

Shri P. Namgyal

The Deputy Minister in the Ministry of Surface Transport.

Shri Radha Kishan Malaviya

The Deputy Minister in the Ministry of Labour

Shri Rafique Alam

The Deputy Minister in the Ministry of Petroleum and Natural Gas

Shrimati Sumati Oraon

The Deputy Minister in the Ministry of Welfare

The following Ministers have been elevated in rank:

Shri Ram Niwas Mirdha

Shri Sukh Ram

Shri Z.R. Ansari

Shri Biren Singh Engti

Shri Giridhar Gomango

ORAL ANSWERS TO QUESTIONS

TRY (SHRI M. ARUNACHALAM):(a) to (c).
A statement is given below.

[English]

Industrial Licences to Top Ten Large Industrial Houses

*1. SHRI RAM BHAGAT PASWAN:
Will the Minister of INDUSTRY be pleased to state:

(a) the number of industrial licences issued to top ten large Industrial Houses during the last two years;

(b) the details of the projects for which these licences have been issued; and

(c) the names of large Industrial Houses which were granted industrial licences for steel during the last two years?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUS-

STATEMENT

Statistics on industrial licences issued are maintained in respect of the undertakings registered under the MRTP Act. A total of 229 industrial licences were granted during the calendar years 1986 and 1987 to various MRTP undertakings. Similar statistics in respect of industrial Houses have, however, not been maintained on a regular basis. Of the 229 industrial licences referred to above, 72 licences were granted to undertakings belonging to the top ten industrial Houses ranked according to their assets in 1986.

Details, such as name & address of the undertaking, location, item(s) of manufacture involved and capacity etc., in respect of all industrial licences issued are published regularly by the Indian Investment Centre in their 'Monthly Newsletter'. Copies of this

publication are being sent to the Parliament Library regularly.

(c) One industrial licence was granted during 1986 to M/s Tata Iron & Steel Co. Ltd. for effecting substantial expansion in their existing unit at Jamshedpur, Bihar, for the manufacture of Saleable Steel form 17.4 lakh tonnes to 21 lakh tonnes.

[*Translation*]

SHRI RAM BHAGAT PASWAN: Mr. Speaker, Sir, from the perusal of the statement it appears that my question has not been answered correctly. In my question, I have asked the number of industrial licences issued to top large ten Industrial houses during the last two years. The hon. Minister has not answered to this part of my question and has asked me to go through the details in the library. What is the reason that the hon. Minister does not know about it? I want the answer of this question in this House.

Further I want to know the number of licences issued during 1986-87 to Birlas, Dalmias, Tatas, Goenka Brothers, Thapar and ITC for manufacture of different items?

[*English*]

SHRI M. ARUNACHALAM: Sir, during 1986-87, the total licences given were about 1090. Out of these 1090, 229 were given to MRTP companies. We have given 72 licences to the top ten MRTP houses. They are as follows:

1	2
Birlas	14
Tatas	11
Reliance	3
J.K.Singhania	9

1	2
Thapar	16
Mafatlal	3
Modi	2
Larsen and Toubro	9
M.A. Chidambaram	2
Bajaj	3

(*Hindi*)

SHRI RAM BHAGAT PASWAN: Mr. Speaker, Sir, the hon. Minister has stated the number but did not mention the items to be manufactured for which the licences have been issued. Our public sector has got sufficient potential. I fail to understand that even after the instructions from the Prime Minister to strengthen the public sector, licences have been issued to private sector which at times indulge in under-production, over-production and scarcity to sell the goods in black-market. This adversely affects the public sector...

MR. SPEAKER: Mr. Ram Bhagat Paswan, listen to one thing. Leaders of all the parties and groups have declined that a supplementary question will be given two minutes. I will not allow you beyond that. It will be applicable to all.

SHRI RAM BHAGAT PASWAN: Mr. Speaker, Sir, it is very important. I would like to say that for the licence issued to Birlas recently for setting up an Steel Plant at a cost of Rs.700 crore, as per rules, the Chairman of the Steel Authority of India should have been consulted.

Secondly, when F.C.I. and I.F.F. are engaged in fertiliser production, then why licence for fertiliser production has been

issued to Birlas. Indian Oil, Bombay High are already running in profit. Even the Birlas have been given a share in it. I.T.C...

MR. SPEAKER: You go on speaking. I will disallow.

SHRI RAM BHAGAT PASWAN: During drought, a licence has been given to manufacture. This results in evasion of excise duty. **

[*English*]

MR. SPEAKER: Disallowed; No question; it is finished.

