

the export of Crude Oil to India during 1975; and

(c) if so, the result achieved?

THE DEPUTY MINISTER IN THE MINISTRY OF PETROLEUM AND CHEMICALS (SHRI C. P. MAJHI):

(a) to (c). In accordance with the agreement concerning cooperation in the field of oil between the Government of Libya and the Government of India signed in September 1973, a Joint Committee on Oil to supervise the execution of this agreement and to encourage and develop technical cooperation between the two countries had been set up. At the first meeting of the Joint Committee held in Tripoli from October 9 to 12, 1974, it was decided in principle that India would purchase 2 million tonnes of crude oil from Libya during 1975 on terms and conditions to be specified later. India would explore the possibility of exchanging this crude oil with fertilizers.

Proposal from M/s Hindustan Levers Limited for manufacture of Sodium Tripoly Phosphate

3924. **SHRI BIRENDER SINGH RAO:** Will the Minister of PETROLEUM AND CHEMICALS be pleased to state:

(a) whether Government have since taken any decision on the application submitted by M/s. Hindustan Levers Limited, Bombay for the establishment of a new undertaking at Haldia for manufacture of Sodium Tripoly Phosphate and other related chemicals; and

(b) if so, what are the broad outlines thereof and the reasons for allowing further expansion of this multinational company?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND CHEMICALS (SHRI K. R. GANESH):

(a) and (b). Yes, Sir. A letter of intent has been issued to M/s. Hindustan Lever Ltd., on the 8th March, 1974 for the establishment of a new under-

taking at Haldia (West Bengal) for the manufacture of the undermentioned items for capacities mentioned against each:—

	tonnes/annum
Sodium Tripoly Phosphate ..	30,000
Sulphuric Acid	*54,000
Phosphoric Acid	*19,500

* for captive use in the manufacture of STPP.

The letter of intent is subject to the following conditions:

(1) The Company should issue fresh shares to the Indian public, to the exclusion of the foreign shareholders to the extent which will, after the proposed issue of bonus shares in the proportion of one new share to every six shares reduce the share holdings of the non-resident shareholder from the present figure of 85 per cent at the most to 70 per cent during the course of implementation of only this project for the manufacture of sulphuric acid, phosphoric acid and industrial phosphates (STPP). This condition will not operate as a precedent for any other future projects of the company.

(2) The company shall adhere to the phased programme indicated in the application pertaining to this proposal namely it will achieve a production of 18,000 tonnes in the first year of the commencement of the production, 27,000 tonnes in the second year and 30,000 tonnes in the 3rd year.

(3) The import of capital goods for the project shall be subject to approval of the Government.

(4) The project shall be located at Haldia in th District of Midnapore, West Bengal.

(5) The company will try to obtain technology and know-how for the proposed project from Indian sources and for the purpose the company will issue an advertisement inviting pro-

posals from Indian parties and consider the same and the terms and conditions on which these are offered.

(6) The company will go in for import of technology and know-how from foreign sources only if requisite technology and know-how is not available in India or is not up-to-date and satisfactory or is not available on suitable terms and conditions and subject to prior approval of the Government.

(7) The company will earmark a certain percentage of its STPP production for sale to outside parties and will submit a scheme for this purpose for prior approval of Government.

(8) The company shall supply STPP produced by it to other manufacturers of Synthetic Detergent at the same rate at which the company will supply STPP for its own captive consumption. For this purpose the company will maintain separate cost accounts for the new project so that the cost of the production of STPP may be separately determined and Government may, if necessary, consider the question of taking action under Section 209 (1) (d) and/or Section 233B of the Companies Act, 1956.

(9) The company shall undertake export obligation at least upto the level of 20 per cent of its annual production of STPP. It will however, be open to the company to apply to the Central Government for considering the question of waiving this export obligation for a period of time in the light of circumstances then prevailing in the country in regard to demand and supply of this basic raw material.

(10) The loans from financial institutions shall be subject to the right of insertion of convertibility clause according to Government policy.

