

## LOK SABHA DEBATES

1

### LOK SABHA

Wednesday, August 9, 1972/Sravana 18, 1894  
(Saka)

*The Lok Sabha met at Eleven of the Clock*

[MR. SPEAKER in the Chair]

#### HOMAGE TO MARTYRS OF 1942 REVOLUTION

PROF. MADHU DANDAVATE (Rajapur): Mr. Speaker, Sir, before we begin the proceedings of the House, I would submit through you, to all sections of the House, that today being the historic 9th August, we may stand in silence for a minute to pay homage to the martyrs of the 1942 revolution and all other freedom struggles.

SHRI S. M. BANERJEE (Kanpur): Since we are observing the 25th anniversary of our Independence this year, it is necessary that we should observe this also on this occasion.

MR. SPEAKER: Yes; the House will stand in silence for a short while.

*The Members then stood in silence for a short while.*

#### ORAL ANSWERS TO QUESTIONS

##### Utilisation of unauthorised capacity by larger Industrial Houses

\*141. SHRI C. K. CHANDRAPPAN: Will the Minister of INDUSTRIAL DEVELOPMENT AND SCIENCE AND TECHNOLOGY be pleased to state:

(a) whether a number of larger industrial houses are already unofficially producing double their licensed capacity in their plants;

(b) if so, whether Government propose to make an enquiry into the matter; and

(c) whether unofficial utilisation of unauthorised capacity is one of the biggest channels of black money in the industry?

THE DEPUTY MINISTER IN  
THE MINISTRY OF INDUSTRIAL  
DEVELOPMENT (SHRI SIDDHESH-

2

WAR PRASAD): (a) to (c). From time to time cases have come to the notice of the Government where industrial undertakings, whether belonging to large industrial houses or otherwise, have substantially increased their production beyond their respective licensed capacities. The Industrial Licensing Policy Inquiry Committee had referred, in its report, to 45 such representative cases, details of which are given in Appendix IV-F of its report. Copies of the report have previously been laid on the Table of the House. The Commission of Inquiry on the Large Industrial Houses headed by Shri A. K. Sarkar, formerly Chief Justice of the Supreme Court of India, is required, by the terms of its reference, to inquire into and report, *inter alia*, on the circumstances in which unauthorised production in excess of the licensed capacity occurred in the cases brought out by the Industrial Licensing Policy Inquiry Committee. Government has no information to the effect that unauthorised or unofficial utilisation of capacity is one of the biggest channels of black-money in industry.

SHRI C. K. CHANDRAPPAN: Sir, the answer, given by the Minister, itself says that the fact has been brought to the notice of the Government regarding the problem of unauthorised production beyond the licensed capacity. I would like to know whether the Government have taken any steps against those 45 cases which the Industrial Licensing Policy Inquiry Committee have pointed out. If so, may I know the details thereof and, if not, the reasons for not doing so.

SHRI SIDDHESHWAR PRASAD: I have already made it clear that the cases which have been referred to by the Industrial Licensing Policy Inquiry Committee have been referred to a highpower enquiry committee headed by the ex-Chief Justice of India for specific and detailed enquiry. The ex-Chief Justice of India is enquiring into the details of each of these cases and after receiving the report of the enquiry committee, we will surely take action in accordance with the report of the committee.

**SHRI C. K. CHANDRAPPA** : It is rather a strange answer that the Minister has given, that it is again being referred to a highpower committee. May be the Government would further refer it to a higher power committee. But what we are interested to know is whether the Government has already proceeded against those cases. Then, in the second part of the answer, the Government says that the Government is not aware or the Government does not have information whether the production beyond the capacity of the licences sanctioned is a source of black money. I would like to know what exactly is the information of the Government with regard to this. (*Interruption*)

**MR. SPEAKER** : The question should be short.

**SHRI SIDDHESHWAR PRASAD** : The Sarkar Commission has been appointed on the recommendation of the Industrial Licensing Policy Inquiry committee which *inter alia* has also recommended that each case should be gone into, and under what circumstances the unauthorised production or production beyond the licensing capacity has taken place. Therefore, on the recommendations of the Committee, this step has been taken. After getting the report we shall know exactly under what circumstances the unauthorised or unlicensed production has taken place and after that action can be initiated.

**SHRI K. LAKKAPPA** : Has it come to the notice of the Government that certain larger houses have been utilising unauthorisedly electric power, water and land and have also exceeded the capacity for which licences had been issued? If so what have their investigations disclosed and which are those larger houses?

**SHRI SIDDHESHWAR PRASAD** : No such instance has been brought to our notice.

**SHRI DINESH CHANDRA GO-SWAMI** : Some of these industrial units which have bases abroad by their over production have affected the indigenous industries. What steps the Government has taken to protect the interests of the indigenous units pending finalisation of the report of the committee?

**SHRI SIDDHESHWAR PRASAD** : We are awaiting the report of the com-

mittee; till that time no action is being taken.

