

LOK SABHA DEBATES

LOK SABHA

Tuesday, May 9, 1989/Vaisakha 19, 1911
(Saka)

The Lok Sabha met at Eleven of the Clock

[MR. SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

[*English*]

Foreign Investment in Registered Companies

*904. SHRI SYED SHAHABUDDIN :
Will the Minister of INDUSTRY be pleased to state:

(a) the names of registered companies in India which along with their subsidiaries, have annual turnover exceeding rupees one thousand crores for the last financial year for which the figures are available;

(b) the level of foreign investment in each of these companies;

(c) the major items manufactured and/or distributed by each of these companies; and

(d) the total number of foreign employes in each of the companies?

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO): (a) to (d). A statement is given below:-

STATEMENT

S No	Name of the Company	Month & Year Balance Sheet	Level of Foreign investment through participation in share capital (Rs. crores)	Major items manufactured and or distributed	Total Number of foreign employees in the Company
1	2	3	4	5	6
1	Steel Authority of India Limited	3/88	Nil	Steel in its various forms, Steel ingots 91 Cast Iron, Saleable Steel, Non-ferrous Casting Steel, Span pipes and fittings, Gaskets, Ferro Manganese, Manganese ferro slag etc	
2	India Oil Corporation Limited	3/88	Nil	Petroleum Refinery and other petroleum products etc,	52
3	Madras Refineries Limited	3/88	1 67	Petroleum crude, Lubes, PTA and other and petroleum products etc;	Nil
4	Hindustan Petroleum Corporation Limited	3/88	Nil	Petroleum Refinery and other petroleum products etc	Nil
5	Bharat Petroleum Corporation Limited	3/88	Nil	Petroleum Refinery and other petroleum products etc,	3

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6	Bharat Heavy Electricals Limited	3/87	Nil	Power Generation Equipment, Boilers, Turbo sets, Transmission products and System etc.	Nil
7	Minerals & Metals Trading Corporation of India Limited	3/88	Nil	Primary manufactured products, Import of Industrial Commodities like Ferrous & Non-Ferrous Metals, Fertilizers and its raw material, Bulk Material etc;	3
8	State Trading Corporation of India Limited	3/88	Nil	Sugar, edible oils, leather and its products foodgrains, textiles, chemicals/drugs & pharmaceuticals, Tea, cashew & Cotton industry, Handicrafts products, Railway Equipments, Textiles machinery and other heavy machineries etc;	33
9	Coal India Limited	3/88	Nil	Coal, Coke, Washery Products and middlings etc;	108
10.	IBP Company Limited	3/88	Nil	Petroleum products like Motor Spirit,	Nil

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1	2	3	4	5	6
				HSD Oil, Light Diesel Oil, Kerosine Oil, furnace Oil etc. Machineries, Plant & Equipments, Vaccum Equipment & Services, Freeze drying Plants, Cryo containers & Accessories, LPG Regulators, LPG valves etc.	
				Industrial Explosives, Site mixed slurry, other explosives, Barrels & Drums, LPG Cylinders, Marine & Special containers Leather Auxiliaries etc. Travel, Tour & Cargo, Tea Export, Trading Warehousing & Distribution etc;	
11.	ITC Limited	6/87	11.39	Cigarettes, Smoking Tobaccos, Printed materia Marine Products, Hotel Sales, etc;	3
12.	Tata Engineering & Locomotives Company Limited	3/87	9.92	Truck and Bus Chassis, Spare parts of vehicles, Excavators, Marine Engines, etc;	Nil

S.No.	Name of the Company	Month & Year Balance Sheet	Level of Foreign investment through participation in share capital (Rs. crores)	Major items manufactured and or distributed	Total Number of foreign employees in the Company
1	2	3	4	5	6
13.	Tata Iron & Steel Company Limited	3/88	0.15	Saleable Steel, Ferro Manganese, Continuous Nil Weld Tubes, Cold Rolled Strips, Electric Resistance Weld Tubes, Seamless Tubes, Ammonium Sulphate Alloy Steel ball bearing rings, Bearings, Refractories, Ferrous sulphate, Oxides, of Iron, Mild Steel Wires, Special Billets/ ingots, Steel Wire Rods, etc.	
14.	Reliance Industries Limited	6/88	Nil	Yarn (Polyster & Blended etc.) Polyester Chips, Polyster staple Fibres, Purified Terephthalic Acid, Linear Alky Benzene, Blended Yam, Fabrics etc.	2

SHRI SYED SHAHABUDDIN : Mr. Speaker, Sir, I must confess that rarely have I been stumped. Today I find that my question has misfired. But I am reassured by the Statement of the Minister that out of the 14 listed firms, 10 are in the public sector and 4 are in the private sector and out of those, 4 only two have any significant level of foreign investment. Now, this is a matter of reassurance. Now, my question is that in these two cases of items 11 and 12 relating to ITC Limited and Tata Engineering & Locomotives Company Limited, the level of foreign investment is of the order of 10% I would like to know from the hon. Minister if there are any export obligations imposed on these two firms from the point of view of foreign participation and to what extent they have fulfilled.

SHRI J. VENGAL RAO: Sir, out of 14 companies, as the hon. Member mentioned, 10 are in public sector and 4 are in private sector. He asked about the two companies, that is, TELCO and the ITC, In so far as 4 non-Government Companies are concerned their export earnings have ranged between 21 crores and Rs. 38 crores.

