

Shri Manubhai Shah: We have done that exercise; it is a bottomless pit. That type of requirement cannot be met. We can only meet the real requirements as and when needed.

Repayment of Loan by TISCO and IISCO

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- *184. Shri Madhu Limaye:
 Shri S. M. Banerjee:
 Shri Bagri:
 Shri Yashpal Singh:
 Shrimati Tarkeshwari Sinha:
 Shri Indrajit Gupta:
 Shri P. R. Chakraverti:
 Shri K. N. Tiwary:
 Shri Warior:
 Shri Daji:
 Shri Onkar Lal Borwa:
 Shri Brij Raj Singh:
 Shri Gokaran Prasad:
 Shri Hukam Chand

Kachhavalya:

Will the Minister of Steel and Mines be pleased to state:

(a) whether any fresh agreement has been entered into with the TISCO and IISCO regarding the repayment of the loan advanced to them along with interest; and

(b) if so, the broad features thereof?

The Deputy Minister in the Ministry of Steel and Mines (Shri P. C. Sethi):

(a) Terms of fresh agreements to be entered into with TISCO and IISCO have been finalised and formal agreements are expected to be executed shortly.

(b) Under the revised agreements, the Government of India and the Companies will agree that the provisions of the earlier agreements should be superseded in so far as they relate to the special advances of Rs. 10.18 crores to IISCO and Rs. 10 crores to TISCO. About half the amount—Rs. 5.18 crores in the case of IISCO and Rs. 5 crores in the case of TISCO—will be deposited almost immediately. In fact IISCO have

already deposited Rs. 5.18 crores. The balance of the principal amount will be paid over a phased period, payment to be completed by the 31st March, 1972. Interest will be payable with effect from the 1st April, 1965 on the outstanding principal amount in half yearly instalments. As regards the payment of past interest for the period 1st July, 1958 to the 31st March, 1965, Government will agree not to press their claim for such payment for the period 1st July, 1958 to the 31st March, 1961. Thereafter, simple interest from the 1st April, 1961 to the 31st March, 1965 will be payable at the bank rate current from time to time during the period. Payment of this amount will also be phased over a period, payments to be completed by the 31st March, 1972 in half-yearly instalments.

श्री मधु लिमये : इस नये करार के अनुसार नई सहूलियत इन कम्पनियों को दी गई है जब कि वैसे की कमी के कारण कई आवश्यक सरकारी योजनाएं जैसे सिंचाई की योजना है खाद्य की योजना है उनमें कटौती हो रही है, तो मैं जानना चाहता हूँ कि क्या वजह है कि कर्जा वसूल करने के बारे में सख्ती बरतने के बजाय इनको यह सहूलियतें दी जा रही हैं ?

इस्पात और लौह मंत्रालय में उपमंत्री (श्री प्र० च० सेठी): कर्जा वसूल किया गया है। जसा कि मैंने अपने मुख्य उत्तर में बतलाया था कर्जा तो तुरन्त वह जमा कर रहे हैं बाकी जहाँ तक प्राधे कर्जे का सवाल है उन्होंने उसके इंस्टालमेंट कर दिये हैं और उसका पैमेंट भी 31 मार्च 1972 तक पूरा हो जाएगा। इंटरैस्ट भी हम उनसे ले रहे हैं। प्राइवेटाइज प्रिंसिपल एमाउंट जो कि हाफ इयरली इंस्टालमेंट्स में दिया जायगा उस पर मूद पहली अप्रैल सन् 1965 से लगेगा। जहाँ तक पान्ट इंटरैस्ट का सवाल है यानी 1 जुलाई, 1958 से 31 मार्च, 1965 तक, गवर्नमेंट इस बात पर राजी

हो गयी है कि वह पहली जुलाई 1958 से 31 मार्च, 1961 तक इंटरेस्ट का दावा नहीं करेगी। यह सहूलियत देने का कारण यह है कि सही बात तो यह है कि प्रोडक्शन इस कम्पनी ने 61 में ही शुरू किया तब से उनको उस पर कुछ रिटर्न मिलने लगा।

श्री मधु सिन्घे : भ्रगस् के बाद यह जो नई सुरक्षा की जिम्मेदारी बढ़ गयी है तो क्या इन कारखानों ने कोई नया काम या नया जिम्मा ले लिया है जिससे कि प्रतिरक्षा के काम में सहायता हो जायगी और क्या इसका इस सहूलियत से कोई सम्बन्ध है ?

