1995 for Industrial Policy and Promotion to take care of investment promotion and policy measures for industrial development. A separate Department of Industrial Development was entrusted the work of Intellectual Property Rights and other statutes administered by this Ministry. The Department of IP&P was reconstituted in the year 2000 by merging the Department of Industrial Development with this Department.

3. Functions of the Department of IP&P

3.1 In keeping with the economic policies evolved by the Government, this Department gives directions and takes necessary steps for the development of backward areas, balanced regional development, promotion of foreign direct investment (FDI), optimum capacity utilization in various sectors of industry, maximization of productivity/production, technology adaptation, upgradation and modernization and improving the international competitiveness of Indian industry. The functions of the Department inter-alia include:

- Formulation and implementation of industrial policy and strategies for industrial development in conformity with the development needs and national objectives;
- Formulation of Foreign Direct Investment (FDI) Policy and promotion and approval of FDI;

- Monitoring the impact of strategy/policy and implementation;
- Administration of Industries (Development and Regulation) Act, 1951 and rules there-under;
- Development of industries through revival, restructuring; and
- Advice on all industrial and technical matters.

The subjects allocated to the Department under the Allocation of Business Rules, are listed in *Annex 'A'*.

4. Industrial Policy Framework

4.1 The 1948 and the 1956 Industrial Policy Resolutions aimed at development of the core industrial sector and import substitution as also the strategy of public sector investment. The 1977 Policy Resolution focussed on the small scale and tiny sector and thus sought to decentralize the licensing regime, while the 1980 industrial policy laid emphasis on promotion of export oriented industries and brought in the concept of setting up nucleus plants in identified industrially backward districts.

(i) Industrial Licensing

4.2 The industrial policy reforms introduced as a result of issue of Industrial Policy Resolution of 1991 have brought about a radical change in the licensing regime. It has reduced the industrial licensing requirements, removed restrictions on investment and expansion, and facilitated easy access to foreign technology and foreign direct investment (FDI). Industrial licensing has been liberalized to the extent that only six industries are now under compulsory licensing mainly on account of environmental, safety and strategic consideration. Similarly, there are only four industries reserved for the public sector. For industries not falling under licensing, investors have only to submit an Industrial Entrepreneur Memorandum (IEM).

(ii) Foreign Direct Investment

4.3 The Government policy on foreign direct investment (FDI) aims at encouraging foreign investment, particularly in the core and infrastructure

sectors. Following the economic reforms brought about in 1991, a series of steps have been taken to ensure a liberal FDI policy. There are two modalities for FDI approvals: automatic route and FIPB/Government approval route. Except for the activities specified in the negative list, access to the automatic route for foreign direct investment is permitted up to 100% as per sector specific policy for FDI. The remaining activities require approval of FIPB/Government. FIPB endeavours to dispose of applications for FDI within a time frame of 30 days. Under the automatic route, the foreign investor only needs to inform the RBI within 30 days of bringing in his investment, and again within 30 days of issuing any shares. The general policy and facilities for FDI as available to foreign companies are fully applicable to NRIs/OCBs* as well.

4.4 The new Industrial policy of 1991 and other economic reforms have generated considerable interest among foreign investors. There has been a marked upward trend in approvals granted and inflow of foreign direct investment. In the past few years, FDI approvals have shown a considerable increase. The approvals have increased from less than Rs. 4000 crore in 1992 to more than Rs. 37000 crore in 2000.

(iii) National Renewal Fund

4.5 As a part of the new industrial policy of 1991, a National Renewal Fund was set up by a Government Resolution dated 3rd February, 1992. Assistance from this Fund was made available to Central PSUs through their administrative ministries to implement the Voluntary Retirement Scheme (VRS) for reducing their surplus labour force. Funds were also provided for implementing the scheme of counseling, retraining etc. of workers rationalized from the organized sector. A total of 137902 workers had availed of the VRS as on 31.12.2000 and an expenditure of Rs.2722.65 crore incurred for this purpose from 1992-93 to December, 2000. The NRF scheme has since been abolished by gazette notification dated 12.07.2000. The schemes will not be implemented by the Department of IP & P from the financial year 2001-02. New arrangements for VRS and retraining schemes have been made. Financial assistance for VRS in

* non-resident Indians /overseas corporate bodies

Central PSUs will be made available to the administrative ministries/departments directly at the beginning of the financial year as per the new guidelines issued by the Department of Public Enterprises under their O.M. dated 05.05.2000.

(iv) Industrial Administration

4.6 While the individual administrative ministries look after the production, distribution, development and planning aspects of the specific industries allocated to them, the Department of IP&P is responsible for the overall industrial policy. The Department of IP&P also has a number of specific industries allocated to it. These include cement, paper and pulp, leather, tyre and rubber, light electricals, consumer goods, consumer durables, light machine tools, light industrial machinery, light engineering industries etc. Department of IP&P directly administers these industries and is responsible for their development and growth.

5. Organisational Structure

5.1 The Department of Industrial Policy and Promotion which is headed by a Secretary, has an Addl. Secretary & Financial Adviser, and three Joint Secretaries, a Tech. Adviser (Boiler) and 921 other officers and staff. The sanctioned strength of the Department is 990, the group-wise breakdown being: Group 'A'-88 ; Group 'B'-235 ; Group 'C'-365 ; and Group 'D'-302. As against the above, the staff in position is 927 – 63 posts are vacant. Staff posted with the Minister of Commerce and Industry and the Minister of State for Commerce & Industry is not included in the sanctioned strength of the Department. Details of the sanctioned strength and the existing manpower (officers/staff in position) of the Department is given in **Annex 'B'**.

5.2 Following discussion in the meeting of the Committee of Secretaries, which deliberated on the restructuring of the Department, it was decided that out of the 714 posts (excluding Group 'D' posts) in the Department, reduction of 252 posts would be effected in the following manner :

- i) 52 posts, which included 47 vacant posts plus the post of Secretary (ID) and 4 supporting staff, would be abolished. (This decision has since been implemented).
- ii) 70 posts in the D/IPP are to be identified as surplus, and abolished. The staff working against these posts are to be transferred to the Surplus Cell.
- iii) 130 posts on account of requirement of Ministry of Heavy Industries and Ministry of SSI & ARI are to be transferred to these ministries. However, COS decided that these posts may be abolished by the D/IPP; the Ministry of Heavy Industries and the Ministry of SSI&ARI would take necessary steps to create these posts as considered justified.

5.3 The staff strength of the Department after effecting the reduction of 52 posts as at (i) above, should be 662 (714 – 52). However, the detailed information of various posts furnished by the Department shows a total number of 688 posts in Groups 'A', 'B' and 'C', existing as on 1.4.2001. If the recommendations of the Committee of Secretaries had been fully implemented this number should have been only 462.

5.4 The Department has not so far given effect to the reduction referred to in (ii) and (iii) of para 5.2 above.

5.5 There are 3 attached offices, 2 subordinate offices and 8 other organizations/institution receiving grants, under the administrative control of the department. These are:-

(i) Attached Offices

1. Office of the Salt Commissioner, Jaipur
2. Office of the Economic Adviser, New Delhi
3. Tariff Commission, New Delhi

(ii) Subordinate Offices

1. Office of the Chief Controller of Explosives, Nagpur

2. Office of the Controller General of Patents, Designs and Trade Marks, Mumbai

(iii) Other Organisations/Institution receiving grants:

1. Central Manufacturing Technology Institute, Bangalore
2. Central Pulp and Paper Research Institute, Saharanpur
3. Automotive Research Association of India, Pune
4. Indian Rubber Manufacturers Research Association, Thane
5. National Council for Cement and Building Materials, Ballabhgarh
6. National Institute of Design, Ahmedabad
7. National Productivity Council, New Delhi
8. Quality Council of India, New Delhi

ERC study of Tariff Commission, National Productivity Council and Quality Council of India has already been completed separately. Short write-ups in respect of the other Attached/Subordinate offices/Organizations/Institution receiving grants, explaining their activities, organizational set up, financial requirements and funding pattern, etc. are given in *Annex C*.

