

We will cross the bridge when it comes. Don't worry.

Shri Indrajit Gupta.

SHRI INDRAJIT GUPTA : Question No. 557.

SHRI BIJU PATNAIK : Sir, if it does not come ?

MR. SPEAKER : Then we will see some other way out.

Shri Indrajit Gupta.

ORAL ANSWERS TO QUESTIONS

Hindustan Lever Limited

*557. SHRI INDRAJIT GUPTA : Will the Minister of FINANCE be pleased to state :

(a) whether Hindustan Lever Limited is allowed to conduct trading transactions under FERA ;

(b) if so, the details thereof ;

(c) whether trading transactions not permissible under FERA can be permitted by back-door through the creation of subsidiary companies wholly owned by FERA company ; and

(d) under which provision of Law, Indexport Limited, a wholly owned subsidiary of Hindustan Lever Limited, is allowed to store and trade in essential items like groundnut oil ?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE) : (a) and (b) A FERA company can continue to conduct a trading activity which it was engaged in prior to the date of commencement of FERA. No new trading activity can be undertaken. The total of non-core activities including trading should not exceed 40 per cent of its turnover.

(c) No, Sir.

(d) Attention is invited to reply given to Unstarred Question No. 2067 dated the 15th October, 1982 regarding certain alleged violation of the Essential Commodities Act, 1955 engaged in by Indexport Limited.

SHRI INDRAJIT GUPTA : The earlier reply to which the hon. Minister has referred was given in this House on the 15th of October last by the Deputy Minister in the Ministry of Civil Supplies. In that reply it is admitted that 108.054 tonnes of groundnut oil belonging to this Indexport Ltd., Ghaziabad was found in possession of Hindustan Lever for storage and processing and this Indexport Ltd. has no valid licence which is necessary under the Pulses, Edible Oil Seeds and Edible Oils Order, 1977.

So, what I would like to know is, firstly whether it is a fact or not that this company, Indexport Limited is in fact nothing but a wholly owned subsidiary of Hindustan Lever Company which is itself, of course, as we all know, is a subsidiary of the foreign multi-national, Unilever? Whether this company, Indexport Ltd. is not in fact a wholly owned subsidiary of Hindustan Lever and if so, whether this Hindustan Lever Company has been knowingly abetting the offence which, as admitted by the Government, has been committed by Indexport Limited by letting its premises for being used for storing and hoarding an essential edible item like groundnut oil held by another company without any valid licence ?

SHRI PRANAB MUKHERJEE : So far as the information which we have collected from the Ministry of Civil Supplies which is the relevant administrative Ministry in regard to oil and oil seeds, I am told that they have since received a licence under the UP Edible Oil Licence Order . . .

SHRI INDRAJIT GUPTA : Who ?

SHRI PRANAB MUKHERJEE : I think in October, 1982—exact month I do not know, but it is sometime in October.

SHRI INDRAJIT GUPTA : Who received ?

SHRI PRANAB MUKHERJEE : Indexport.

Secondly, as I mentioned in my reply to part (a) and (b), no new trading activities will be permitted to any FERA company beyond 40% of their turnover but the subsidiary companies which existed before 1.1.74, the date of enforcement of FERA, are entitled to have trading activities.

So far as this subsidiary is concerned, this company, as the hon. Member has said, is 100% owned by Hindustan Lever. They were in existence before 1.1.74.

SHRI INDRAJIT GUPTA : The Minister is rather confusing ; there is some confusion in his reply. The FERA company is Hindustan Lever. The FERA company is not Indexport Limited. Before FERA came into force, Hindustan Lever was doing some trading activity which, according to the Minister, they are entitled to continue to do. But, is it not a fact that even if they want to continue to do after FERA comes into force, they cannot do it automatically. They have to go through a process. They have to apply to the Reserve Bank for permission to continue and unless the Reserve Bank gives an explicit permission, they cannot do it. Did they apply ? When did they apply for such permission ? When did the Reserve Bank give permission if at all they gave permission ?

My other real question was that there is such a thing in the corporate law as 'lifting the veil'. It is called 'lifting the veil' under the corporate law. I want to know why prosecution and punishment is being directed towards only this Indexport Ltd., when the real culprit who is hiding behind the evil or behind the curtain is the Hindustan Lever Ltd., and no action is being taken against them. They are the people whose goods were kept and stored by this company and when this company was prosecuted, they said, 'We are keeping it for being processed,' but they have no valid licence to do that. Knowingly this Hindustan Lever permitted them to do this. I can understand the motive of the company, but what is the motive of the Government in not lifting the veil, as it is called under the corporate law and telling us clearly that it is Hindustan Lever which is the real culprit and whether action will be taken against them or not.