श्री प्र० चं० सेठी : प्रतिरक्षा के क्षेत्र में जो कुछ उत्पादन वह कर सकते हैं वह कर ही रहे हैं। जहां तक उनके एक्सपैंशन का सवाल है उसका और इसका कोई सम्बन्ध नहीं है।

श्री यशपाल सिंह : अब तक कितनी पैनलटी इनके ऊपर की गई है ? यह जो कितने चार, चार साल बाद भ्रदा करते हैं उन पर न कोई इंटरेस्ट है और न कोई पैनलटी है तो भ्राखिर यह उन के साथ वह खुली रियायत क्यों की जा रही है ?

श्री प्र० चं० सेठी : उस में बिलकुल रियायत का सवाल नहीं है। भ्रायन्दा भ्रगर कोई वह कित्त मिस करेंगे या देने में चूक करेंगे तो गवर्नमेंट को इन्विटी भ्रादि में परिवर्तन करने का भ्राधिकार है और उसका उपयोग किया जा सकता है।

Shri Indrajit Gupta: Arising out of the reply just given to the supplementary question, may I know whether in view of the fact that those advances were made as long ago as ten or twelve years, Government are incorporating any clause in the two agreements to the effect that if these companies commit any further default after these agreements, then Government will take action under

the Companies Act to convert the outstanding amounts into equity capital?

The Minister of Steel and Mines (Shri Sanjiva Reddy): They are paying 50 per cent of the amount immediately. If there is default, Government are at liberty to take action.

Mr. Speaker: The hon. Member wants to know whether any provision is being incorporated in the agreements.

Shri Sanjiva Reddy: When Government have the power, why should we ask them to agree to such a condition? When Government have the power to convert the amount into equity shares, where is the necessity for any condition in the agreement?

Shri P. E. Chakraverti: In the context of the effective functioning of other public sector enterprises, have Government evolved a scheme for participating in shares in these companies in lieu of the money advanced to them?

Shri Sanjiva Reddy: No, Sir.

श्री क० ना० तिवारी : क्या टिस्को और इस्को कम्पनियों ने अपने एक्सपैंशन के लिये नये ऋण के वास्ते एप्साई किया है, यदि किया है तो वह रकम क्या है ?

श्री प्र० चं० सेठी : अभी उसकी मुकम्मल जानकारी नहीं दी है। वह बल्ड बैंक से भी निगोशिएट कर रहे हैं। जब उनकी प्रोजेक्ट रिपोर्ट तैयार हो जायगी तब हमारे सामने वह चीज भ्रायेगी।

Shri Warior: What are the reasons for the Government not pressing for the interest charges from 1958 to 1961?

Shri Sanjiva Reddy: The whole history of this loan is really unfortunate. It is full of conditions for repayment. Therefore, we had to renegotiate it. The Finance Minister

and the Secretary, Steel Ministry, negotiated it. We thought that instead of delaying it another 10—12 years, it should be settled. There are so many conditions. If we have to recover the loan amount from them, some element of the price will have to be given to them. Now since we have decontrolled some steel items the question does not arise. There are a number of complications and we thought that instead of delaying the collection by another 10—12 years, we would avoid all this and go a little to meet them.

श्री श्रींकार लाल बेरबा : जैसा कि श्री मंत्री महोदय ने बतलाया कई एक शर्तों जिनसे कि 10 वर्ष तक अगर वह मूद न दें तो हमको प्राप्ता फायदा हो सकेगा और वह शर्त भ्राम्य हो जायेगी तो मैं जानना चाहता हूँ कि कौन कौन सी शर्तों के तहत हमने ऐक्शन लिया है या उनसे बातचीत की है ?

श्री प्र० चं० सेठी : जब उनको ऋण दिया गया था उस समय यह शर्त थी कि यह स्पेशल एडवांस है और इसकी वापसी के लिए रिटर्न प्राइस में स्पेशल एलिमेंट इसका और ब्याज प्राइस के लिए देना होगा इसलिए ऋण की वमूली में कठिनाई हुई है।

श्री हुकम चन्द कछवाय : टैस्को और ऐस्को को जो ऋण दिये गये थे उनमें कौन कौन शर्तें थीं और उन में से किन किन शर्तों का उन्होंने उल्लंघन किया है और जिन शर्तों का उल्लंघन किया है उस सम्बन्ध में सरकार ने कौन सी कठोर कार्यवाही की है ?