6. Analysis and Conclusions:

(i) Department of IP&P

6.1 An analysis of the evolution, functions and structure of the Department shows that

- i. role and functions of the department have shifted from regulatory to promotional ones;
- ii. amount of programme/development/activity related functions have come down considerably;
- iii. only core policy items of work have remained; and
- iv. even in respect of industries allotted to this ministry, the delicensing and liberalisation of investment have drastically reduced the traditional areas of work.

v. There is practically no work relating to material planning.

6.2 The rightsizing exercise carried out by the dept. in 2000, it was indicated that 70 posts would be abolished and the surplus persons transferred to the Surplus Cell. This was also endorsed by the COS in August 2000. The exercise was based on the basis of transfer or reduction in workload or absence of certain functions. Department of IP&P has since stated that they propose to reduce 14 Sections for abolishing the 70 posts, and this would be carried out after the ERC report is received.

6.3 This approach is in no doubt an adhoc one, but is in the right direction. Even after this change the structure of this Department would still be extremely skewed. Further the Department had earlier absorbed the staff transferred from DGTD, but their expertise does not appear to have much relevance to the work of this Department.

6.4 Excluding the FA, there are 3 Joint Secretaries with 14 Director / Deputy Secretary / Jt. Director level officers, 41 Under Secretaries or equivalent level officers and about 39 Section Officers or equivalent level officers in the Department. From the point of view of reporting and span of control, this is very unbalanced and there is an overload of officers at all levels, even assuming that the Department needs three Joint Secretaries.

6.5 A large number of Sections and Desks need to be cohesively grouped not only for better supervision but also for better coordination, and allotted the proper workload. Some of the House Keeping/Administration/Vigilance/Parliament Work need to be regrouped. Adoption of the 'level jumping' concept should drastically reduce the reporting levels, as the department has a very large number of desks and sections headed by Under Secretaries.

6.6 Further, with the recommendations made in respect of subordinate/ attached offices, and making those bodies autonomous the workload in the Department would get reduced further.

6.7 The Department of IP&P is not formally structured division-wise. With repeated mergers and demergers over a period of time, DIPP has served as a 'Swing' department and a clear delineation of work is not found in the divisions.

However, the charge of each officer at the level of Additional Secretary/Joint Secretary could be taken as a Division for the purpose of this study. Apart from the Finance Division under the AS & FA, there are three other Divisions, each headed by a Joint Secretary.

6.8 In order to get an idea of the nature of work and functions in the department proper, the approach adopted was to enumerate all the existing base level building blocks viz. sections and desks and the present work flow. This estimate has been made after a series of interactions with the Department of IP&P, based on the information they have given from time to time. This reveals:

- (a) DIPP have stated that an exercise was done for the Committee of Secretaries in 2000 at which they indicated that they would be able to surrender 14 sections that would involve abolition of 70 posts. The Department has, however, further stated that they would await the views of the ERC on this before taking a final decision;
- (b) An organogram has been prepared showing the sections/desks and the flow of work up to Joint Secretary level, for a better appreciation of the structure of the department. This organogram is at **Annex 'D'**;
- (c) It is seen that out of the 14 DS/Director/Joint director level officers, three of them report to more than one Joint Secretary, and one reports to three Joint Secretaries. Similarly, out of 21 US/DD level officers (Branch officer level), two report to more than one supervisory level officer. There are 35 Sections and 24 desks making in all 59 base units identified in the Department. A few sections and desks are headed by Under Secretary level officers.

(ii) Division headed by AS & FA

6.9 As indicated by the Department to the COS, while identifying the 14 Sections to be abolished, *one Finance desk headed by US may go*. The Accounts Section and IWSU with which O&M work is recommended to be merged, may continue.

(iii) Division headed by JS(SJ):

6.10 As Cement is a delicensed item, out of the two Cement Desks, *one desk may be abolished along with the post of US heading it. Similarly the section for Backward Areas along with both the posts of SO and US may be abolished as there is another branch for Backward Areas work.*

6.11 *The post of SO (Light Engineering Industries) may be abolished as US(Light Engg. Industries) can look after this work, and this post of US(Light Engg. Industries) may be merged with US(CGF) who is looking after CGF work without an SO. This is on account of the reduced work in this delicensed area of work.*

6.12 In view of the recommendation made in respect of the office of the Salt Commissioner, the work will drastically come down and one desk will be adequate to look after work relating to salt.

6.13 Similarly, the work relating to Backward Areas can be looked after at the US level and the post of SO(DBA-II) may be abolished as the Department itself has identified this area for reduction in staff.

6.14 Only one cash section need be retained and the other abolished on account of reduced number of personnel in the Department. As indicated earlier, the work of O&M may be merged with IWSU. The post of US(O&M) may be abolished, and the O&M/IWSU Section may report direct to a Director under AS & FA, as a better practice.

6.15 The post of Under Secretary (Parliament) may not be necessary as the post of SO(Parliament) is adequate to look after this work. In most ministries, this work is handled only by a Parliament Assistant. In addition, this Department has also SO(Coordination), which position could be retained.

6.16 In view of the reduction in the number of staff (para 5 supra), out of five sections dealing with establishment matters (EI, EII, EIII, GA and Group 'D') only three appear necessary with one US for establishment and another for the other items including coordination. The third post of US may be abolished.

6.17 The posts of DD(OL) and two posts of AD(OL) may continue as at present, as they are part of statutory compliance.

6.18 The three posts of section officers dealing with Light Industrial Machinery, Light Electrical Industries and paper now supporting the two existing Under Secretaries' work, may be abolished, and the two USs may directly handle the work from the sections as in similar other cases in the department.

The post of AD(Planning) could be continued.

(iv) Division headed by JS(MSS):

6.19 The posts with public interface and statistics like SO(Data/IEM), SO(EO/NRI), DD(ISU) are not recommended for reduction at this stage. Entrepreneur Assistance Unit headed by an Under Secretary should also handle inquiries work and *therefore there should be no need for the separate post of SO(Inquiries)*.

6.20 In Leather, there are two Under Secretaries and one SO. It appears adequate to have one US and posts of the other US and SO may be abolished, again on account of reduced workload owing to liberalization.

6.21 There are two posts of SO(FC) along with one US(FC) for foreign collaboration and FIPB work. It appears adequate if only one SO and one US are retained. The other post of SO may be abolished, on account of the reduction/simplification of the FIPB requirements. .

6.22 There are two posts of Under Secretary (Vigilance). It is enough if the desks or sections dealing with vigilance is just headed by an Under Secretary who will directly report to the CVO of the Department, whichever Director or JS is so designated, as major delicensing and reduction in number of staff should result in considerable reduction in vigilance work.

6.23 While SO(Foreign Investment Implementation Authority) and SO (UNIDO) may report directly to Director/DS, the post of US (FIIA) may be dispensed with, as it would be desirable to have attention at higher level in these areas and interface with public. Even under existing instructions it is required to be only at the level of DS and above.

6.24 There are three sections dealing with Investment Promotion & Infrastructure Development with one Under Secretary. As the work is only

promotional, it is adequate if only one desk headed by DO or US is there, and the other three posts may be abolished; this would also obviate the need for coordination etc.

6.25 The post of US(Environment &Technology) and the Legal Cell may be abolished. SO(Coord.) may report to Under Secretary, General Administration.

6.26 The Industrial Policy Cell can continue along with SO(PAB-IL) dealing with licensing of six categories of items which are still under compulsory licensing.

