

LOK SABHA DEBATES

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LOK SABHA

Friday, August 8, 1986/ Sravana 17,
1908 (Saka)

*The Lok Sabha met at
Eleven of the Clock.*

[MR. SPEAKER *in the Chair*]

[*English*]

MR. SPEAKER : Mr. Kolandaivelu, you are here solely and wholly monopolising the whole front Bench. Don't you fall under the anti-monopoly Act—what is that Act? —the MRTP Act?

SHRI SOMNATH CHATTERJEE : Today, Tamil Nadu has the monopoly!

MR. SPEAKER : Shri Ram Bhagat Paswan.

ORAL ANSWERS TO QUESTIONS

[*English*]

Misuse of foreign exchange by multi-national companies

*326. SHRI RAM BHAGAT PASWAN : Will the Minister of FINANCE be pleased to state :

(a) whether Government propose to examine the use of foreign exchange by multi-national companies and their subsidiaries;

(b) whether Government propose to appoint a Special Committee for this purpose; and

(c) if so, the details thereof?

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THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) : (a) No, Sir.

(b) No, Sir.

(c) Does not arise.

[*Translation*]

SHRI RAM BHAGAT PASWAN : Mr. Speaker, Sir, my question is very simple but it has not been answered. We daily read in the newspapers that all the multi-national companies are indulging in a lot of manipulations in the matter of foreign exchange. Some three or four days back there was a news item in the newspaper in this regard. I would like to know from the Hon. Minister as to what are the rules which govern the remittance of foreign exchange by the multi-national companies abroad? Kindly tell us the rules and let us know as to what percentage of their total profit can be sent abroad in the shape of foreign exchange?

SHRI VISHWANATH PRATAP SINGH : Sir, so far as the question of remitting a portion of their profit is concerned, those companies whom we have allowed to send profits abroad can remit profits equivalent to their share capital. Of course, we are imposing a restriction that they must restrict their share capital to 40 per cent but in the matter of core sector and where exports or technology is concerned, exemption has been given. Ordinarily, they should have their share upto 40 per cent.

SHRI RAM BHAGAT PASWAN : Mr. Speaker, Sir, should I take it that they can send upto 40 per cent? Is this the rule of the Government? Because they get profit from two places—from here as well as from abroad. I would like to know as to what is their total profit and whether they are sending only upto 40 per cent? Have you ever looked into it? For example, how many

times enquiries have been made in the case of ITC since 1980? If they are sending correctly then should I take it that all the multi-national companies are honest and are working properly and there is no manipulation etc.? Kindly tell us if they are not sending 40 per cent, will you constitute a special committee to investigate the matter?

SHRI VISHWANATH PRATAP SINGH : Sir, the Government remains vigilant and if some rule is violated, action is taken. Bata India's cases had come. They had admitted their offence. Search was made in the matter of Triveni Tissues Company also in November 1985. Some over-invoicing had been reported. Investigations are on. In March, 1986, search was made in the case of Jokai India Ltd, Investigations are continuing in their case. In addition to that search was made in February in the matter of Brook Bond also. They have admitted their offence. Regarding ITC, which is a multi-national company, the information is like this :

[English]

On the Excise side the TME cases are pending in various High Courts and the Supreme Court. The total amount involved is Rs. 40.87 crores. Some of these cases may be settled under the Amnesty Scheme now.

In another case the Delhi High Court gave a judgment against the ITC and others on a matter of determination of sizeable values. The balance amount to be paid by the ITC by the end of August is about Rs. 4.66 crores.

The Director General of Customs and Central Excise has decided a case of manipulation of values against ITC and has imposed a penalty of Rs. 1 crore which has been recovered. He has asked the Collectors to work out the dues which may come to over Rs. 100 crores.

[Translation]

SHRI MADAN PANDEY : Mr. Speaker, Sir, the Hon. Minister has told that they have permitted the multi-national companies to remit 40 per cent of their profit out of the country. I would like to know whether that

money is sent in the form of foreign exchange or Indian currency?

SHRI VISHWANATH PRATAP SINGH : In the form of foreign exchange.

[English]

Foreign intelligence agencies activities along Tripura-Bangladesh border

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*327. **SHRI PURNA CHANDRA MALIK :**
SHRI MANIK SANYAL :

Will the Minister of EXTERNAL AFFAIRS be pleased to state :

(a) whether the increasing involvement of foreign intelligence agencies in Tripura-Bangladesh border was taken up with the Bangladesh President during his recent visit to India; and

(b) if so, the outcome thereof?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI K. R. NARAYANAN) : (a) and (b). No confirmed evidence about involvement of foreign intelligence agencies along the Tripura-Bangladesh border is available with the Government. This issue was therefore not raised with the Bangladesh President during his recent visit to India.

SHRI PURNA CHANDRA MALIK : I would like to know from the Hon. Minister whether the Bangladesh Government has been requested not to give any shelter to oppressive elements like the Tripura-National Volunteer Force or the Mizo National Front, or the Naga National Council.

SHRI K. R. NARAYANAN : Yes. We have made such a request but they have denied that they are giving any such assistance.

SHRI SAIFUDDIN CHOWDHARY : But what Mr. Laldenga has to say about this?

SHRI PURNA CHANDRA MALIK : I would like to know from the Hon. Minister