

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

(iii) releasing the semis to market, thereby making available more semi-furnished steel/finished steel in the domestic market.

(c) & (d): As a result of the above measure, the stocks of steel ingots, which had touched the high level of 7.49 lakh tonnes on 1-8-1980, came down to 5.06 lakh tonnes on 1-12-1980. Efforts to bring down the stocks further are continuing.

An Airline's Magazine to be Lighter Reading

1719. SHRI S. M. KRISHNA : Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state :

(a) whether his attention has been drawn to the news item "An Airline's Magazine to be Lighter Reading" appearing in the Statesman, New Delhi, dated the 21st January, 1981 ; and

(b) if so, his reaction thereto in so far as the taking of similar measures by the Air-India and I.A. is concerned ?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI A.P. SHARMA) : (a) Yes, Sir.

(b) The article is under study.

Stepping up of Sponge Iron Production Capacity

1720. SHRI R. L. BHATIA : Will the Minister of STEEL AND MINES be pleased to state :

(a) whether Government are contemplating substantially stepping up sponge iron production capacity; and

(b) if so, the broad outlines of the proposal the location and size of the plants after considering their proximity to the raw material sources vis-a-vis the consuming sector, storage and transportation ?

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE) : (a) & (b). A demonstration sponge iron plant, based on the use of coal as solid reductant, has already been set up at Kothagudem, Andhra Pradesh. The Orissa Sponge Iron Ltd. has been granted a licence for 3,00,000 tonnes capacity of which 1,50,000 tonnes is under implementation. The Bihar Industrial Development Corporation has also been granted a letter of intent for

setting up a sponge iron plant of 1,20,000 tonnes capacity. In addition, the department of Petroleum has agreed to the utilisation of gas from the Bombay High for the production of 4 to 5 lakh tonnes of sponge iron, based on gas. The Kothagudem unit was commissioned very recently and the Orissa unit is expected to be commissioned by end of 1981. The results of operation of these plants would be useful in guiding the Government in framing the policy regarding the creation of new sponge iron capacity. A small inter-ministerial committee has also been recently set up for examining various aspects of the problems like location of the plant, its size etc.

Soft Loan Granted by IDBI to Large Industrial Houses

1721. SHRI R. L. BHATIA : Will the Minister of FINANCE be pleased to state the names of large industrial houses which have been granted IDBI soft loan during the current year. The amount thereof and terms of payment ?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI MAGANBHAI BAROT) : The names of large industrial houses registered under Section 26 of the Monopolies and Restrictive Trade Practices Act, 1969, which have been sanctioned financial assistance by the Industrial Development Bank of India under the Soft Loan Scheme, together with amounts sanctioned during the period January, 1980 to January, 1981 is given in the attached statement.

The main terms and conditions under which the loans are given under the Scheme are as follows :

- (i) Assistance at a concessional rate of 7.5% per annum against the normal lending rate of 11.00% (figures given are exclusive of interest tax) is granted on a graduated scale ranging from 100% in the case of weak units to 20% to well-off concerns, depending upon the health of the unit.
- (ii) The repayment period of the loan under the Scheme is upto 15 years including moratorium of 3 to 5 years.
- (iii) A reasonable contribution from the industrial concerns towards the cost of the modernisation scheme is insisted upon.