(v) Division headed by JS(AEA):

6.27 The post of SO (Explosives) and US (Explosives) could be continued. There are three Under Secretaries heading units for Patent, Productivity and Consultancy. In view of the recommendations made in respect of the subordinate offices dealing with these functions, that would make them more autonomous and less dependent on government grants, it appears adequate to have just one section or desk headed by an Under Secretary and other two posts of Under Secretary along with sections or desks may be abolished.

6.28 SO(Boiler) may remain with Deputy director which is a technical post. The work of the section dealing with grant-in-aid may be merged with RO(Industrial Renewals) and the Section (Grant in aid) may be abolished.

6.29 *In view of the reduced developmental functions, the need for several Development Officers and Industrial Advisers is not apparent. Actually, these posts were transferred from erstwhile DGTD. As in the other programme ministries, it should be adequate to have just one Industrial Adviser (Engineering) and one Industrial Adviser (Chemical) through whom the relevant files could be routed and the other posts of Industrial Advisers, Addl. Industrial Advisers and Development Officers, along with the support staff could all be abolished.*

6.30 *If the above recommendations are implemented, the Department will have 19 sections and 17 desks to the extent they are handled by Section Officers and Desk Officers, and four Sections without Section Officers handled directly by Under Secretaries.*

6.31 *At the branch level the Department will have 10 Under Secretaries and 4 Deputy Director level officers and there will be an acceptable ratio of Section Officers and Branch officers.*

6.32 *There are 14 DS/Director/Jt. Director level officers and three Joint Secretaries (plus one vacant post). With the number of branches not exceeding 14, it appears that even on a liberal basis not more than 6 officers at DS/Director/Jt. Director level will be necessary and consequently the posts of JS can also come down to two. That would mean abolition of two posts of JS including the one which is lying vacant.*

6.33 *With a more cohesive grouping of related items of work and streamlined flow, the current asymmetry in the distribution of work can be set right.*

6.34 *Based on the discussion in the foregoing paragraphs, a statement showing the reduction in the number of posts at the level of Section Officer and above, is appended at Annex – E. The support level posts in the Department may also be reduced correspondingly after an intensive review of the revised workload.*

6.35 *It will be observed from the Statement at Annex 'E' that out of 151 posts of the level of SO and above, reduction of 74 posts has been suggested. This reduction plus reduction in support level posts on prorata basis may work out to reduction of more than 450 posts out of the sanctioned strength of 990, and would be inclusive of the 200 (130 + 70) posts, which are to be abolished, as per COS's decision.*

7. Attached/Subordinate Offices

(i) Office of the Salt Commissioner, Jaipur

7.1 From the write up on this office given in Annex 'C', it will be clear that the major areas of work of Salt Commissioner are 1) regulation of the development of salt industry for its production, supply and distribution, 2) leasing of central government land for salt manufacture and collection of salt cess, assignment fee,

ground rent etc., 3) extending direct financial assistance out of salt cess collected to salt workers affected by natural calamities and 4) implementing iodine deficiency disorders control.

7.2 Private sector accounts for 86% of the salt production, the balance being contributed by cooperative and public sector. In other words, the cooperative/public sector with its limited share can have no dominant influence on either production or price. The earnings by way of cess, (around Rs. 2.50 crore) and ground rent fee (about Rs.1.00 crore) total upto only Rs.3.50 crore, whereas the total expenditure on the outfit of Salt Commissioner's office is over Rs. 10 crore. Moreover it is ascertained that recently orders have been issued enabling salt producers to remit the cess amount on a self-assessment basis and the salt inspectors are only to verify the records thereafter. This verification work can, well be done by the local Central Excise staff. Thus the staff required in the Salt Commissioner's Office for attending to the collection of the cess amount would go down drastically. The more important point to be considered is whether it is necessary at all to levy this cess, which secures only a sum of Rs.2.50 crore. Considering that salt is the basic requirement of the people, there is definitely a case for government removing this levy altogether. When this is done there will be no requirement of any staff in the Salt Commissioner's Office for cess collection purposes.

7.3 The salt department now manages over 61,000 acre of land. Of these around 45,000 acres are given for salt production on lease. The leases are generally for 30 years duration, unless these are brought up for action for violation of these conditions are assigned for lesser purposes by the Salt Commissioner. The administration and leasing of these lands forms an important item of work for the Salt Commissioner's Offices at the field level. Government could consider transferring to the concerned State Governments all those lands which are now leased out for salt manufacture. The State Governments could continue to lease those lands for salt manufacture and the management of leases could be undertaken by the revenue department officials in the respective areas without the need for any additional staff for this purpose. The State

Government could be allowed to retain the amounts collected by way of lease supplement. Of the remaining 6,000 acre, a good part is repeatedly encroached upon. All these lands could be vested in the Ministry of Urban Development, which could take action for the disposal of these lands, some of which could be metropolitan/port towns and could fetch a good price. Once action is taken on these lines there will be no need for maintaining a large staff complement in the various offices of the Salt Commissioner for attending to this item of work.

7.4 The promotion of the use of iodide salt (now no longer mandatory) is with the Department of Women and Child Welfare and the technical and nutritional aspects of salt are looked after by the public health division in the Ministry of Health and Family Welfare. It will be appropriate to transfer the 26 quality control laboratories along with the staff to the public health division of the Ministry of Health and Family Welfare. There is no justification for continuing this activity in the Salt Commissioner's office.

7.5 No labour laws are enforced by the Salt Commissioner and such relief and rehabilitation assistance as is extended would well be provided by the State Governments. In these circumstances the office of the Salt Commissioner along with the field offices except for the quality laboratories could be closed down. A section in the Department of IP&P would suffice for maintaining relevant statistics relating to salt. A senior officer of the department could be notified as the Salt Commissioner in order not to have a vacuum in the statute, till such time as the need for such a functionary is examined and a decision taken. With these arrangements over 800 posts in the Salt Commissioners Office could be declared surplus.

(ii) Office of the Economic Advisor, New Delhi.

7.6 The nature of work and data collected and processed by this office is of macro-economic importance to several departments of the Government and the statistical indices generated by this office are required for decision making by several Economic and Programme Ministries/departments and for formulation of policies and development strategies for industrial development. It has also been

urged on behalf of the DIPP that there is also a case for strengthening the agency in the context of economic liberalisation and the need to generate real time data. This office may therefore continue in its present form, but the processes of data collection and retrieval may be modernized and working of the office streamlined to the IT mode.

(iv) Department of Explosives, Nagpur

7.7 This authority is a statutory one and discharges essential functions in relation to safety etc. as its certification is a mandatory requirement for industries manufacturing or handling materials of an explosive nature. While this office has to be continued its working has to be improved to make it less inspector intensive.

(v) Office of CG, Patents, Designs and Trade Marks, Mumbai

7.8 This office administers the statutes indicated above and also advises govt. on matters relating to patents, trademarks, etc. which are now assuming greater importance in our economy. It is recommended that this may continue.

(vi) Other Organisations receiving grant

1. *Indian Rubber Manufacturers Research Association, Thane*
2. *National Council for Cement and Building Materials*
3. *Central Manufacturing Technology Institute, Bangalore*
4. *Central Pulp and Paper Research Institute (CPPRI), Saharanpur*
5. *Automotive Research Association of India, Pune*

7.9 They are all registered societies with individual corporate identity. These agencies are doing useful work in their areas and servicing the respective industry with inputs critical to improving and upgrading the relevant sectors. Such a role assumes greater importance with increasing competition owing to economic reforms. Their functions and duties are therefore required to be continued.

7.10 It is possible for those organisations them to commercialise their work and increase earnings. As recommended by ERC in respect of such bodies under other departments/ministries, it is suggested here that over a period of a few years, grants to these organisations be phased out. Any structural or managerial charges required to impart flexibility to these agencies to function commercially and autonomously may be formulated and approved by the government. Any specific item of work that may be entrusted by government to be carried out by them could be funded through earmarked grants.

