

Raising of Foreign Capital by Indian Companies

1716. SHRI ARIF MOHAMMAD KHAN : Will the Minister of FINANCE be pleased to state :

(a) whether Government have received reports about certain Indian companies raising capital directly in foreign money markets ; and

(b) if so, the reaction of Government thereto ?

THE MINISTER OF FINANCE (SHRI R. VENKATARAMAN): (a) and (b): No Indian company can raise capital abroad without the prior clearance from the Government of India/Reserve Bank of India. Approval for foreign currency loans is given for high-yielding projects which cannot be financed under available lines of multilateral/bilateral loan/credit. Each case is considered on merits after taking into account the terms of such loans offered as also the nature and profitability of the projects. If information is required about any specific proposal approved, the details could be supplied.

Purchase of Kudremukh Iron Ore by Foreign Countries

1717. SHRI B.V. DESAI : Will the Minister of STEEL AND MINES be pleased to state :

(a) whether it is a fact that due to uncertainty by the Union Government to buy Kudremukh ore, many countries have expressed for the purchase of Kudremukh iron ore :

(b) if so, the countries which have shown the interest ;

(c) whether any agreement with them has been reached ; and

(d) whether Russia has finally decided not to buy ore from India from 1981 onwards ?

THE MINISTER OF COMMERCE AND STEEL MINES (SHRI PRANAB MUKHERJEE): (a) and (b) Presumably the reference is to the Iranian Government who have indicated that Iran would not be able to take more than 4.5 million tonnes of Kudremukh concentrate per annum, where as the capacity of the Kudremukh project is 7.5 million tonnes/year. Some countries such as Romania, Bahrain, Trinidad & Tobago etc. have evince interest in the purchase of Kudremukh concentrate.

(c) An order for supply of 50,000 tonnes of concentrate has been received from Romania for delivery in April/May, 1981. Efforts continue to obtain further orders for the concentrate on a longterm basis.

(d) At the moment, USSR does not seem to be in a position to buy iron ore from India on account of the high freight charges.

Stocks of Cold Ingots and Slabs with Public Sector Steel Plants

1718. SHRI B.V. DESAI :
SHRI K. PRADHANI :

Will the Minister of STEEL AND MINES be pleased to state :

(a) whether a three pronged strategy has been adopted by the public sector steel plants to reduce the stocks of cold ingots and slabs which could not be converted into saleable steel for lack of coking coal and power in the earlier months;

(b) if so, the details of the strategy formulated ;

(c) to what extent accumulated stocks of cold ingots and slabs which has put financial strains on the several steel plants have been removed ; and

(d) whether during the fourth month period ended December 1, 1980 the cold ingot stocks with the SAIL plants have come down from 7.5 lakh tonnes to 6.2 lakh tonnes ?

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) and (b). In view of the continuing constraints in adequate supply of coking coal and power, a decision was taken to reduce the stocks of steel ingots by :—

(i) consciously regulating the production of ingot steel in order to roll more and more ingots from stocks in addition to current production matching with the available power for the rolling mills (this not only helped to control the increasing trend in the stock of ingots but also helped in producing more saleable pig from the available hot metal. Thus, more saleable steel and pig iron were made available to the domestic market);

(ii) diverting the steel ingots to sister steel plants where the availability of power was relatively better ; and