

**Selling of National Rayon Shares by
L.I.C. to Kapadias**

101. SHRI MADHU LIMAYE : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the Life Insurance Corporation sold a large block of National Rayon preference shares (held by LIC) at a discount of 25 per cent to the Kapadias;

(b) whether these shares carry voting rights;

(c) whether this deal was arranged through Shri Khandake and a Commission or consideration of Rs. 50,000/ was paid to this gentleman officially by the Kapadias;

(d) whether the Central Government has given any directions to the Life Insurance Corporation that it should help upstarts to capture and/or acquire large Industrial companies through its sale/purchase of shares;

(e) if not, whether Government would direct that the L.I.C. restrict its sale to any party to a certain per-centage (say 4 or 5) and give prior publicity to its intention to sell; and

(f) if not, the reasons therefor ?

THE MINISTER OF SUPPLY AND THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. K. KHADILKAR) : (a) The L. I. C. sold 35,285 5.55% Cumulative Preference Shares of the National Rayon Corporation Ltd. of the face value of Rs. 100/- each through a broker at Rs. 100/- per share. The then prevailing market price per share was Rs. 66/- only. The L. I. C. was not aware on whose behalf the shares were purchased by the broker,

(b) Yes, Sir.

(c) No, Sir. The deal was not arranged through Shri Khandake. Government is not aware whether any consideration money was paid to Shri Khandake by the Kapadias.

(d) No, Sir.

(e) and (f). The sale of shares of any individual company by the L.I.C. does not

generally exceed 5%. It will not also be prudent for the L.I.C. to give prior publicity of its dealings in shares and securities. Government do not therefore propose to issue any directions.

Opening of Branch Offices by non-Nationalised Banks in Delhi

102. SHRI RAMACHANDRA VEERAPPA : Will the Minister of FINANCE be pleased to state :

(a) whether Government have received any request from the non-Nationalised Banks to permit them to open more Branch Offices in Delhi;

(b) if so, the names of those banks which have asked for the permission; and

(c) whether Government have considered the request, with what result ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P. C. SETHI) : (a) and (b). Applications for licence to open new offices of banks are required to be made to the Reserve Bank of India and not the Government. Since April 1969, applications for opening ten new offices in Delhi/New Delhi were received by the Reserve Bank from four non-nationalised banks, viz. the Punjab and Sind Bank Ltd., Amritsar, the Jammu and Kashmir Bank Ltd., Srinagar, the Lakshmi Commercial Bank Ltd., New Delhi and the Vijaya Bank Ltd., Mangalore.

(c) Out of the applications for ten Offices, referred to above, five have already been allowed by the Reserve Bank and the remaining five are under its consideration.

Fertilizer Plant in Orissa

103. SHRI K. P. SINGH DEO : Will the Minister of PETROLEUM AND CHEMICALS AND MINES AND METALS be pleased to state :

(a) whether the Government of Orissa had applied for industrial licence for setting up a fertilizer plant in the State;

(b) if so, whether the Central Government have agreed to grant the licence and issue letter of intent to the State Govern-

ment; and

(c) if so, when these are likely to be issued; and if the reply to part (b) above be in negative, the reasons therefor?

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

(b) and (c). Do not arise.

Increase in demand for Oil and Oil Products in Certain States due to Green Revolution

104. SHRI K. P. SINGH DEO : Will the Minister of PETROLEUM AND CHEMICALS AND MINES METALS be pleased to state :

(a) whether it is a fact that demand for oil and oil products in certain States has been considerably going up following the green revolution;

(b) if so, the names of the States and the extent to which the demand for oil products in these States has risen following the green revolution; and

(c) whether in view of the growing demand of oil and oil products, Government would consider setting up of an oil refinery in this region?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND CHEMICALS AND MINES AND METALS (SHRI D.R. CHAVAN): (a) to (c). Neither the demand projections nor the actual consumption figures are compiled State-wise. Demands for petroleum products in all regions of the country are being fully met. In determining the location of additional refining capacities, the demand pattern of the various regions is kept in view.

Setting up of Ammonia Factory in Iran under Joint Ownership of India and Iran

105. SHRI K. P. SINGH DEO :
SHRI SITARAM KESRI :

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

(a) whether Government proposes to set up an Ammonia Project in Iran under joint ownership with Iran;

(b) if so, whether any agreement has been arrived at between India and Iran in this regard; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND CHEMICALS AND MINES AND METALS (SHRI D. R. CHAVAN) : (a) to (c). The Government of Iran and India have agreed to study the possibility of setting up a joint venture in Iran for the production of ammonia. A report has been prepared in this connection by a joint working group. This report is under the examination of the two Governments.

Exchange value of Indian Rupee Abroad

106. SHRI K. P. SINGH DEO :
SHRI N. K. SOMANI :

Will the Minister of FINANCE be pleased to state :

(a) whether the attention of Government has been drawn to the Press Report appearing in the *Hindustan Times* of the 14th January, 1970 regarding the sagging of Indian rupee in the unofficial foreign exchange market in the country and the disparity between the official and the unofficial rates leading to remittances from Indians abroad through unofficial channels thus weakening the rupee; and

(b) if so, the steps taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P. C. SETHI) : (a) The transactions at unofficial rates of exchange involve a contravention of exchange control regulations and are of a very sporadic and marginal character. The disparity between the official and the so-called unofficial rates of exchange