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO): Regarding the policy for giving licences to MRTP houses, MRTP companies are allowed to enter only core-industries which are capital and technology intensive, which are listed in Appendix I of the Government's policy statement of 2nd February 1976. This list which had originally 19 items has been expanded, and now it contains 31 items. If an MRTP company wants to enter areas outside this list, it has to take an export obligation of 60%. However, in the interest of the development of backward areas..(*Interruptions*) we are allowing the establishment in backward areas in the 25% export obligation.

[*Translation*]

'B' and 'C' Category districts and nil in 'No Industry Districts'

SHRI MADAN PANDEY: Mr. Speaker, Sir, as regards the licences to be issued to M.R.T.P. Houses and others, may I know from the hon'ble Minister whether a condition of setting up factories in backward areas will be laid down for issuing licences to M.R.T.P. Houses. ? It is not being done. What are the reasons therefore?

[*English*]

SHRI M. ARUNACHALAM : Out of the 72 licences, 30 have been given to the backward areas. We are stipulating that condition, wherever necessary.

SHRI BHATTAM SRIRAMA MURTY: I would like to know whether Reliance has sought an industrial licence to make paraxylene. It is one of the top business houses which are covered during the course of this question. Has Reliance actually sought a licence for making Paraxylene; and if so, what action has been taken?

SHRI J. VENGAL RAO: That is a different question; how can we answer it here?

SHRI BHATTAM SRIRAMA MURTY: This question has got everything to do with the licences which are either given, or which are now pending consideration with the Government.

MR. SPEAKER: You can put another question.

SHRI BHATTAM SRIRAMA MURTY: If he has no information, let him say that, Sir.

MR. SPEAKER: You put another question. I will get it answered. Now Dr. Tripathi.

SHRI J. VENGAL RAO: The question here is; how many licences were given for ten big business houses. The answer with regard to Reliance is that we gave three licences totally; and for the backward areas, One. If there is a specific question, I will answer it.

DR. CHANDRA SHEKHAR TRIPATHI : The minister has said that statistics on industrial licences issued, are maintained in

respect of the undertakings registered under the MRTP Act. But he has not stated what is the total number of undertakings which are registered under the MRTP Act. Secondly, it is not clear why, when the number of undertakings registered with MRTP are more than ten, only ten are being given licences. I want to know this from the hon. Minister.

SHRI M. ARUNACHALAM: As on 31.12.87, there are about 1663 MRTP Companies in the country registered with the Government of India. We have given licences to other MRTP Companies also. There are 229 licences given to the MRTP Companies in India. Ten top houses have been given only 72 licences.

Withdrawal of Concession to Indian Shipping Companies

*2. **SHRI Y.S. MAHAJAN:** Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the special priority granted to Indian Shipping Companies for supplying drilling, offshore supply vessels and multi-support vessels at a 15 per cent price preference to the Oil and Natural Gas Commission has been withdrawn and they will have to participate in the global tendering undertaken by the ONGC:

(b) If so, on what considerations this concession to the Indian Shipping Companies has been withdrawn; and

(c) what will be the financial repercussions of this decision on the working of the Indian Shipping companies?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI BRAHMA DUTT): (a) No. Sir, Domestic Companies offering oil field services to ONGC and OIL against global

tenders continue to be eligible for a 15% price preference over the lowest technically qualified foreign offer.

(b) and (c) Do not arise.

SHRI Y.S. MAHAJAN: The shipping industry has just undergone dramatic experience of long depression. A loan of Rs. 800 crores has been pending against the shipping company in this field. We have created a new agency for financing these units of the shipping industry and the shipping Investment Corporation. It took up a study of 17 companies; and it recommended winding up of 9 of these companies. In view of this sad condition in the shipping industry, we cannot expect them to compete in global tenders. In view of this, will the Minister be kind enough to give top priority to the Indian shippers while giving contracts?

SHRI BRAHMA DUTT: We are already giving price preference to the Indian companies. But we cannot compromise on quality and also I have to compare the price. Recently from 15 per cent to 35 per cent price preference was being given. This is being liberalised even more. I don't think under the liberalised concession system the indigenous industries will have any difficulty.

SHRI Y.S. MAHAJAN: I completely agree with the concessions given by the hon. Minister. There are other difficulties also. Much of our tonnage, much of our shipping is over-aged and they cannot compete with international companies; their costs are high. Therefore, I want to know in order to give a boost to Indian shipping whether the hon. Minister will think of giving them contracts for a period of at least five years so that they can build up new ships?

SHRI BRAHMA DUTT: To give them contracts for a period of five years is already in the policy.