(vii) National Institute of Design (NID), Ahmedabad

7.11 NID, a registered society, is also registered as a Public Trust under Bombay Public Trust Act. The Institute is recognized as a premier institute of learning, imparting education in the field of design education, research and training. It also assists the industry in raising quality standards of Indian products/systems through design application and education programmes. The functions and duties of the Institute are required to be continued.

7.12 The revenue generation of NID from client service projects, tuition fee and other receipts, is not sufficient to sustain its programmes and activities and the Institute has to depend on government grants to run its training courses and research activities. It is recommended that the present set up may continue and withdrawal of government grants may be considered after the internal revenue generation goes up substantially.

**SUBJECTS ALLOCATED TO THE DEPARTMENT OF INDUSTRIAL POLICY
AND PROMOTION UNDER THE ALLOCATION OF BUSINESS RULES**

- I. Industrial Policy.
 1. General Industrial Policy
 2. Administration of the Industries (Development and Regulation Act, 1951 (65 of 1951).
 3. Industrial Management.
 4. Productivity in industry.
- II. Industries and Industrial and Technical Development.
 5. Planning, development and control of and assistance to, all industries other than those dealt with by any other department.
 6. Issue of licences for establishment of industries for production of civil aircraft to be made in consultation with the Ministry of Civil Aviation and Department of Defence Production and Supplies.
 7. Cables.
 8. Light Engineering Industries (e.g. sewing machines, typewriters, weighing machines, bicycles etc.).
 9. Light industries (e.g. plywood, stationary, matches, cigarettes etc.).
 10. Light Electrical Engineering Industries.
 11. Raw Films.
 12. Hard Board.
 13. Paper and Newsprint.
 14. Tyres and Tubes.
 15. Salt.
 16. Cement.

17. Technical development including Bureau of Industrial Costs and Prices and United Nations Industrial Development Organisation.
 18. Soaps and Detergents.
 19. Foreign Investment Promotion Board (FIPB).
 20. Direct foreign and non-resident Indian investment in industrial and service projects.
 21. Cooperation in the industrial sector, excepting cooperative sugar factories.
 22. Administration of the Indian Boilers Act, 1923 (5 of 23) and the regulations made thereunder; Central Boilers Board.
 23. Explosives – Administration of the Explosives Act, 1884 (4 of 1984), and the rules made thereunder, but not the Explosive Substances Act, 1908 (6 of 1908).
 24. The Inflammable Substances Act, 1952 (20 of 1952).
- III. Industries and Industrial and Technical Development.
25. Automotive Research Association, Pune.
 26. National Council for Cement and Building Materials.
 27. Indian Rubber Manufacturers' Research Association, Mumbai.
- IV. Patents and Designs.
28. Standardisation of international products and raw materials.
 29. The Designs Act, 1911 (2 of 1911).
 30. The Trade and Merchandise Marks Act, 1958 (43 of 1958).
 31. The Patents Act, 1970 (39 of 1970).
- V. Materials Planning.
32. Coordinated assessment of demands of raw materials by sectors, industries and large units in relation to particular groups of products and to available capacities.
 33. Assessment of domestic availability of raw materials with due regard to the feasibility of import substitution.

34. Assessment of requirements of imports of raw materials, with due allowance for inventories.
35. Determination of principles, priorities and procedures for allocation of raw materials.
36. All other matters connected with materials planning.

IV. Other Subjects.

37. All attached and subordinate offices or organizations concerned with any of the subjects specified in this list.

Annex B

Sanctioned Strength of Department of Industrial Policy and Promotion

Group 'A'	Sanctioned - 88	Vacant – 5
	Secretary – 1; AS & FA – 1; Jt. Secy – 4; Tech. Adviser – 1; Dir./DS – 13; Jt. Dir. – 1; Sr. PPS – 1; US – 17; Lib./Inf.Officer – 1; PPS – 1; Ind. Adv (Engg) – 3; DDs – 4; Ind. Adv (Chem) – 1; AD (Plan) – 1; AIA (Engg) – 2; Sr.DO.(Engg) – 8; Sr. D.O.(Chem) – 2; D.O.(Engg) – 11; D.O.(Chem) – 2; A.D.O. – 8; Chief C. A. – 1; RO – 4;	JS – 1; Dir./DS – 2; US – 1; Ind.Adviser - (Engg)1;
Group 'B'	Sanctioned – 235	Vacant – 13
	AD (OL) – 2; PS – 24; Prot. Officer – 1; JA – 1; Asst.Lib&IO – 1; A.O.- 1; Security cum EO-1; D.O. 24; S.O. – 35; Assistants – 75; Eco. Investigators – 7; P.As – 49; Sr. Accountants – 6; Res. Asstts.– 4; Sr.Hindi Translators – 2; Data Processing Asstts – 2;	Assistants – 10; Sr.Accts. – 1; Data Process. Assistants – 2;
Group 'C'	Sanctioned - 365	Vacant – 25
Group 'D'	Sanctioned - 302	Vacant – 20
Total	Sanctioned - 990	Vacant - 63

1. Office of the Salt Commissioner, Jaipur.

This organization was set up to regulate the development of salt industry for production, supply and distribution of salt for both edible and industrial purposes and to administer Salt Cess Act, 1953. Implementation of the National Iodine Deficiency Disorders Control Programme (NIDDCP), a plan scheme of Ministry of Health & Family Welfare for creation of adequate capacities for production and distribution, is also the responsibility of this organization. The other main functions of this office include leasing of Central Government land for salt manufacture and collection of salt cess, assignment fee, ground rent and other dues etc.

Production: Private sector plays a dominant role in salt industry contributing about 86% of the total production, while cooperative and public sectors' share in production is about 9% and 5% respectively. Salt production in 2000 is estimated to be around 156.51 lakh tones. The country is self-sufficient in salt production.

Cess on salt: A cess on the manufacture of salt at the rate of 14 paise (fourteen paise) per 40 Kg is levied and collected under the Salt Cess Act. During the year 1999-2000 the total cess collection was of the order of Rs. 264.80 lakhs, out of which financial assistance to the extent of Rs. 156.08 lakhs was given to the erstwhile licensed salt works, as per the code of principles framed by the Government.

Organisational set up: The Salt Commissioner's Office is at Jaipur. There are 5 Regional Offices located at Chennai, Mumbai, Ahmedabad, Jaipur and Kolkata, 4 Divisional Offices located at Gandhidham, Jamnagar, Tuticorin and Kakinada, and 15 Circle Offices located at different centers. The iodine deficiency disorders control division is under the charge of a Dy. Salt Commissioner stationed at Hqrs Office at Jaipur. 26 Quality control laboratories also function, manned by a Dy. Supdts. Of Salt / Chemical Assistants. The sanctioned strength and the staff in position is as follows:-

Group	Under Non-Plan	Under Plan
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	Strength	In position	Strength	In position
A	12	12	03	03
B Gazetted	22	20	02	02
B Non-gazetted	55	54	10	10
C	318	292	34	27
D	443	443	18	17
Total	850	821	67	59

Financial Requirements and Source of Finance:

The financial requirement of the Organisation is met from funds provided by the Government through non-plan budgetary grant. Levy and collection of salt cess and assignment fee, ground rent etc. from the lessees of the Salt Department's lands are the sources of revenue collection. The cess proceeds collected under the Salt Cess Act, 1953 are utilized to meet the expenses incurred on the salt organization maintained by the Government, and on the measures taken by the Government in connection with the manufacture, supply and distribution of salt. As already stated, financial assistance is given to the affected salt works in the form of grant of ex-gratia and loans according to the rules, after assessing the damage caused to the salt works due to natural calamities. The budgetary grant-in-aid provided/approved for the Salt Commissioner's organization during 1999-2000 to 2001-2002, is shown below:

(Rupees in lakhs)

	1999-2000 (Actuals)	2000-2001 (R.E.)	2001-2002 (B.E.)
Plan		100*	
Non-Plan	984.89	1060	1040
Total	984.89	1160	1040

*Funds provided by the Ministry of Health for implementation of the National Iodine Deficiency Disorders Control Programme.

