

diabetes patients are there in this country ? ...

(Interruptions)

MR. SPEAKER : Question No. 812.

[English]

Financial Crisis in NTC Mills in Vidarbha

*812. SHRI BANWARI LAL PUROHIT : Will the Minister of TEXTILES be pleased to state :

(a) whether Government are aware that the five textile mills in Vidarbha run by the National Textile Corporation (Maharashtra North), are facing serious financial crisis due to the decision of the National Textile Corporation management to divert funds from these mills ; and

(b) the remedial steps Government propose to take in this regard ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) and (b). A Statement is given below.

Statement

(a) No Sir, It is not correct to say that the five textile mills in Vidarbha run by the National Textile Corporation are facing serious financial crisis due to diversion of funds.

(b) However, these mills are facing financial crises due to sluggish market conditions. The following steps are being taken to improve the situation ;

- (i) efforts are being made to liquidate the stocks ;
- (ii) banks have been requested to enhance the finance limits ;
- (iii) cotton has already been made available on credit basis to the subsidiary corporation ; and

(iv) recoveries of outstanding dues are being made to enable units to ease their liquidity problems.

[Translation]

SHRI BANWARI LAL PUROHIT : I want to know whether Government have diverted any funds out of the allocation they made to these five mills ? I want a categorical answer to it.

SHRI KHURSHID ALAM KHAN : Sir, there is no question of transfer of funds. But it is true that their credit limit was very low and we are trying to increase it. We did increase it a bit but not to the extent it was needed.

SHRI BANWARI LAL PUROHIT : Surely you have to pay more when you purchase cotton and other material on credit and it results in loss. Do the Government not feel that instead of buying on credit if they buy in cash, they would not be required to pay more and the condition of the mills would also take a turn for the better ?

SHRI KHURSHID ALAM KHAN : I share your views. We can go in for buying ourselves provided we have enough credit.

MR. SPEAKER : Both are in collusion with each other.

[English]

Control on Private Investment Companies charging high rates of Interest

*813. SHRI VAKKOM PURUSHOTHAMAN : Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware that several private investment companies known as "Blade Companies" are coming up in Kerala offering a high percentage of interest to the depositors and collecting cut throat interest from persons who take the loans ; and

(b) if so, whether Government propose to take any steps to control these companies ?