

श्री भागवत श आचार्य: मैं पूर्णतया सहमत हूँ कि दिवाली के अवसर पर यह आवश्यक है कि इसकी उपलब्धता को बाजार में बढ़ाया जाय। यह प्रश्न दूसरा है उनका कहना है कि इस कठिनाई को हम इस पर कंट्रोल लगा कर के दूर कर सकते हैं। लेकिन मेरा कहना है कि इस समय जब कि हम उनको वनस्पति बनाने के लिये 60 प्रतिशत बाहर से आयात किया हुआ तेल देते हैं इसी को ख्याल में रखते हुये सितम्बर, अक्टूबर में बढ़ाकर के 60 से 80 प्रतिशत कर दिया है ताकि उत्पादन बढ़े। तो आप जो कहती हैं कि कंट्रोल इस पर किया जाय उससे हम सहमत नहीं। मेरे से ख्याल में कमी नहीं आयागी। दूसरी बात आपने जो कारखानों की सफाई की कहीं है उसका मुझे पता नहीं था। इसको देख लूंगा कि क्या है और इसके संबंध में कार्यवाही करूंगा।

#### Convertible Debentures Issued by Lohia Machines Limited

\*294. SHRI R. L. P. VERMA: Will the Minister of FINANCE be pleased to state:

(a) whether Lohia Machines Ltd. recently entered the capital market by issuing convertible debentures carrying the temptation of allotment of a Vespa Scooter out of the 25 per cent quota of annual production reserved for preferential treatment to the debenture holders;

(b) if so, the new capital issue which his Ministry authorised this Company to

raise and the number of debentures thrown open to the public;

(c) the total subscription made to these debentures and how much of that was or is being returned being over-subscribed or on account of non allotment;

(d) whether any quota was reserved/ earmarked for allotment by the Directors/ Executives of the Company; if so, the details thereof; and

(e) whether it is the normal practice to make such reservation and offer a scooter on preferential allotment had his Ministry's approval?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): (a) to (e) A Statement is laid on the Table of the House.

#### Statement

M/s. Lohia Machines Limited issued a prospectus for public issue of 2,82,500 secured convertible debentures of Rs. 200/- each for cash at par for which the subscription list opened on the 7th September 1982. The prospectus contained the following statement regarding preferential allotment of scooter to the allottees:—

"The Board has decided to reserve 25 per cent of the annual production of Scooters by the Company for preferential allotment to the successful allottees who shall be allotted the Debentures in terms of this Prospectus, excluding

Debentures allotted on a preferential basis to non-resident Indians and persons of Indian origin resident abroad." The Controller of Capital Issues gave.

- (i) Existing Shareholders
- (ii) Existing Deposit-holders
- (iii) Employees, business associates, etc.
- (iv) Non-resident Indians and persons of Indian origin resident abroad on repatriation basis.
- (v) Public through prospectus

TOTAL

approval to the company to issue 2,82,500 secured convertible debentures of Rs. 200/- each for cash at par to be issued in the following manner:—

20,000 debentures aggregating to Rs. 40 lakhs.  
 3,750 debentures aggregating to Rs. 7.50 lakhs  
 6,250 debentures aggregating to Rs. 12.50 lakhs  
 50,000 debentures aggregating to Rs. 405 lakhs  
 2,02,500 debentures aggregating to Rs. 405 lakhs.  
 Rs. 5.65 crores

(The unsubscribed portion, if any out of (i) to (iv) above will be added to the public offer.)

Total subscription made to these debentures is Rs. 32.4 crores and the amount to be returned on account of non-allotment will be Rs. 30.38 crores (on the basis of 50 per cent value of debentures being the application money). The debentures earmarked for allotment by the Directors/Executives of the company are as per reservations approved by the Controller of Capital Issues mentioned in reply to part (b) of the question.

Government generally allow the companies, if so required, to reserve upto 7 1/2 per cent of the issue of debentures to the companies' employees and business associates, etc. The offer of a Scooter on a preferential allotment does not require approval under Capital Issues (Control) Act and was offered by the company at its own discretion.

SHRI R. L. P. VERMA: Sir, while replying to another question about the justification for the reservation of 25 per cent of annual production of scooters to the debenture-holders on preferential basis, the Minister of Industries has stated in reply to Unstarred Question No. 1613, dated 13th October, 82 that the intention behind this decision is to involve a large number of small investors in the project. If this is so, may I know from the Minister what is the rationale and justification for reservation of such quota for the directors and other executives of the company who are cornering a major portion of this facility for several years at the cost of so-called small investors?

Further, may I know from the Minister what is the logic behind the reservation or earmarking of this big chunk of such debenture issues carrying attractive terms for directors and others?

MR. DEPUTY-SPEAKER: I think, both the supplementaries are over!

**SHRI PRANAB MUKHERJEE:** Sir, it is not the big chunk. As per the present guidelines, 7 1/2 per cent of the total allocation can be earmarked for directors, officers, business associates and employes. All categories taken together, you can make 7 1/2 per cent and that is the accepted guideline.

**SHRI ATAL BIHARI VAJPAYEE:** Do the directors require scooters also?

**SHRI PRANAB MUKHERJEE:** You have missed the question. It is not the scooter but it is the debenture allocation.

**SHRI ATAL BIHARI VAJPAYEE:** I thought you were giving scooters also to them.

**SHRI PURANAB MUKHERJEE:** As regards scooters, he has accepted the position. Now, he is talking about reservation of share of debentures.