श्री प्र० चं० सेठी : अध्यक्ष महोदय, श्री मंत्री ने वह सारा विवरण रखा था। मुख्य शर्त यह थी कि उनको जो रिटर्न प्राइस दी जायेगी उस में उनको इस ऋण को और ब्याज को लौटाने के लिए कुछ स्पेशल एलिमेंट दिया जायेगा उसकी रिटर्न प्राइस के अलावा और चूकि रिटर्न प्राइस का जब वह प्रश्न टैरिफ कमिशन में गया और टैरिफ कमिशन की सिफारिशों की जब सन् 62 में

वह शर्तें सरकार ने मंजूर नहीं किया तो उस समय इस ऋण के दिये जाने और वमूल करने में कुछ भड़कने पैदा हुई। बाकी सवाल नहीं उठता।

श्री हुकम चन्द कछवाय : कौन शर्तें थीं ?

श्री प्र० चं० सेठी : इसके अलावा कोई शर्तें नहीं थी।

Shrimati Renu Chakravarty: In view of the fact that Government have full powers to get back this loan and interest because we have permitted the retention price to be increased several times and also in consideration of the fact that a year and a half ago we gave full powers to Government to convert this loan into equity shares, will Government be prepared to accept some sort of a commission to go into the entire question of the reticence and delay on the part of Government about taking back this loan in spite of having the entire power to do so at their disposal?

Shri Sanjiva Reddy: No, I am not prepared to accept this. The Government have considered this very carefully and the Cabinet has taken a decision to collect the amount. After all, it is not that we accepted the recommendation of the Tariff Commission. The Tariff Commission had recommended in March 1962 Rs. 8 per ton as a special element. Government did not accept it as they thought that it was perhaps not desirable to give them that. Therefore, we turned it down. The clause is that the Tariff Commission will have to be consulted and whatever recommendation is made, that element is to be given and out of that special element, we will collect the loan plus interest. There are so many complications and therefore, we could not enforce it.

Shri A. P. Sharma: Is this company being run at a profit or at a loss? If it is running on a profit, why this special concession to this company?

Shri Sanjiva Reddy: I hope they are running at a good profit. About the conditions in those days, I do not know.

Shrimati Renu Chakravartty: It is a losing concern. That is why Government are not keen on conversion.

Shri Harish Chandra Mathur: Is it not a fact that a legislative enactment was passed by this House even against the advice of some of us who said that it was most unethical that loan could be converted into equity, with particularly these companies in mind, and will Government explain why they sought that legislation in such manner and why they have not used it.

Shri Sanjiva Reddy: The Government has the powers, but it is not necessary every time that we use the powers. In this case the Government considers that it is not necessary and that we should recover the amount. Parliament has given powers to Government. Government considered all aspects and in this case it was felt that it was not necessary to take such action.

Shri Harish Chandra Mathur: My question was whether it is a fact that the constitutional amendment was got passed particularly with this concern in view. What was the occasion, what prompted the Government to have such a constitutional amendment passed by this House?

Shri Sanjiva Reddy: To say that we pass a legislation with a particular thing alone in view is not correct. This is a power given to Government, not only for the past but for the future also. Anyway I was not here then I do not know whether it was exclusively for this.

Shri Sinhasan Singh: What is the total amount of capital with which these companies were started and what is the amount of loan given by the Government, and what is the proportion between the two.

Shri Sanjiva Reddy: The whole history of IISCO and TISCO I am unable to give. The loan amounts have already been given—Rs. 10 crores to TISCO and Rs. 10.18 crores to IISCO.

Shri Shivaji Rao S. Deshmukh: The particular background in which the company law amendment was passed was to protect the public interests by converting into equity shares loans advanced to profitable concerns, and since these are profitable concerns what prompted the Government to pay a special premium on their default, as it is a fact that they were gross defaulters?

Mr. Speaker: That is what has been explained so far. Shri Warrior.

Shri Kapur Singh: It is Warrior, not Warrior.

Mr. Speaker: I find there is only one "r", previously there used to be two. Anyway he has never objected to my calling him "Warrior".

Shri Warrior: It was always like that.

Industrial Production

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*185. Shri Warrior:

Shri Daji:

Dr. Sarojini Mahishi:

Shri P. C. Borooah:

Will the Minister of Industry and Supply be pleased to state:

(a) the manner in which the industrial production during the first six months of the current financial year compares with that of the first