SHRI PRANAB MUKHERJEE : In reply to the unreal part of the question of the hon. Member, because the real part he mentioned a little later, I mentioned that 40% of the turn-over of Hindustan Lever is in trading and non-core activities and they are doing it with the permission of the Reserve Bank of India. And if the Hon. Member is interested in knowing certain figures, I can also give him. In the year 1980 their total turnover was 4466 lakhs, out of that 2765 lakhs, was in the core sector, 62% and 48% was in the trading and non-core activity. Similarly in the year 1981 it was 60% on core sector and 40% in trading and non-core activity. In regard to part (b) of the question I think I have already mentioned that FIR had been filed ; the matter is SUB JUDICE. We are neither protecting somebody nor are we going to say that somebody is doing something in collusion unless the matter is decided in the Court itself.

SHRI INDRAJIT GUPTA : He has not answered my question.

The prosecution (according to the earlier reply given in this House) is against the Management of the authorities of this Indexport Limited. My question is, when you admit that this Company is a wholly-owned subsidiary of Hindustan Lever, then, Hindustan Lever is obviously colluding knowingly with this company which it has set up as a sort of frontal thing. My question is, why you are shielding the Hindustan Lever instead of exposing the real face behind this company ? Because, they are the people responsible ; not Indexport. Indexport is only a dummy company set up for this purpose. I think you know that many companies do this. You don't look so innocent, Mr. Mukherjee ; you know all these things.

SHRI PRANAB MUKHERJEE : The FIR is against Indexport saying that they are doing some business activities without any licence : what is the charge ? The charge is that this particular subsidiary in U.P. is doing some business without any valid licence, issued by the U.P. Government ; and against that FIR has been filed. Unless that matter is decided upon, how I am going to pass a judgment on it ? The Magistrate has not taken any view as yet.

SHRI H.N. BAHUGUNA : There are two parts in the reply of the hon. Minister which need a clarification : He said that Indexport did not have a licence and the U.P. Government gave them licence sometime after October, 1982. The question is, when it was challaned in terms of irregularity how did the Ministry find out from the U.P. Government as to what compelled them to give them post facto sanction, of this type of a licence; whether it is post facto licence or a prospective licence ? When the things were found in the godown of Lever Brothers (leave aside whose company is who) why was the FIR not filed against Lever Brothers ? Why did they file against Indexport Limited ?

SHRI PRANAB MUKHERJEE : This information has to be collected from the U.P. Government. I would request my colleague the Minister of Civil Supplies to collect it. They are the administrative Ministry.

SHRI INDRAJIT GUPTA : To clear up this confusion, with your permission, Mr. Speaker, I am just reading out Mr. Mohammad Usman Arif's reply. He says '108.054 tonnes of groundnut oil belonging to Indexport Ltd. was found in the possession of Hindustan Lever, It was not found in the godown of Indexport ; it was found in the godown of Hindustan Lever. That is stated here by the Minister concerned.

SHRI PRANAB MUKHERJEE : Before listen to me he just started jumping up. I said that the information has to be collected from the U.P. Government. It is to be collected by the Ministry of Civil Supplies which is the administrative Ministry. I will request them to collect the information.

SHRI INDRAJIT GUPTA : How many days do they need to collect the information ? I gave three weeks' notice for the question ; still you want time. This question was transferred, Mr Speaker, if you will recall ; this was originally listed for the Ministry of Law, Justice and Company Affairs. I was informed by your office that the Finance Ministry intervened and said that they want to answer the question. It was transferred to Ministry of Finance. After such a long interval now he says, he

wants to make enquiry. What have you been doing all these days ?

SHRI H.N. BAHUGUNA : My question is very simple. FERA is under the hon. Minister. FERA companies or otherwise, whatever they are, are a subject matter of scrutiny,—and continued scrutiny,—by the Ministry of Finance. If they start doing something which is illegal and wrong then the Minister is certainly within his powers to tell the FERA companies and put them in that place. But the Lever Brothers' tactics are bigger than that of the Government.

SHRI PRANAB MUKHERJEE : Nobody is bigger than the Government..... (interruptions). The hon. Member wanted to know, if I heard him correctly, —let him correct me, if I am wrong—whether the U.P. Government issued the licence retrospective or prospective. Am I competent to answer that question unless I get the information from the U.P. Government ? So, we will have to collect the information from the U.P. Government, inspite of the fact that FERA companies are under the administrative control of the Finance Ministry.