**SHRI R. L. P. VERMA:** Scooters also.

**SHRI PRANAB MUKHERJEE:** In regard to scooters, as the Industry Minister has clarified the position, there is no distribution control on scooters from January, 1978. Therefore, if somebody wants to distribute scooters in a particular way, that is for producers and distributors and it is for them to decide. So far as the approval of debentures is concerned, where the Controller of Capital Issues comes in, even if they would have mentioned, we would not take any cognizance as to how they are to make debentures attractive to the prospective buyers. The scooter part is not relevant here. So far as we are concerned, as per the guideline 7-1/2 per cent share could be reserved for these categories of persons.

**SHRI R. L. P. VERMA:** May I know whether the money received by the Company's bankers at the time of filing of applications for allotment of such debentures remains in their custody pending final allotment? How is the allotment determined where there is over-subscription in the context of such baits of preferential allotment of scooter to each debenture-holder? Is the Company per-

mitted to utilise this money? Further, I want to know what is the interregnum usually between the last date of submission of application and final allotment and what is the maximum number which can be and is expected to be allotted to an individual applicant, the so-called small investor?

**SHRI PRANAB MUKHERJEE:** So far as the total amount subscribed and the amount to be returned for non-allotment is concerned, that I have given in the last part of the statement. I hope, the non-members has seen that figure. About the exact date for the return, that is not with me. Definitely, we will not allow the money to be utilised for certain other purposes. The hon. Member is aware that this money has been used for having the polarisation plant. It is to be utilised for that purpose. I think, we issued the approval on 7th July, 1982. But the actual date of full subscription and thereafter, what is the gap, that information I shall have to collect.

**DR. VASANT KUMAR PANDIT:** The Company is issuing debentures, shares, etc. A huge amount worth crores of rupees has been collected and over-subscribed. Has the Government stipulated any date for return of money whereby this money will be returned back to the subscriber and, if so, what is the time limit by which such companies and this particular Company will return the money to the persons who have not been allotted debentures?

**SHRI PRANAB MUKHERJEE:** In respect of this particular case, as to what is the time-lag, as I said, that in formation has to be collected. Normally, it will depend upon the actual subscription. There is a standard laid down depending upon the nature of debentures by the Controller of Capital Issues. But there is no strait jacket formula for it. So far as this particular Company is concerned, I have already replied that the actual date is to be collected.

**SHRI E. BALANANDAN:** From the answer it is to be seen that crores of rupees are over subscribed because of the inducement to offer scooters. They have

collected a lot of money. Now the people who have paid the money will demand scooters. Will the Government, therefore, come into the picture to see that those people who are not going to get scooters for whatever they have offered will get back the money without delay?

**SHRI PRANAB MUKHERJEE:** So far as the return of the non-allocated debenture money is concerned, I can say that the Government comes into the picture. As I already mentioned, there is no distribution control. If you want a scooter, it is a matter between you, who want to purchase a scooter and the man who is going to supply it. How do I come into the picture? Please do not bring the Government into the picture.

But, in regard to the non-allocated debenture money there is a stipulated period and that stipulated period is to be complied with.

#### Export of Engineering Goods to U.S.A.

\*296. **SHRI BHIKU RAM JAIN:** Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that the Engineering Export Promotion Council had suggested to the Union Government that there is an urgent need to undertake flash market surveys for promoting new export items to USA;

(b) whether it is also a fact that the FEPC has also identified new items which can be exported to the USA;

(c) if so, the details thereof, and

(d) the reaction of Government thereto?

**THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI SHIVRAJ V. PATIL):** (a) The Engineering Export Promotion Council has not sent any proposal to the Ministry of Commerce mentioning the need for undertaking flash market surveys for promoting new export items to the USA;

(b) and (c). The Engineering Export Promotion Council had identified 27 new

items in 1981 for export promotion to the USA. Details of the items are as per the Annexure.

(d) The Government welcomes any initiative on the part of E.E.P.C. to step up export to USA of these items and to conduct flash market surveys for promoting exports of new items to USA.

#### ANNEXURE

#### NEW ITEMS SELECTED FOR EXPORT PROMOTION IN U.S.A.

<i>Sl. No.</i>	<i>Items</i>
1.	Stoves C.I.
2.	Locks & padlocks
3.	Castors
4.	Chains for power transmission
5.	Electric motors
6.	Parts of electric motors
7.	Parts of generators
8.	Parts of agricultural & farm machinery
9.	Agricultural & farm machinery & implements
10.	Sewing machine needles
11.	Parts of metalworking machine tools
12.	Hoists & winches
13.	Hydraulic jacks
14.	Weighing machinery
15.	Ball bearings
16.	Pulleys & parts
17.	Chain sprockets, clutches
18.	Injection molds for rubber & plastic
19.	Parts of non-calculating office machines
20.	Rectifiers & rectifying apparatus
21.	Coils & inductors
22.	Printed circuit boards
23.	Storage batteries
24.	Permanent magnets
25.	Motorcycles
26.	Parts of railway locomotives and rolling stock
27.	Surgical instruments.