2. Office of the Economic Advisor, New Delhi

The Office of the Economic Adviser is an attached office in Ministry of Commerce and Industry. It was established in 1937 and is one of the oldest offices of its kind. The office assists in formulation of industrial and trade policies and excise and customs duty rates and studies their impact on industrial performance. The main **functions and activities** of this office are:

Economic Statistics

- Compilation and publication of Wholesale Price Index.
- Index of six infrastructure industries.
- Monitoring of leading indicators of Indian economy :
 - Monthly Economic Scenerio.
 - Key Economic Indicators.
 - Manufacturing sector in India's Foreign Trade.
 - Hand Book of Industrial Policy and Statistics is published every year.

Industrial Policy Advice

- Responsible for and actively involved in formulation, analysis, Monitoring and evaluation of Industrial Policy.
- North East Industrial Policy was formulated in this office.

Industrial Tariff Advice

- Examines and advises on tax structure of the industrial sector particularly before the budget and WTO ministerial meetings.
- Analyses EXIM policy issues and gives appropriate suggestions and advice in this regard.

Research Activities

- The office coordinates the work relating to Research Studies In the field of industrial development.

Upcoming Activities

Following directions of the Committee of Secretaries (in February,2000), this office has initiated work relating to

- (a) strengthening of data collection system for WPI,
- (b) construction of Business Services Price Index and

(c) construction of Stage of Processing Index.

Staffing Pattern: The office is headed by the Economic Adviser and has a total sanctioned strength of **94**, which includes **18** officers and **76** other staff members. The officers cadre includes two Addl. Economic Advisers, two Deputy Economic Advisers, seven Deputy Directors and three Assistant Directors.

Financial requirements and funding pattern: The budgetary grant-in-aid provided/approved for the office of the Economic Adviser for 1999-2000, 2000-01 and 2001-02, is as follows:

(Rupees in lakhs)

	1999-2000 (Actuals)	2000-2001 (R.E.)	2001-2002 (B.E.)
Plan	19.97	20.00	20.00
Non-Plan	116.06	134.00	146.00
Total	136.03	154.00	166.00

3. **Department of Explosives, Nagpur**

The Department of Explosives, a subordinate office of the Department of IP&P, has been in existence for more than 100 years. It is responsible for the administration of Explosives Act, 1884, Petroleum Act, 1934, Inflammable Substances Act, 1952, and rules framed under these Acts, namely Explosives Rules, 1983, Gas Cylinders Rules, 1981, Static & Mobile Pressure Vessels (Unfired) Rules, 1981, Petroleum Rules, 1976 and Carbide of Calcium Rules, 1987.

Activities: Apart from the administration of Acts and Rules, referred to above, the Department of Explosives oversees the safety requirements of units handling divergent types of hazardous material and offers technical coordination and expertise to many organizations in private and public sector including the ministries and statutory bodies like railways, ports, DGCA etc. It also renders advice to various authorities on subject matters covered under the various Acts/Rules and imparts training to airport security, senior police officials including CBI etc. in identifying explosives and explosive devices.

Organizational set up: The Department of Explosives is headed by the Chief Controller of Explosives and has its headquarters at Nagpur. It has five circle offices at Kolkata, Agra, Faridabad, Mumbai and Chennai, and eighteen sub-circle offices at various places all over the country. The Department has set up a central testing station at Nagpur to cater to the needs of industry for various types of testing of explosives and other critical equipment, requiring statutory approvals. The actual strength of the Department as on 31.3.2000 was 491 (113 officers and 378 staff members).

With the increase in the workload due to the increasing number of petroleum refineries, factories manufacturing industrial explosives and new rules covering pressure vessels and gas cylinders, and the number of units licensed/approved by the Department having gone up substantially, the Government of India had in May, 1995 sanctioned 262 additional posts of officers and staff and creation of new Circle/Sub-circle offices. The additional posts have since been continued and 146 out of these have been filled so far.

Financial requirements and funding pattern: The budgetary grant-in-aid provided/approved for the Department of Explosives, for the years 1999-2000 to 2001-2002, is shown below:

(Rupees in lakhs)

	1999-2000 (Actuals)	2000-2001 (R.E.)	2001-2002 (B.E.)
Plan	Nil	200	400
Non-Plan	709.27	816	866
Total	709.27	1016	1266

4. Office of the C.G., Patents, Designs and Trade Marks, Mumbai

The Office of the Controller General of Patents, Designs and Trade Marks is a subordinate office of the Department of IP&P and is entrusted with the administration of the laws relating to industrial property, namely;

- i) The Patents Act, 1970,
- ii) The Designs Act, 1911, and
- iii) The Trade & Merchandise Marks Act, 1958.

The **Controller General of Patents, Designs and Trade Marks** administers the laws relating to patents and designs through the **Patent Office** (H.O. Kolkata) and its regional offices and the laws relating to trade and merchandise marks through **Trade Marks Registry** (H.O.Mumbai) and its regional offices. He is also in-charge of the Office of the **Patent Information System**, Nagpur.

Financial Requirements and Source of Funding:

The budgetary grant-in aid provided/approved for the Organisation of the Controller General of Patents, Designs and Trade Marks during the years 1999-2000 to 2001-02, is as follows:

(Rupees in lakhs)

	1999-2000 (Actuals)	2000-2001 (R.E.)	2001-2002 (B.E.)
Plan	71.37	2200.00	2400.00
Non-Plan	982.32	1034.00	1152.00
Total	1053.69	3234.00	3552.00

The main functions of the **Office of the Controller General of Patents, Designs and Trade Marks**, Mumbai are:

1. Control and general administration of the Patent Office and the Trade Marks Registry along with their respective regional offices and the Patent Information System.
2. Advising Government on all policy matters, revision of laws, promulgation of rules etc.
3. Advising Government on all international conventions, treaties and reciprocal arrangements with other countries and to represent Government in international conferences and meetings concerning industrial property matters.

The staff strength of the Controller General's office i.e. headquarters at Mumbai is 17 (5 officers and 12 staff members).

Patents and Designs Office: This office is responsible for the administration of the Patents Act and the Designs Act. The work mainly pertains

to grant of patents and all matters relating thereto, and registration of industrial designs/extension of copyrights and matters relating to such activities.

Apart from the statutory duties, the Patent Office has also to disseminate information regarding inventions patented in this country as well as in other countries. For this purpose the Patent Office, Calcutta maintains a scientific and technical library containing patent specifications of India and other important countries like USA, Australia, Netherlands, Russia, Germany, Canada, New Zealand etc.

The Patent Office publishes certain statutory and non-statutory publications e.g. a) Patents Specifications; b) Patent Office Journal; c) Weekly Notification in the Gazette; d) General information for applicant for patents; e) Annual Report of the Patent Office; and f) A guide to applicants for registration of designs.

The Patent Act and the Designs Act provide for levy of fees for various proceedings. The position of revenue collection during 1999-2000 to 2001-02 is estimated to be as follows:

(Rs. In lakhs)

	Actuals 1999-2000	Anticipated for 2000-2001	Anticipated for 2001-2002
Patents and Designs	900.66	1170.86	1346.48

Staff Position:

The staff strength in the Patents and Designs office as on 1.3.2000 was as follows:

No. of Officers	76 + 155*
No. of Staff	257 + 42

- Posts sanctioned under modernization scheme.

