

**Shortage of Mustard Oil**

2942. SHRI K. MALLANNA:

SHRI ISWAR CHOUDHARY:

Will the Minister of COMMERCE AND CIVIL SUPPLIES AND CO-OPERATION be pleased to state:

(a) whether there is acute shortage of mustard oil in certain parts of the country; and

(b) if so, the names of such States and the measures Government have taken to meet the demand of the common people in this regard?

THE MINISTER OF COMMERCE AND CIVIL SUPPLIES AND CO-OPERATION (SHRI MOHAN DHARIA): (a) and (b). Owing to some shortfall in the production of mustard oil during 1976-77, as compared to the previous year, shortages have been felt in the major mustard oil consuming States. These are West Bengal, States and Union Territories in the North-Eastern region, Bihar, Orissa, Uttar Pradesh, Jammu and Kashmir and Rajasthan. To obviate the situation, imported rapeseed oil has been allotted to States, as required by them, to be distributed after refining at an end consumer price of Rs. 8.50 a Kg.

**Dilution of Foreign Equity Holdings in Foreign Companies**

2943. SHRI K. A. RAJAN: Will the Minister of FINANCE AND REVENUE AND BANKING be pleased to state which are the foreign companies operating in India that have not diluted yet their foreign equity holdings?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) statement showing the names of companies which have to dilute their non-resident interest in accordance with the directives issued by the Reserve Bank of India under Section 29 of the Foreign Exchange Regulation

Act, 1973 is laid on the Table of the Sabha. [Placed in Library. See No LT-946/77.]

**Use of Foreign Trade Mark by Coca Cola Company**

2944. SHRI C. K. CHANDRAPPAN: Will the Minister of COMMERCE AND CIVIL SUPPLIES AND COOPERATION be pleased to state:

(a) whether Coca Cola Company was asked to stop using foreign trade mark after December 31, 1976;

(b) whether this company is using the same trade mark even now; and

(c) if so, the reasons therefor and what further action has been taken thereon?

THE MINISTER OF COMMERCE AND CIVIL SUPPLIES AND CO-OPERATION (SHRI MOHAN DHARIA): (a) No, Sir.

(b) Yes, Sir.

(c) Does not arise.

**Guidelines for Issue of Bonus Shares**

2945. SHRI PRASANNBHAI MEHTA: Will the Minister of FINANCE AND REVENUE AND BANKING be pleased to state:

(a) whether the Department of Company Affairs has issued new guidelines for issue of bonus shares; and

(b) if so, the salient features of the guidelines?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) The Department of Economic Affairs has issued on the 6th June, 1977 two additional guidelines governing the issue of bonus shares.

(b) These two guidelines are:

(i) A certificate should be furnished from the auditors of the company that adequate

provision for depreciation has been provided in the accounts of the company as allowable under the Income Tax Act.

- (ii) If there is a change in the method of depreciation, the companies should further ensure that adequate provision for deferred taxation liability is made and the auditor's certificate to this effect should also be furnished along with the application for bonus issue.

#### Raising of Capital by Companies

2946. SHRI R. V. SWAMINATHAN: Will the Minister of FINANCE AND REVENUE AND BANKING be pleased to state:

(a) how many companies were allowed to raise their capital from the 1st March, 1977 to the end of June, 1977;

(b) the names of such companies;

(c) how much capital has been allowed to be raised by each company; and

(d) the reasons for allowing such a large number of companies to raise the capital.

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) During the period 1st March 1977 to 30th June 1977, 137 non-government companies have been granted permission under the Capital Issues (Control) Act, 1947 to raise capital by way of initial and further issues, bonus issues, debentures, loans etc.

(b) and (c). Names of companies and the amount of capital allowed to be raised by each company are given in the Statement laid on the Table of the House. [Placed in Library. See No. LT-647/77].

(d) The reasons for giving consent to the issue of capital by the companies are as under:

(i) Bonus issues represent only the capitalisation of the free reserves so as to bring the shareholders fund retained in the business more in line with the total capital employed in the business. The issue of bonus shares is governed by guidelines issued by the Government in this behalf.

(ii) In the case of issue of fresh or further capital by way of share capital, debentures, loans etc., the raising of capital is necessary to enable the companies to finance a part of the projects for which they hold the necessary industrial licences. In some cases, the issue of capital has also become necessary to enable the company to dilute its non-resident interest in accordance with the directives given to the company under the Foreign Exchange Regulation Act.

It needs to be made clear that the information given in the Annexure relates to only the consent given for issue capital and not to the capital actually raised by them from the market under the consents given to them.

It cannot be said that a large number of companies have been given permission to raise capital.

#### Silk Industry in Karnataka

2947. SHRI K. MALLANNA: Will the Minister of COMMERCE AND CIVIL SUPPLIES AND COOPERATION be pleased to state:

(a) whether Silk Industry in Karnataka has occupied a prestigious position in the world of fabrics;

(b) if so, whether an intensive development plan to increase the production of raw silk in the State has been sent to the Central Government; and