SHRI H.N. BAHUGUNA : The Minister should have brought this information with him. I am sorry, he did not.

SHRI PRANAB MUKHERJEE : You were Minister yourself ; you know how many days before you get the notices.

SHRI H.N. BAHUGUNA : I never ran off from information in the manner the hon. Finance Minister has done.

SHRI PRANAB MUKHERJEE : When a question is transferred from one Ministry to another, you hardly get three to four days ; you were a Minister, you know that.

SHRI H.N. BAHUGUNA : In future, please give them more time ; we are not concerned with that.

SHRI NIREN GHOSH : Is the hon. Minister aware whether Hindustan Lever have already been found to have indulged in internal trading in respect of third party's products without permission from the Reserve Bank of India, and were let off

under powers of increase in export? This is their previous crime. Is he aware of it? Since the company itself was found in possession of the groundnut oil, why didn't you make a direct enquiry? Why didn't you institute a CBI enquiry? Not only that, on the basis of raw technology, they have not diluted their capital to 40%; they are having 51% or more than that. It is becoming a roaring scandal in collusion with the Government.

SHRI PRANAB MUKHERJEE : There is no question of any collusion with the Government. With regard to the question that Hindustan Levers have got more than 51% shares, I have given the figures already indicating that in the non-core sector, their activities will have to be 40%, and in the core sector 60%. We have permitted them the benefit of technology. The other day the hon. Member asked what type of technology in the soap manufacturing is required. It is known to the Members that upto 1970-71, in the whole country, the soap manufacturing activity depended on getting fat from the edible oils, which had an effect in the market. They developed certain research and they developed certain technology, where they are using fat from the non-edible oils, and to that extent, we have reduced our import of tallow on. This is their technology, and they are permitted to use it. There is nothing wrong in it.

SHRI H.N. BAHUGUNA : It is not a high technology.

SHRI PRANAB MUKHERJEE : I am not to be guided by you.

SHRI SATYASADHAN CHAKRABORTY : You should be guided by your expert Committee. I quoted from their report.

उत्तर प्रदेश के उत्तराखण्ड क्षेत्र का पर्यटन के लिए विकास

*558. श्री हेमवती नन्दन बहुगुणा : क्या पर्यटन और नागर विमानन मन्त्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि उत्तर प्रदेश के उत्तराखण्ड क्षेत्र में केदारनाथ और बद्रीनाथ

जैसे पवित्र तीर्थ स्थान हैं और विश्व विख्यात फूलों की घाटी, जैसे प्राकृतिक रमणिय स्थल भी हैं ;

(ख) यदि हां, तो क्या यह भी सच है कि तीर्थ यात्रीयों और पर्यटकों पर इस क्षेत्र के अधिकांश लोगों की आजीविका निर्भर है ;

(ग) यदि हां, तो क्या केन्द्र सरकार ने इस क्षेत्र के पर्यटन में विकास के लिए कोई समय-बद्ध योजना बनाई है ; और

(घ) यदि हां, तो तत्संबंधी व्यौरा क्या है, और यदि नहीं, तो उसके कारण क्या हैं ?

THE MINISTER OF STATE OF THE MINISTRY OF TOURISM AND CIVIL AVIATION (SHRI KHURSHEED ALAM KHAN) :

(a) Yes. Sir. Uttarakhand region of Uttar Pradesh has a number of wellknown places of pilgrimage. There are also innumerable spots known for their natural beauty.

(b) Among other sources of livelihood of the people of this region, pilgrimage tourism is a major source.

(c) and (d) The development of this region from the tourism angle is taken care of by the U.P. Government. There are special agencies of the State Government for taking care of the development of the hill areas. In addition, however, the Government of India render whatever assistance is possible for the development of this region. Presently, there are no time-bound programmes formulated by the Central Government.

SHRI H. N. BAHUGUNA : If wishes were horses, then the hon. Minister would have found all the Uttarakhand region people right on the top of the Himalayas with regard to economic conditions, but it is not so. I am happy for one thing that the Ministry has stated in the answer that tourism is the major thing to sustain these people. Yet the Government of India has no specific scheme. May I know from the Hon. Minister in view of the fact that the four districts of Uttarakhand i. e. Chamoli Pauri Garhwal, Tehri Garhwal and