

Limited for sale of nearly 7,000 tons of odd-sized structural steel by giving a rebate of Rs. 100/- per ton;

(b) whether it is also a fact that such a deal was concluded with selected few firms and no prior announcement or publicity was made regarding the intention of the Hindustan Steel Ltd. to reduce their price by Rs. 100 per ton;

(c) the manner in which the Hindustan Steel Ltd. satisfied itself that the prices obtained were the highest available; and

(d) the circumstances and justification for making a departure from normal practice in concluding this sale ?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL, MINES AND METALS (SHRI P. C. SETHI) : (a) and (b). No such deal regarding structural steel was concluded by Hindustan Steel Limited. Apparently, the reference is to the arrangements made by Hindustan Steel Limited for disposal of the accumulation of off-grade plates at Rourkela. It was decided by Hindustan Steel Limited that for despatches before March 31, 1968 a rebate of Rs. 100 per tonne may be offered in the first instance, to those stockists/customers who had been previously taking off-grade plates at ruling prices and accordingly circulars were issued to over 200 customers. It was also decided to offer the balance after meeting the demand of such stockists/customers to other dealers and customers, also.

(c) and (d). After taking into consideration several factors like saving on loss of interest on blocked capital, increased cash flow, release of stocking space for operational purposes etc., Hindustan Steel Limited decided that the offer of such rebate was a sound commercial proposition in respect of off-grade categories of plates.

ECONOMIC AND RESEARCH FOUNDATION

1907. SHRI D. N. PATODIA : Will the Minister of INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS be pleased to state :

(a) whether it is a fact that the Economic and Research Foundation has stated in their study note that leading companies in India are going through a phase of profitless growth which does not augur well for LALSS(CP)68-4

the future of industrial growth in the country;

(b) whether the study has also pointed out that while the sales turn-over of top 200 Companies increased by 14 per cent during 1965 their net profits actually declined by nearly 5 per cent; and

(c) if so, Government's reactions thereto ?

THE MINISTER OF INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS (SHRI F. A. AHMED) : (a) and (b). Yes, Sir. The Foundation has stated in their study note that the sales turn-over of top 200 companies increased from Rs. 2,613 crores in 1964 to Rs. 2,998 crores in 1965 while the net profits declined from Rs. 121 crores to Rs. 115 crores and that while the bigger companies are increasing in size their growth has been unprofitable in terms of returns.

(c) Although in respect of 200 companies studied by the Foundation, the sales have gone up and the net profits have gone down, it is not proved that in respect of all the companies in the country the same phenomenon is present. The Reserve Bank of India has made a study of the over-all working of a large number (viz., 1333) of non-Government non-financial public limited companies during 1965-66. According to their study the sales of these companies increased at the rate of 10.1 per cent as compared to the previous year; the gross profits in relation to the total capital employed was 9.9 per cent and in relation to sales was 9.4 per cent. A rate of growth in sales of 10 per cent and profits of approximately 10 per cent cannot be considered as low.

WOOLLEN MILL AT BIKANER

1908. SHRI D. N. PATODIA : Will the Minister of COMMERCE be pleased to state :

(a) whether the public sector woollen mill at Bikaner has gone into production;

(b) If so, what are the targets of its production;

(c) when this mill is likely to export its products; and

(d) if the reply to part (a) above be in the negative, the reasons for the delay ?