Trade Marks Registry: The Registry is responsible for the administration of Trade & Merchandise Marks Act. The functions of the Registry pertain mainly to Registration of Trade Marks, Registration of Certification of Trade Marks,

Registration of Registered Users, Registration of Defensive Trade Marks, and to deal with all matters relating to these.

The Trade & Merchandise Marks Act provides for levy of fees for various proceedings under the Act and the rules. The Revenue collection position during the period 1999-2000 to 2001-02 is estimated to be as follows:

(Rs. In lakhs)

Actuals 1999-2000	Anticipated for 2000-01	Anticipated for 2001-02
347.51	575.00	700.00

Staff Position:

The sanctioned staff strength of the Trade Marks Registry as on 1.3.2000 was as follows:

No. of Officers	51
No. of Staff	227

Patent Information System:

The Patent Information System has been established at Nagpur in August, 1980 to:

- i) conduct statutory Patent searches through Indian and foreign patents documents, as envisaged under the provisions of the Patents Act,
- ii) supply patent information needed by scientists/R&D organizations/entrepreneurs/Govt. departments/undertakings and other users in the country, and
- iii) procure and maintain a comprehensive collection of Patent literature, published on worldwide basis with a view to render the service needed by various users.

Staff Position

The sanctioned staff strength of Patent Information System at Nagpur is 38 (6 gazetted and 32 non-gazetted posts).

5. **Indian Rubber Manufacturers Research Association, Thane**

The Indian Rubber Manufacturers Research Association (IRMRA) was established as an autonomous cooperative research association under the CSIR in 1959 with the objective of promoting and undertaking basic and applied research with regard to rubber and allied products. IRMRA was brought under the Department of Industrial Development in April,1978. It is a member of Bureau of Indian Standards and is represented on a number of Committees and Sub-committees and the Divisional Council of Petroleum, Coal and related products. The Association provides services and facilities for quality analysis and product performance to end users, rubber goods manufacturers, Government sector etc.

IRMRA's in house capabilities include advanced equipments relating to identifying product ingredients, characterization, compatibility temperature requirements, shelf life, service life, weather resistance, process improvement, physical properties etc. and manpower with experience and technical qualifications. A major demand on IRMRA is for services such as testing of physical properties, standardization, specification development, design, process and product development, safety and product performance and cost effectiveness of products. Under its Plan scheme namely, **End Product Development and Testing Centre** and **Product Development and Product Standardisation**, they have expanded services, testing and R&D capabilities of IRMRA. They have acquired state of art equipments and **as the only National Test House in the field of rubber research, IRMRA has received the recognition of ISO-9001 in May, 2000.**

Staff Position: The sanctioned staff strength of the organization is 72 and the employees in position - 37.

Financial Requirements and Funding pattern:

The financial requirement of the Association is mainly for Recurring Expenses and Plan Expenses. The expenses are met from out of the budgetary grant-in-aid from the Government of India and the revenue collected from other sources, namely 1) income generated from industry-sponsored projects; and 2) Membership fees. Revenue collection during 1999-2000 to 2001-2002 is estimated as under:-

(Rupees in lakhs)

	1999-2000 (Actuals)	2000-2001 (R.E.)	2001-2002 (B.E.)
Grant-in-aid Non-Plan Plan	17.00 100.00	15.00 100.00	15.00 100.00
Income derived from industry by Service rendered/ membership fee	57.05	85.70	125.95

6. **National Council for Cement and Building Materials**

National Council for Cement and Building Materials (NCBM) is an autonomous body registered under the Societies Registration Act, 1860. It has its units located at Ballabgarh (Haryana) and Hyderabad (A.P.). NCBM is basically an R&D organization of national level and aims at Research, Design and Development, Technology Transfer, Education and Industrial Services for cement and allied building materials industries.

Organisational Structure: The activities of NCBM are managed by the Director General under the supervision of the Board of Governors. The Board of Governors consists of 13 members (three representatives of Govt. of India; eight nominees of Cement industry; one consumers' representative; and the Director General, NCBM). NCBM has a staff strength of 317 officials comprising of 117 Scientists/Engineers, 114 Technical support staff and 86 administrative staff.

Activities: The core activities of NCBM include identification of raw materials for cement manufacture mix design and optimization, productivity

improvement including energy and environmental management, calibration testing and quality control, construction development and consumer protection and human resource development.

Cess Collection: In order to support the R&D activities of NCBM, the Government of India imposed a cess in 1993, to be collected at the rate of 75 paise per ton on cement produced. The money thus collected is first deposited in the Consolidated Fund of India and thereafter allocated research and development activities under non-plan provision of the Department in the name of NCBM. The cess collection and its allocation to NCBM in the last 3 years has been as under:-

<u>Year</u>	<u>Cess Collection</u>	<u>(Rs. In lakhs)</u>	
		<u>Utilisation by NCBM</u>	
1997-98	548	403	
1998-99	601	394	
1999-2000	733	386	
2000-01	800	400	

Financial Requirements and Funding Pattern:

The major resources of funding of NCBM's activities are :-

1. Internal generation of funds;
2. Plan grant-in-aid; and
3. Cess Fund support.

A statement showing the resource mobilization and utilization position in the last three years, is given below:

<u>Sources of Funds</u>	<u>(Rs. In lakhs)</u>		
	<u>1998-1999</u>	<u>1999-2000</u>	<u>2000-2001</u>

Plan Grant	150.00	150.00	126.50
Cess Grant	390.00	386.00	400.00
Internal Generation	513.00	506.00	830.00
Total	1053.00	1042.00	1356.50
Utilization of Funds			
Capital Expenditure	72.17	96.82	110.00
Recurring Expenditure	1002.62	1029.27	1100.00
Repayment of ICICI loan	15.78	15.20	15.20
Total	1090.57	1141.29	1225.20
Deficit/Surplus (-) / (+)	(-) 37.57	(-) 99.29	(+) 131.30

An increased Plan Grant of Rs. 600 lakhs has been approved for NCBM in 2001-2002 (B.E.). It has been explained that Plan Fund allocation to NCBM during the 8th Five Year Plan period, and the 9th Five Year Plan (in its first 4 years) was Rs.100 lakhs and Rs.480 lakhs respectively only. It has been stated that investment in infrastructure facilities which has become long overdue for modernization and upgradation, has been minimal. NCBM's requirement for the year 2001-02 was, therefore, placed at Rs.1000 lakhs. The matter was considered by the Ministry as well as in the Planning Commission and it was decided to allocate Rs. 600 lakhs to NCBM for R&D activities and infrastructure facilities and to make it self reliant.

7. Central Manufacturing Technology Institute, Bangalore.

The Central Manufacturing Technology Institute (CMTI) at Bangalore is an industry oriented R&D organization, registered as a society under the Karnataka Societies Act. The Institute was set up in 1963, in technical collaboration with the Institute of Machine Tools and Production Engineering (VUOSO) Czechoslovakia. The R&D efforts of CMTI are aimed at supporting the industry, particularly the SME (Special Machines/Equipment) sector, to achieve excellence in technology. CMTI assists them to acquire, develop and assimilate technology in the machine tools sector by providing the manufacturing industry with design input, prototype manufacturing, precision engineering, testing and inspection

facilities. CMTI is assisting small and medium industries through its training programmes. CMTI also serves strategic and defence sectors with vital inputs to develop solutions to denied technologies. It has been assisting the government organisations in defence, space and nuclear related areas. In late 1960's CMTI planned, acquired, absorbed CNC technology and started transferring it to the industry at large, with the result that today, CNC manufacturing has become 'garage industry' in India.

Organisational Set up: The Institute is an autonomous body and is governed by a Council whose members are drawn from the Government and the machine tool manufacturing and user industries in private and public sector. A Technical Committee assists the Governing Council. CSIR is also represented on the Council.