**SHRI INDRAJIT GUPTA** : I understood the Minister to say in reply to the last part of the question that the Government were not aware that such excess production was a fruitful source of black money. It is also being investigated as to whether in those cases where it has been established that they are producing in excess of their licensed capacity, the returns of production which they have to submit every month or every year correspond to the licensed capacity or are in excess of it and also if it is not shown in the return, this is an obvious source of black money.

**THE MINISTER OF INDUSTRIAL DEVELOPMENT & SCIENCE AND TECHNOLOGY (SHRI C. SUBRAMANIAM)** : The information as such that they are producing above the capacity is based on the returns submitted by them through DGTD. Therefore, production has come in the accounts of the firm and this cannot be a source of black money but if they had not shown the production in the accounts of the firms whether they are producing under-capacity or above capacity, that could be a source of black money.

**SHRI INDRAJIT GUPTA** : Indalco were producing aluminium rods in excess of their capacity and were not showing it in their returns. This was raised by me and the Government said that they were looking into it.

**SHRI C. SUBRAMANIAM** : I am aware that this allegation was made in the other House and the Mines Ministry is going into it and an enquiry is being made. In our Ministry there is no such instance.

**SHRI PRABODH CHANDRA** : Is it true that some of the big houses are producing much less than their authorised capacity with a view to raise the price of goods.

**SHRI C. SUBRAMANIAM** : That is a different question altogether; this relates, to production above capacity. There are cases where there is under-utilisation also but it may be due to various causes.

**SHRI SURENDRA MOHANTY** : Is the Government in a position to tell us when the report of the high-power

committee is expected and who are the persons on this committee?

**MR. SPEAKER :** He mentioned it; he said the ex-Chief Justice.

**SHRI SURENDRA MOHANTY :** The House will be interested to know when the report is expected.

**SHRI SIDDHESHWAR PRASAD :** It is a judicial or quasi-judicial committee and we would not interfere with the working of that committee. However we have requested the Chairman to expedite it.

**SHRI K. S. CHAVDA :** Some of the companies, whose applications for expansion have been rejected by the government, continue to produce beyond their licensed capacity. For example, Messrs. Pfizer, Bombay, has a licensed capacity of 14 tonnes. The production in 1970 was 25 tonnes and in 1971 it rose to 26 tonnes. What steps will the government take against these companies?

**SHRI SIDDHESHWAR PRASAD :** Now that a specific case has been brought to our notice, we will look into this.

#### Re-commissioning of Tarapur Atomic Power Plant

\*142. **SHRI K. S. CHAVDA :** Will the Minister of ATOMIC ENERGY be pleased to refer to the reply given to starred question No. 963 on 24th May, 1972 regarding re-commissioning of Tarapur Atomic Plant and state :

(a) whether Unit No. I of the Tarapur atomic station is working satisfactorily;

(b) whether Unit No. II will be commissioned as per schedule; and

(c) if not, the reasons therefor?

**THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI K. C. PANT):** (a) and (b). Yes, Sir.

(c) Does not arise.

**SHRI K. S. CHAVDA :** The total power availability in the State of Gujarat at present is 862 MW, including 190 MW of Tarapur atomic power station. Gujarat is suffering from power shortage merely because of shut downs

and breakdowns and recommissioning and again shut downs of the atomic power station. Will the hon. Minister assure the House that another atomic power station will be located in the Saurashtra region, which has no source of supply of coal and hydel power? If not, are we to understand that the news report that Prime Minister, Shrimati Indira Gandhi, appears to have favourer the location of the atomic power plant outside Gujarat is correct?

**THE PRIME MINISTER, MINISTER OF ATOMIC ENERGY, MINISTER OF ELECTRONICS, MINISTER OF HOME AFFAIRS, MINISTER OF INFORMATION AND BROADCASTING AND MINISTER OF SPACE (SHRIMATI INDIRA GANDHI):** This is not a question of any Minister's personal whim.

**SHRI K. S. CHAVDA :** What is the reply to part (a) of my question, now that part (b) has been answered by the Prime Minister.

**SHRI K. C. PANT:** The main question relates to Units I and II and the supplementary is far afield. But, broadly speaking, so far as the availability of power is concerned, which was the question asked by my hon. friend, the availability from the unit which has been re-started has been about 87 per cent. So, this is satisfactory and I do not think that one can blame unit I for this reason. As for unit II, as I have indicated, it will go into operation in September. On the question of the location for sites, this is a question which is gone into by expert committees. I do not think the expert committee has gone into the whole matter even in the western region.

**SHRI K. S. CHAVDA:** Apart from re-fuelling and maintenance of units I and II, may I know what were the other reasons for shut-down of units I and II?

**SHRI K. C. PANT:** On unit I there is an arrangement to hold down guiding tubes inside the reactor and some guiding tubes got loose. Therefore, the whole arrangement had to be fortified and strengthened and the whole design had to be looked into. This was the main reason for the extended outage. Then one of the transformers did not function. Although that transformer has been substituted by a transformer in unit II, that also led to some more