

And these licences are also taken by some of the concerns with a view to legalising unauthorised and illegal expansion and so on.

MR. CHAIRMAN : All right.

SHRI BHUPESH GUATA : Is it right ?

SHRI MOINUL HAQUE CHOUDHURY : Sir, so far as my knowledge goes no license is given for legalising the illegal expansion. In fact, we have not legalised any of the illegal expansions brought out by Dutt Committee if any specific instance is brought...

SHRI BHUPESH GUPTA : I would disturb you, Sir. Kindly note it. I shall give a proof. If that is so, there should be a breach of privilege of the House and of deliberate misleading by the hon'ble Minister...

SHRI MOINUL HAQUE CHOUDHURY : I have not yet completed. I said if any instance is given to us... . (*Interruption by Shri Bhupesh Gupta*). I said so far as my knowledge goes, I do not know. But if any instance is brought to my notice, I am prepared to look into it and take action so far as that is concerned.

SHRI K. CHANDRASEKHARAN :  
Reasons 4 and 6 in the reasons given clearly indicate lack of adequate assistance and cooperation on the part of the State Governments and the State Industrial Development Corporations and the State Finance Corporations. May I know from the hon'ble Minister what steps are being taken by the Central Government to see that delays of the nature covered by reasons 4 and 6 are eliminated ? May I also know...

MR. CHAIRMAN : No. Only one question.

SHRI MOINUL HAQUE CHOUDHURY : Sir, so far as reason No. 4 is concerned—delay in concluding negotiations with the State Governments—we frequently hold discussions with the State Governments and try to remove these difficulties by bringing to their notice these difficulties.

SHRI K. CHANDRASHEKHARAN : What about reason No. 6 ?

SHRI MOINUL HAQUE CHOUDHURY : In regard to reason No. 6, it is also our endeavour to help the parties in reasonable cases by putting them in touch with the financial institutions so far as finance is concerned.

DR. R. K. CHAKRABARTI : Is it a fact that the licences issued to some entrepreneurs in West Bengal for expanding the existing capacities are being utilised to set up industries elsewhere ?

SHRI MOINUL HAQUE CHOUDHURY : I do not know of any such instance of late. If it had happened in the past, I cannot say. One or two cases were brought to my notice and we looked into it.

SHRI T. V. ANANDAN : One of the reasons quoted here is non-availability of adequate finance. May I know whether the Government is not aware that there is not less than Rs. 7,000 crores as black money with the industrialists in this country ? To fulfil the ambition of the Prime Minister, i. e. to solve the problem of unemployment, why not an Ordinance be issued to make these Rs. 7,000 crores as white money, so that this money is used for expansion of industries and the unemployment problem is solved?

MR. CHAIRMAN : This question does not arise. Next question.

#### LICENCES TO BUSINESS HOUSES

♦558. SHRI KALYAN ROY : Will the Minister of INDUSTRIAL DEVELOPMENT be pleased to state :

(a) whether Government have taken a decision to issue licences to Business House against whom the Sarkar Committee had passed strictures ; and

(b) if so, the number of Business Houses which have been given licenses during the last six months and the details of the licences given ?

THE MINISTER OF INDUSTRIAL DEVELOPMENT (SHRI MOINUL HAQUE CHOUDHURY) : (a) The Sarkar Commission of Inquiry into Larger Industrial Houses has not yet submitted its report. As such, the question of the Sarkar Commission passing strictures against any business house does not arise.

(b) During the period from 1st July, 1971 to 29th February, 1972, 41 licences were issued to the firms belonging to the Larger Industrial Houses of which 28 were carrying-on-business (COB) licences. The details of the licences granted to them are given in the statement laid on the Table of

the House. [ See Appendix LXXIX, Annexure No. 61. ]

SHRI M. K. MOHTA : Sir, on a point of order. In reply to part (a) of the question, the hon. Minister says that there is no question of any strictures having been passed by the Sarkar Committee. If that is so, the whole statement in answer to part (b) is out of order. Since the Sarkar Committee has not passed strictures against any business house, how can these 41 business houses, which have been given licences, be said to come under that category ?

MR. CHAIRMAN: No, I think the second question can be put.

SHRI KALYAN ROY : Sir, the impression is that the business houses are gaining ground and winning people inside the Cabinet and what he has submitted actually confirms the impression that is going round in the country to-day. May I know what work the Sarkar Committee, which was set up two years ago, has done besides taking a salary of Rs. 1 lakh per month ? Have they submitted any interim report ? Either it is to hoodwink the people, or why don't you scrap it ? That is my first question.

SHRI MOINUL HAQUE CHOUDHURY : With regard to the statement that the big business houses have made a footing in the Cabinet, I strongly deny this ; is a baseless allegation.

SHRI BHUPESH GUPTA : Why ? How is it baseless ?

MR. CHAIRMAN : Please sit down, Mr. Bhupesh Gupta.

SHRI BHUPESH GUPTA : Sir, we have been accused of making a baseless accusation. Will there be a parliamentary committee ?

MR. CHAIRMAN : Please do not interrupt, Mr. Bhupesh Gupta. Please sit down. I have not called you.

(Interruptions)

SHRI BHUPESH GUPTA : Why should he say it is baseless ? (Interruptions)

MR. CHAIRMAN : Please sit down. Whatever you say will not be taken down.

SHRI BHUPESH GUPTA : (Continued to speak).