The Institute has a sanctioned strength of **822** (as on 31.3.2000), which includes **625** Technical and **197** non-Technical posts. As per the latest, information, only about 50% of the posts have been filled up so far. The in position staff, therefore, is **442** (**325** Technical and **117** non-Technical).

Financial Requirements and Source of Finance:

The revenue generation of CMTI from the services rendered to the industry is not enough to meet the recurring expenses and it has to depend on grant-in-aid from the Government's budgetary allocation. Plan funds are also provided by the Government of India for the R&D activities. The grant-in-aid provided to/approved for CMTI during the years 1999-2000 to 2001-2002, is as follows:

(Rupees in lakhs)

Year	1999-2000 (Actuals)	2000-2001 (R.E.)	2001-2002 (B.E.)
<u>Grant-in-aid Plan</u>			
Non-Plan	300	500	500
	300	270	250
Income derived from industry by CMTI services	767	1069	1181
Total	1367	1839	1931

8. Central Pulp & Paper Research Institute (CPPRI), Saharanpur:

The Central Pulp and Paper Research Institute (CPPRI) is an autonomous body registered under the Societies Registration Act, 1860. The Institute was set up in November, 1980 and aimed at promoting research and development in pulp and paper. A project namely "Exploration and identification of alternative fibrous raw materials for paper and newsprint manufacture" was undertaken jointly by the Government of India and UNDP/FAO in 1975 to overcome the shortage of raw material and to increase paper production in the country. The Institute, therefore, came into existence as a follow up activity of the UNDP project.

The main objectives of CPPRI are:

- to promote research and scientific work connected with pulp and paper industries,
- to establish and maintain laboratories, pilot plants and workshops for the R&D work,
- to encourage discoveries and acquire patent improvements,
- to promote cooperative research programmes with other research organizations, and
- to provide a central technical information service and to publish periodicals on the activities having bearing on the paper industry.

Organisational Set up:

The management of the Institute vests in the Council of Association (Governing Body) consisting of 14 members comprising of representatives of paper industries, Department of IP&P, Department of Science & Technology (DST), CSIR, Indian Council of Forestry Research and Education, Dehra Dun, University of Roorkee.

The staff position as on 31.3.2001 is as shown below:

Scientific and other technical personnel	82
Administrative, Finance and supporting staff	34
Temporary staff	22
Total	138

Financial Requirements and Sources of Finance:

The Institute receives financial support both for the Plan and Non-Plan activities from the Government of India. Financial support is also received from international agencies like UNDP for UNIDO assisted projects, and from different government departments for their specific sponsored projects. Revenue earning also come from different agencies/mills for sponsored work/consultancy/tech. services/membership fee etc. About 38% of the non-plan expenditure of the Institute is met from the internal revenue generation. The budgetary grant-in-aid provided to/approved for CPPRI during 1999-2000 to 2001-2002, is shown in the table below:

(Rs. In lakhs)

	1999-2000 (Actuals)	2000-2001 (RE)	2001-2002 (BE)
Plan	223.81	230.00	360.00
Non-Plan	137.00	117.00	117.00
Total	360.81	347.00	477.00

9. Automotive Research Association of India, Pune

The automotive Research Association of India (ARAI), set up in 1966 at Pune, is a cooperative research association of the Automotive Industry. The objectives of the Association are R&D in the automotive engineering for industry, product design and development, evaluation of automotive equipment and ancillaries, standardization, technical information services and execution of advanced courses on application of modern technology etc.

Activities: The main activities of ARAI are :

- (a) Research and development programmes for modernization and updating of design and technology in automotive industry.
- (b) Evaluation of performance of vehicles and its components.
- (c) Testing of vehicles for purpose of road worthiness, fuel efficiency, emission, co-relation, CMVR certification, safety standard tests, CNG safety code, testing of construction

equipment vehicles, foreign vehicle validation trial for Indian road and environmental conditions etc.

- (d) Evaluation of standards on safety of vehicles and related components on behalf of Government of India to assist in promulgation of legislation.
- (e) To keep Indian automotive industry appraised of latest developments in the world by collection, compilation and dissemination of technical information and to conduct international workshops and seminars on the modern trends of technology in automotive sector.
- (f) Offering consultancy to industry in automotive research and development.

Organizational Set Up:

The activities of ARAI are administered by a Governing Council consisting of twenty four elected representatives from the member companies, three nominees from the Government and Director of ARAI. The sanctioned strength and the employees in position of the Institute are 370 and 342 respectively.

Financial requirement and Sources of finance: Apart from the grant-in-aid from the Government of India as well as support from automobile cess funds, ARAI mobilizes internal resources through membership subscriptions from member companies, receipts from testing, consultancy services and through sponsored projects from the Industry.

The grant-in-aid provided for/approved by the Government of India under Plan and Cess for R&D activities, and the internal resources mobilized by ARAI during 1999-2000 to 2001-2002, are as follows:

(Rs. In lakhs)

	1999-2000 (Actuals)	2000-2001 (RE)	2001-2002 (BE)
Grant-in-aid:			
Plan Funds	200	200	100
Cess (Payment of Development Council for Automobile and Allied Industries)	900	900	1000
Own generation	1300	2000	2200
Membership Subscription	160	160	160
Interest and other income	140	170	180
Total	1600	2330	2540

10. National Institute of Design, Ahmedabad.

The National Institute of Design (NID) at Ahmedabad is an autonomous body set up by the Government of India in 1961, for Education, Research and Service in industrial design and communication design. NID is registered as a society under the Societies Registration Act and as a Public Trust under Bombay Public Trust Act. The Institute has been recognized as a scientific and industrial research organization by DSIR.

Activities: NID aims at promoting design awareness and application towards raising the quality standards of Indian products, systems and environments towards increased employment and earning opportunities through design application. The Institute conducts Professional Education Programmes both at the graduate level (4 year programme) and at the post graduate level for graduates (2 ½ year programme) in design disciplines like Product design, Textile design, Furniture design, Ceramic design, Apparel design, Graphic design, Animation design and video programming etc. Under its R&D programmes, the Institute undertakes design development of products as well as projects to explore fresh areas for design application, which can later be incorporated into training and client service programmes.

NID also conducts programmes to meet specific requirements of Industry and craft sectors. Short-term training programmes, workshops, seminars and design-clinics for product development are conducted at NID as well as in the field through NID's Design Cells operating at New Delhi and Bangalore.

Organisational Set Up: The activities of the National Institute of Design are administered, directed and controlled by its **Governing Council** in accordance with the rules and regulations of the Society. The Governing Council consists of the Chairman (as nominated by the Central Government), and 22 members, which include inter-alia the Mayor of Ahmedabad, the Chief Secretary to the Government of Gujarat, representatives of Ministries of IP&P, Education and Finance, a management expert, an outstanding craftsman and representative of small scale industry, professionals from the fields of Engineering, Technology, Architecture, Fine Arts and the Executive Director of the Institute. The **Executive Director** is the Principal Executive Officer of the Society. He is assisted by the Secretary and such other officers as are appointed by the Governing Council from time to time.

