

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P. C. SETHI) : (a) It is a fact that the Printers House (P) Ltd., New Delhi are the agents of several foreign firms.

(b) (1) According to the information available with the Government, The Printers House (P) Ltd. are the Indenting Agents for the import of printing machinery and allied equipment. They are also reported to be engaged in manufacture and export of Printing Press. (2) The names of the members of the Board of Directors of the company are :

- (i) Shri J. N. Sahni
- (ii) Shri K. D. Kohli
- (iii) Shri R. N. Sahni
- (iv) Shri M. M. Kohli

(3) As the transactions of this company with foreign firms are at present under investigation by the Enforcement Directorate, it would not be desirable to disclose the names and other details of the foreign firms with which the company has business relations.

(c) and (d). Certain allegations against this company of contravention of the foreign Exchange Regulation Act, the Customs Act and the Income-tax Act, have been received by the Government, the more important of which relate to :

(i) unauthorised transactions in foreign exchange and holding of large reserves abroad ;

(ii) over-invoicing of imports in order to build up funds abroad ; and

(iii) non-deduction of tax at source from the salaries paid to some employees and non-deposit thereof in the treasury.

(e) Investigations following a search of the business premises of the company and certain other connected premises by the Enforcement Directorate in April, 1969, are in progress, on completion of which action as provided in the law will be taken.

Allotment of Plots of Land to Members of Parliament

3116. SHRI J. K. CHOUDHURY : Will the Minister of HEALTH AND FAMILY PLANNING AND WORKS, HOUSING AND URBAN DEVELOPMENT be pleased to state :

(a) whether the location and price of plots, which are proposed to be allotted to Members of Parliament have been decided ; if so, the details thereof ; and

(b) the time by which the allotment of the plots is likely to be completed ?

THE MINISTER OF STATE IN THE MINISTRY OF HEALTH AND FAMILY PLANNING AND WORKS, HOUSING AND URBAN DEVELOPMENT (SHRI B. S. MURTHY) : (a) Not yet.

(b) Does not arise.

Exploration Work Handicapped due to Non-Availability of Bits for Rigs

3117. SHRI D. N. PATODIA :
SHRI SITARAM KESRI :

Will the Minister of PETROLEUM AND CHEMICALS AND MINES AND METALS be pleased to state :

(a) whether it is a fact that the work of exploration has been seriously handicapped as many rigs are lying idle for non-availability of 'bits', as foreign exchange has not been sanctioned for their import ; and

(b) if so, the number of such rigs and their present position ?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND CHEMICALS AND MINES AND METALS (SHRI D. R. CHAVAN) : (a) No.

(b) Does not arise.

Alleged Adulteration in Products by Agents of Foreign Oil Companies

3118. SHRI D. N. PATODIA : Will the Minister of PETROLEUM AND CHEMICALS AND MINES AND METALS be pleased to state :

(a) whether Government's attention has been drawn to the news item in the *Patriot* dated the 15th October, 1969 that widespread adulteration is being done by the agents of foreign oil companies for products usually leading to shortage in weight in violation of the weights and Measures Act ; and

(b) if so, how many such cases have come to Government's notice and the steps being taken in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND CHEMICALS AND MINES AND METALS (SHRI D. R. CHAVAN) : (a) Yes, Sir.

(b) The required information is being collected and will be laid on the Table of the Lok Sabha.

**Return on Loans by I. F. C. and
I. C. I. C. I.**

3119. SHRI D. N. PATODIA : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the funds of IFC and ICICI are meant to be used as rotating loans which will get blocked, if converted into share capital; and

(b) whether it is a fact that whereas return in case of loans is assured in terms of the rate of interest, in case of conversion into share capital the return is dependent upon the profit and loss of the company and minimum returns cannot be assured ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P. C. SETHI) : (a) Presumably the Hon'ble Member has in mind the recommendation of the Industrial Licensing Policy Inquiry Committee regarding the conversion of loans granted by public sector financial institutions to companies in the private sector into equity capital of the assisted company.

If may be stated, in this connection, that at present under their respective charters, the IFC and ICICI provide long-term financial assistance to companies, not only in the shape of loans but also by subscribing to or underwriting issues of share capital including debentures, with or without right of conversion into share capital. In granting term loans, the institutions can secure the agreement of the assisted company to stipulate, as part of the condition of grant of the loan, that the loans can be converted into equity capital of the company, on terms settled prior to the grant of the loan. If, on the basis of those mutually agreed terms, the dividends declared by a particular company tend to give a higher yield than the rate of interest on the loan, it may obviously be of advantage to the institutions to exercise the option for such conversion, and earn higher returns on their investments. The yield on the investment after conversion of the loan into share

capital, in such cases, would place in the hands of the institutions larger funds than the annual interest on the loan. Besides, the institutions will also be able to partake in the capital appreciation of the shares so converted and book profits by selling parts of the holdings in a favourable market. Thus, a judicious exercise of the option to convert loans into share capital need not necessarily result in the funds of the institutions getting blocked in a manner adverse to the interests of the institutions.

The recommendation of the Committee regarding conversion of the loans into equity is under the consideration of Government.

(b) The financial institutions will no doubt exercise the option for conversion only when such a course is advantageous from their point of view.

**Central Assistance for Rajasthan Canal
Project**

3120. SHRI D. N. PATODIA : Will the Minister of IRRIGATION AND POWER be pleased to state :

(a) whether it is a fact that a Study Team of his Ministry was sent to Rajasthan to assess the desirability of augmenting the Central assistance for Rajasthan Canal Project ; and

(b) if so, the findings of the Study Team and whether the Central Government have considered the additional amount to be given to the State Government and the particulars of the items/projects for utilisation ?

THE DEPUTY MINISTER IN THE MINISTRY OF IRRIGATION AND POWER (SHRI SIDDHESHWAR PRASAD) : (a) No, Sir.

(b) Does not arise.

**Setting up of Coal-Based Fertilizer Plants
with Italian Collaboration**

3121. SHRI D. N. PATODIA :
SHRI D. N. TIWARY :

Will the Minister of PETROLEUM AND CHEMICALS AND MINES AND METALS be pleased to state :

(a) whether it is a fact that Government have signed agreements with an Italian firm for setting up coal-based fertilizer plants in the country ;