SHRI MOINUL HAQUE CHOUDHURY: Sir, with regard to the second part of the question, the Sarkar Commission has not submitted any interim report.

SHRI KALYAN ROY : Sir, he has not replied to my question completely. My first question was very specific. For the last two years has the Sarkar Committee submitted any interim report, how much money has it got as allowances and other things and will the Minister scrap it ?

SHRI MOINUL HAQUE CHOUDHURY: I have said that the Sarkar Commission has not submitted any interim report as yet. As far as the question of how much money has been drawn is concerned, I would require notice.

SHRI KALYAN ROY : My second question, Sir. I have put only one question. I have not put my second question at all.

Is it not a fact that the CBI has submitted a report against the houses of Birlas in two cases and Mr. L. N. Birla accompanied Mr. L. N. Mishra to Chile ? How is it that today out of the licences the highest of licences were issued to the Birlas including the alloy steel plant licence, followed by the Tatas and the Thappars ? (Interruption) Is it not an absolute confirmation of the fact that the Birlas are being favoured by the Government in spite of the fact that they have been found to circumvent all the foreign exchange regulations and all other procedures which have been laid down ?

SHRI K. CHANDRASEKHARAN : The question is unnecessary. The answer is already there. It is a fact.

SHRI MOINUL HAQUE CHOUDHURY: So far as the question whether Shri Birla accompanied Shri Mishra is concerned, I do not know anything about it. It will be better asked of the Minister concerned. I have no knowledge about it. With regard to the Birlas' cases for this period you will see that no licences for new undertakings have been given to them. Four licences of carrying-on-business have been given to them out of these eight. Under the law as far as carrying-on-business is concerned, the Government is bound to give them these licences . . . (Interruption)

SHRI KALYAN ROY : The largest number has gone to them.

SHRI PAPI REDDI : From the state-

ment given to us we find that the Birlas have got nine licences, the Mafatlals six, the Shri-raras five and the Thappars six. Should we understand that this is part of the programme 'garibi hatao' ?

SHRI MOINULHAQUE CHOUDHURY: I could not follow it.

MR. CHAIRMAN : Is it a part of your programme to grant licences to the Birlas, etc. That was the question.

SHRI MOINUL HAQUE CHOUDHURY: No.

SHRI KRISHAN KANT : May I know from the Minister whether all these cases were cleared by the MRTP Commission ? Because,...

MR. CHAIRMAN : Only one question, Mr. Krishan Kant,

SHRI KRISHAN KANT: ... it does not satisfy the condition that they should be in backward areas. All these expansions and licence\* are in developed areas. All those expansions are done in developed areas . . .

SHRI MOINULHAQUE CHOUDHURY: The cases of registered large houses are referred for Monopolies clearance at the stage of issue of letters of intent. If the letters of intent were issued before 1-6-1970 when the MRTP Act came into existence, then such cases would not be referred to for MRTP Clearances because already the letters of intent have been issued and substantive steps have been taken and licences should be issued. Such cases in which letters of intent have been issued after 1-6-1970, they had certainly been referred for MRTP clearance.

SHRI KRISHAN KANT : He has not replied. There are a number of issues after 1.6.1970 in the statement he has made. That is why I asked whether there was any difference of opinion in the Commission about it, and . . .

MR. CHAIRMAN : No 'and'.

SHRI KRISHAN KANT : He has not replied to that question.

MR. CHAIRMAN : Let him answer.

SHRI MOINUL HAQUE CHOUDHURY: I made it clear that the cases are referred for MRTP clearance from the MRTP angle at the stage of letters of intent. The date referred

to here is the date of the licence. After a letter of intent is given, they take some time to convert it into a licence. In certain cases, it may as well be, that during the delicensed period steps were taken to set up the capacity.

SHRI K. P. SUBRAMANIA MENON : There seems to be a serious discrepancy between what the Minister has said and what the Industrial Development Ministry said in its Press-note dated 2+th February. According to that press- note, 113 licences were issued to the larger houses in 1971 as compared to 20 in 1970. Of these 86 were carrying-on business licences and 18 were for substantial expansion of work of new ventures. What is the reason for this discrepancy between what the Minister has stated and what the Industrial Development Ministry has said in its Press note dated 24th February ?

SHRI MOINUL HAQUE CHOUDHURY: Without looking into that figure, I cannot say. The discrepancy is probably due to the fact that those figures related to 1970 and 1971 year-wise whereas these figures relate to the last six months or so.

MR. CHAIRMAN : Last question by Shri Bhupesh Gupta. Please put a short question.

SHRI BHUPESH GUPTA : Is the hon. Minister aware that there are inquiries pending against the Birla by the foreign exchange enforcement Directorate and the CBI ? Some of them related to charges that were made in the House with regard to foreign exchange, leakage of devaluation news, certain deals to acquire foreign exchange in anticipation of devaluation, etc. May I know, in view of this inquiry being pending against the Birlas, why the Birlas are given licences especially when it is known that foreign exchange leakage did take place and they made about Rs. 1 crore and they are having foreign offices where they are accumulating huge fortunes by means of underinvoices and so on ?

SHRI MOINUL HAQUE CHOUDHURY: This question relates to Sarkar Commission. The hon. Member is referring to some other inquiry. I will certainly try to know about it from the Home Ministry and try to take care of it in future. This question relates to Sarkar Commission and wherever specific allegations were made against any firm Dutt Committee those had been referred to the Sarkar Commission, we are not favouring them.