

**Entry of Multi-National Corporations
in Indian economy**

3774. SHRI C. K. CHANDRAPAN:
Will the Minister of INDUSTRIAL
DEVELOPMENT AND SCIENCE
AND TECHNOLOGY be pleased to
state:

(a) whether Government have
allowed the Large Industrial Houses
and Multi-national Corporations to
enter into the new fields of our economy
in the name of diversification
of production;

(b) if so, the facts thereof, and

(c) the names of these Multi-national
Corporations and the fields
where they will operate?

THE MINISTER OF INDUSTRIAL
DEVELOPMENT AND SCIENCE AND
TECHNOLOGY AND AGRICULTURE
(SHRI C SUBRAMANIAM): (a) to
(c) According to the Industrial Licen-
sing Policy statement of 2nd February,
1973 (copies of which were placed
on the Table of the House as an
annexure to Unstarred Question No
281 answered on 21st February, 1973)
foreign majority companies (including
multi-national companies) as well as
Large Industrial Houses are eligible
to participate in certain specified core
industries which are of importance to
the national economy, or have direct
linkages with such industries or have
a long term export potential. Even in
these fields of industries if suitable
applicants are forth-coming from
amongst small and medium entrepre-
neurs, they will be given preference
over foreign majority companies and
large houses. All foreign majority
companies which seek to expand or
enter new fields of activities are re-
quired to dilute their foreign holding
in accordance with the formula laid
down by Government. In addition,
investment proposals from foreign
companies are examined with special
reference to technological aspects,
export possibilities and the over-all
effect on the economy. This policy
has remained unchanged. Foreign
companies and larger industrial houses

are required to obtain an industrial
licence under the Industries (Develop-
ment and Regulation) Act, 1951 be-
fore setting up fresh capacity, whe-
ther as a new undertaking, substan-
tial expansion or new article, in re-
spect of industries falling within the
purview of the Act. They are not
eligible for the exemptions from the
licensing provisions of the Act extend-
ed to small and medium entrepreneurs
under the liberalised policy of Gov-
ernment

According to the lists compiled by
the Department of Company Affairs,
there were 217 Indian subsidiaries of
foreign companies as on 31st March,
1971 and 533 branches of foreign com-
panies operating in India as on 31st
March, 1972. It is difficult to specify
how many of these can be classified
strictly as multi-national corporations
in the absence of information about
the extent of their activities outside
India. Broadly speaking, however,
everyone of these companies operat-
ing in India may be termed 'multina-
tional' in the sense that they operate
in two or more countries

**Homes for Freedom Fighters in
West Bengal**

3775. SHRI MADHAVRAO SCIN-
DIA: Will the Minister of HOME AF-
FAIRS be pleased to state:

(a) whether an official of the Minis-
try visited, some time back, the Home
for the Aged Freedom Fighters in 24
Parganas district being run by the
West Bengal Government and the
non-official Home 'Biplabi Niketan'
for the aged revolutionaries in Cal-
cutta and submitted a report to the
Government on the maintenance of
those Homes; and

(b) if so, the facts thereof?

THE DEPUTY MINISTER IN THE
MINISTRY OF HOME AFFAIRS
(SHRI F H MOHSIN): (a) and (b).