Faculty and Staff Position:

S.No.	Category	As on 1.4.2000 (Actual)	As on 1.4.2001 (Anticipated)	As on 1.4.2002 Estimated)
1	Academic and Technical Staff (Designers, Engineers, Technicians, and Faculty)	56	62	66
2	Administrative Staff (Administration, Accounts and Library staff)	59	60	64
3.	Studio staff (Design Assistants and skilled workers)	80	84	84
4.	Peons, Watchmen, Drivers, Gardeners, Cleaners etc.	50	50	50
5.	Total	245	256	264

Financial Requirements and Source of Finance: A part of Institute's expenditure is met from grants-in-aid received from the Government of India, while the balance is met from internal resources generated through Tuition fees, Training fees, service charges and consultancy earnings (client project receipts) etc. Estimates of grants-in-aid and internal resource mobilization during the years 1999-2000 to 2001-2002 are shown in the two tables given below:

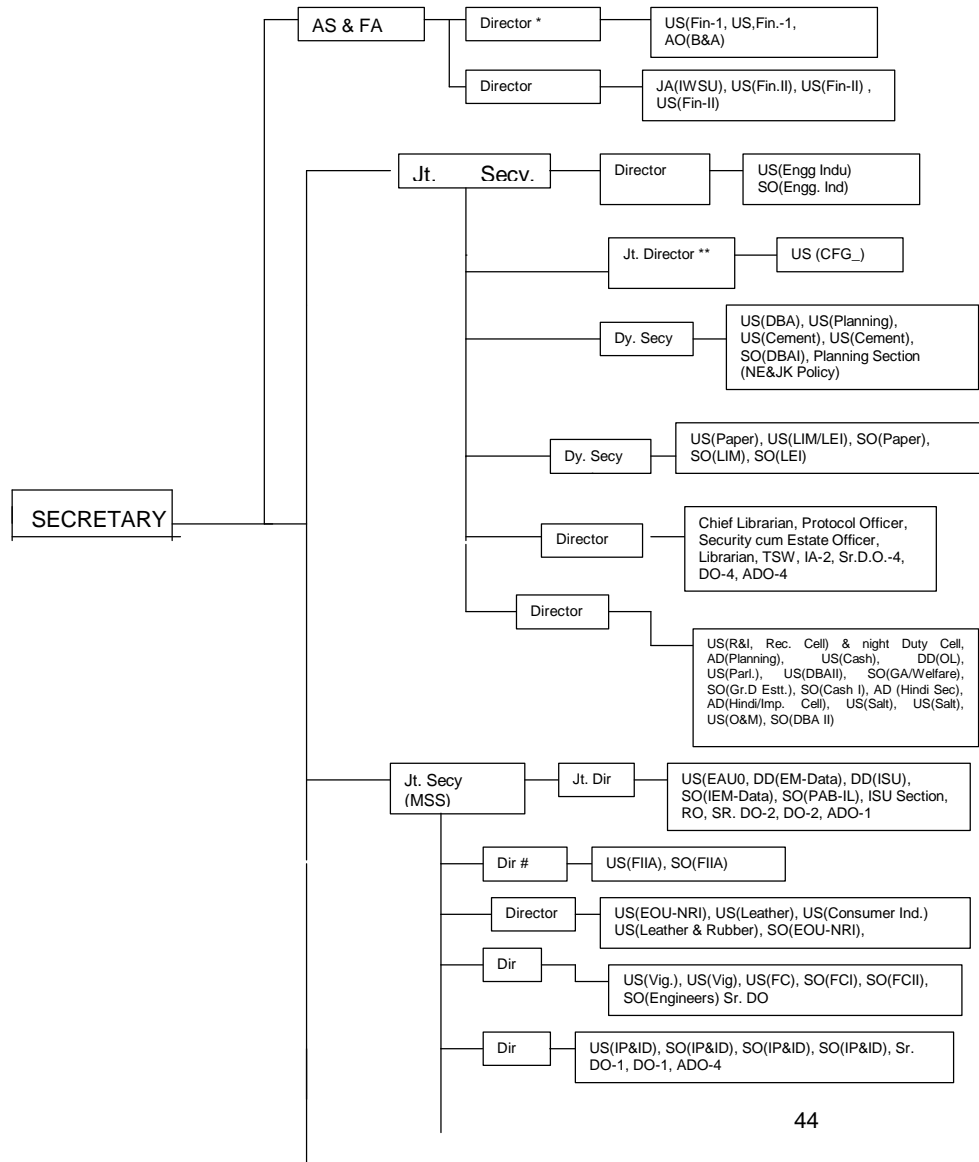
(Rs. In lakhs)

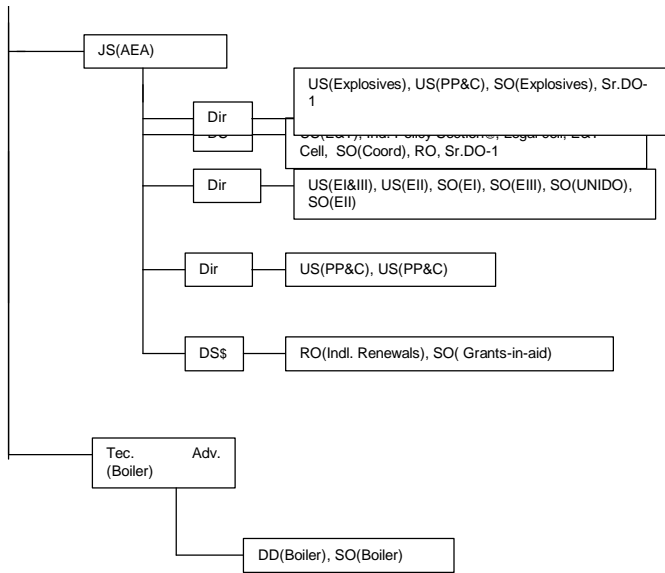
Govt.'s grant-in-aid	1999-2000 (Actual)	2000-2001 (RE)	2001-2002 (BE)
Plan	547.00	600.00	900.00
Non-Plan	80.00	72.00	72.00
Total	627.00	672.00	972.00

Internal Resource Generation	1999-2000 (Actual)	2000-2001 (RE)	2001-2002 (BE)
Service charges and client project receipts	178.17	190.00	215.00
Tuition fees/ Hostel fees	131.25	130.00	145.00
Miscellaneous income	30.69	30.00	30.00
Total	340.11	350.00	390.00

Annex D

Organisation chart of the Department of Industrial Policy and Promotion





* Director (Fin I) reports to JS(SJ) for work of computerisation (under GA Section) and to JS(MSS) for work relating to EOU-NRI/Consumer Industries/leather
 ** Jt. Director in charge of CGF (Ceramic, Glass, Films) desk, also reports to JS(MSS) for work from DD(EMI-Data) and (PAB-IL).

Dir(FIA) reports to JS(AEA) as Dir(Admn).
 @ Work of Indl. Policy section is routed through US(EOU-NRI-TDF).
 \$ DS incharge of GIC/Indl. Renewal Section also handles Paper, LIM (Light Indl. Machinery) and LEI (light electrical industries) Section and reports to JS(SJ)

Department of Industrial Policy and promotion

Revised Staffing Pattern

S. No.	Post	Sanctioned <u>Strength</u>	Post(s) to be <u>be retained</u>	Post(s) to be <u>abolished</u>
1.	Secretary	1	1	-
2.	AS & FA	1	1	-
3.	Joint Secretary	4 (Inc. one vacant)	2	2
4.	Tech. Adviser (Boiler)	1	1	-
5.	Director/DS/Jt. Director	14	6	8
6.	Sr. PPS	1	1	-
7.	Under Secretary	17	10	7
8.	PPS	1	1	-
9.	Chief Librarian/IO	1	1	-
10.	Deputy Director	4	4	-
11.	Assistant Director (Plng.)	1	1	-
12.	Research Officer	4	4	-
13.	Indl. Adviser (Engg.)	3	1	2
14.	Indl. Adviser (Chem)	1	1	-
15.	AIA (Engg.)	2	-	2
16.	Sr. Development Officer	10	-	10
17.	Development Officer	13	-	13
18.	Asstt. Dev. Officer	8	-	8
19.	Chief Controller of Accts.	1	1	-
20.	AD(OL)	2	2	-
21.	Desk Officer	24	17	7
22.	Section Officer	35	19	16
23.	Jr. Analyst	1	1	-
24.	Accounts Officer	1	1	-
	Total	151	77	74