(11) The company shall ensure that the debt-equity ratio does not exceed 2:1 and net block-debt ratio does not exceed 1:0.5.

(12) The validity of the letter of Intent will be for a period of one year.

The reasons for giving letter of intent are as follows:

(1) The proposal satisfied the criteria of approval laid down in Section 28 of the Monopolies and Restrictive Trade Practices Act, namely, by bringing into existence a new enterprise as countervailing force to an existing monopoly fostering competition, reducing regional disparities through the development of backward areas, generating employment etc.

(2) The proposed plant is capital intensive, involving sophisticated technology and is to be located in a backward area. It will generate employment and also provide the benefits of import substitution. Investment in such a project by Hindustan Lever Ltd., a foreign majority company is permissible in terms of the current Industrial Licensing Policy of Government.

(3) The proposed plant at Haldia will produce 30,000 tonnes of STPP per annum and thereby save about Rs 5 crores in net foreign exchange. Further 30,000 tonnes of STPP will enable the production of about 1,00,000 tonnes of Synthetic Detergents which in turn will avoid the import of about 10,000 tonnes of tallow for soap making. The saving in foreign exchange out go would be Rs 3 crores per annum.

(4) The MRTP Commission on a review of the over-all position felt that the proposed plant by Hindustan Lever is expected to be one of the quickest to be implemented as the company is professionally managed, has a proven record for speedy utilisation of capacity and a research-oriented outlook with a strong R & D base.

(5) The project will, it is estimated, generate employment directly to 300

persons and indirectly to many times that number.

(6) An estimated sum of about Rs. 14 crores will accrue as revenue under various heads to the State and Central Governments

(7) All India demand for STPP by the end of the Fifth Plan period was estimated to be 1,33,000 tonnes. 34 per cent of that demand is expected to be in the Eastern Region, i.e. approximately 45,000 tonnes. The Hindustan Lever was the only applicant ready to set up a plant in the Eastern Region and that too in a backward area.

(8) At present almost 100 per cent monopoly position in the production of STPP is held by M/s Albright Morarji & Pandit Private Limited, having 46 per cent non-resident shareholding, and a company belonging to the Dharamsv. Morarji Group. The project of the Hindustan Lever will be one which will quickly break this monopoly.

(9) The project will be set up in a backward district and will encourage the growth of a number of ancillary and small scale industries in the area.

(10) The proposal will lead to a very significant reduction of foreign shareholding in the applicant company by 15 per cent. The company has agreed to bring down the foreign shareholding from the existing level of 85 per cent to 70 per cent.

(11) The project will constitute less than 20 per cent of the All India capacity so far approved and under consideration and thus there is no possibility that the applicant company will occupy a commanding position in the field of STPP manufacture.

Representation of General Secretary of All India Railwaymen's Federation

3925. SHRI SAMAR GUHA: Will the Minister of RAILWAYS be pleased to state:

(a) whether General Secretary of All India Railwaymen's Federation recently met the Prime Minister, Home Minister, Railway Minister, State Minister of Railway and made representation about permanent and casual railwaymen who have not yet been taken back to service and against whom court cases are pending,

(b) if so, facts about the representations made by them and

(c) the steps taken or proposed by Government to sympathetically consider the cases of the railwaymen whose cases, in general, have been represented by the General Secretary of the All India Railwaymen's Federation?

THE DEPUTY MINISTER IN THE MINISTRY OF RAILWAYS (SHRI BUTA SINGH) (a) Yes.

(b) and (c). While the representations relate to the taking back of employees dismissed, removed, discharged or whose services were terminated, it has been hinted that a general amnesty be given.

The policy of the Government is that while no general amnesty can be given to staff irrespective of the seriousness of their actions against national interests in maintaining the nation's life lines, the Railway Administrations are considering all appeals and representations with sympathy putting staff back to duty wherever possible, condoning break in service where extenuating circumstances brought out on appeal are acceptable, and also dropping cases where charges are not serious.