SHRI SYED SHAHABUDDIN : That means, it is a sorry state of affairs. With 10 per cent participation and about Rs. 1000 crores turnover, the export level should be of the order of Rs. 30 or Rs. 40 crores. I think is a matter that the Government should look into.

Sir, my second question is that I find one thing interesting here. When we come to the question of foreign employees in these companies, I find that it is the public sector companies which have a relatively large number of foreign employees. For example, the SAIL has got 91, the IOC has got 52—I am taking only the big ones—the STC has got 33, the Coal India has got 108. These are the firms with high level of foreign employees. I do not quite understand the reasons. I would like to know from the hon. Minister whether in such cases the prior clearance of the Government has been obtained by these firms before recruiting foreign personnel and whether the availability or rather the non-

availability of such expertise has checked as for as the Indian market is concerned.

SHRI J. VENGAL RAO: Sir, normally they got the approval of the Government before employing the foreigners. There is one case. The Vizag Steel Plant is under construction. We have got the collaboration with Russians. In SAIL there are 78 Russians 12 Polish personnel and one West German person. Like that there are foreign personnel. There is nothing illegal in this.

PROF. MADHU DANDAVATE : Mr. Speaker, I would like to know this from the hon. Minister. In the context of the information that you have provided, can I know as far as the Maruti-Suzuki collaboration is concerned, whether initially when the collaboration was effected, the equity share for Suzuki was prescribed as 26 per cent to 28 per cent and in order that they should be able to mop up greater profits, they have now demanded that 46 per cent equity should be permitted. I would like to know whether you have accepted that and if you have accepted that, is one of the reasons the fact that at the time of effecting this collaboration you have already concerned to them the right to increase the equity at a later stage?

SHRI J. VENGAL RAO: I am very sorry, Prof. Madhu Dandavate missed the question. The question is about the undertakings having more than Rs. 1000 crores turnover. So, I should not say it is irrelevant, but he must see that.

PROF. MADHU DANDAVATE: Whether exactly the turnover is of that order or not, that is only one part of the question. Collaboration is another part and in the national interest the country would like to know this controversy about the equity shares and therefore, slightly digressing from the main theme, can you give us the information? You have only given a technical reply.

SHRI J. VENGAL RAO: No, no I can't give the information. Kindly read the question.

PROF. MADHU DANDAVATE: I concede, this is about the companies having a turnover of more than Rs. 1000 crores. That is true. But even this information is a live information. Are Suzuki and Maruti holy cow which need not be touched?

SHRI J. VENGAL RAO: I know the information, but if you want, you can write to me, I will reply.

PROF. MADHU DANDAVATE: What is this? Sir, he has information, He says 'I am prepared to give'. What is interesting is that I must write. (*Interruptions*). I am addressing a letter to you now: 'Dear Mr. Minister, this is the information I want. Will you kindly give?'

SHRI J. VENGAL RAO: I will send a reply: 'Dear Mr. Madhu Dandavate, this is not known, afterwards I will try to give the information.' (*Interruptions*).

MR. SPEAKER: Very good. This is a nice way of communicating...

(*Interruptions*)

PROF. MADHU DANDAVATE: Sir, the Minister has replied like a bureaucrat A bureaucrat while dismissing a Government servant will say: 'We are pleased to dismiss you.' (*Interruptions*).

THE MINISTER OF ENERGY (SHRI VASANT SATHE): Sir, it is a very endearing relationship here.

New Offshore Refineries

*905. **DR. DATTA SAMANT:** Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government are considering to allow some off-shore refineries to be set up in private sector or joint sector; and

(b) if so, the details therefore?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATU-

RAL GAS (SHRI BRAHMA DUTT): (a) and (b). While a proposal for permission to invest for setting up a refinery abroad has been received by Government, no decision thereon has been taken.

DR. DATTA SAMANT: Sir, I asked whether the Government are considering to allow some off-shore refineries to be set up in the private sector. The reply given is about the investment for setting up the refineries abroad. But the question and the reply is totally contradictory. As per the policies of the Government, it is going for privatisation in every thing, like electric supply and also good processing industry. Accordingly, is there any such proposal pending with the Government at present, to give the petroleum and other oil products which are taken out from the offshore, to the private companies or multi-national companies? If so, what are the names of those companies?

SHRI BRAHMA DUTT: Sir, if the Hon. Member means by 'Offshore', "within the sea waters of India," not on-shore, then of course there is no such proposal. We are not considering anything of that type because refinery cannot be put in the sea. When we do something abroad that is also generally called offshore. We received only one proposal and that is under consideration; but no decision has been taken. But we are not going for privatisation of offshore areas or anything of that type.

DR. DATTA SAMANT: Sir, all the off-shore and ONGC projects are coming up in Bombay near my residence.

We are giving big resources to people all over the country. The Maharashtra Government has made lot of representations on 8th June, 1983 and 5th October, 1988.

All these pipe lines are going to Hazira and to Uttar Pradesh I have got all correspondence. There should be a separate pipe line for the ONGC gas; it should come through Surat and Bhusaval so that Vidharba and Marathwada can be developed and if not it should be diverted through Maharash-