

Several Hon. Members: Yes.

The amendment was, by leave,
withdrawn.

Mr. Deputy-Speaker: The question
is:

"That clause 3 stand part of the Bill."

The motion was adopted. *

Clause 3 was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Enacting Formula
were added to the Bill

Shri V. G. Deshpande: My amend-
ment was not taken cognisance of, at
all.

Mr. Deputy-Speaker: A similar
amendment was talked out.

Shri J. K. Bhonsle: I beg to move:

"That the Bill be passed."

Dr. S. P. Mookerjee: What about the
point that I have raised about the prop-
erty of these people?

Shri A. P. Jain: Sir, we have taken
note of all the points.

Mr. Deputy-Speaker: Hon. Mem-
bers would have seen that the Govern-
ment on this side is not at all
hesitant to take any of the steps. Their
difficulty again and again has been
that the other party is not quite so
easy to deal with. Therefore, they
are taking note of every one of these
matters and trying to do their best.

Shri A. C. Guha: I think the hon.
Minister is aware that in the three
partitioned districts, Dinajpur, Malda
and Jalpaiguri there are a large num-
ber of people whose property might
have been on the other side. They
were so long constantly going and
coming back off and on. They have
cultivated those lands and now it is
harvest time. I have definite infor-
mation that people of Dinajpur and
Malda are not allowed to go to the
other side to harvest the crop. If
they cannot go now then the entire
harvest will be lost.—lost not only for
them individually but for the country
also as so much foodgrains would be
lost.

Dr. S. P. Mookerjee: It will be taken
by Pakistan.

Shri A. C. Guha: I hope the hon.
Minister will take cognisance of this
and do something in the matter.

Mr. Deputy-Speaker: The question
is:

"That the Bill be passed."

The motion was adopted.

IRON AND STEEL COMPANIES
AMALGAMATION BILL.—Contd.

The Minister of Commerce and In-
dustry (Shri T. T. Krishnamachari):
Sir,.....

Shri V. P. Nayar (Chirayinkil):
Sir, I rise on a point of order.

Mr. Deputy-Speaker: The Bill is not
before the House. The procedure is
the hon. Minister moves and then I
place it before the House. Then the
hon. Member may raise a point of
order.

Shri T. T. Krishnamachari: I beg
to move:

"That the Bill to make special
provision in the interests of the
general public and the Union,
for the amalgamation of certain
companies closely connected with
each other in the manufacture
and production of iron and steel
and for matters connected there-
with or incidental thereto, be
taken into consideration."

Sir, so far as the practice in this
House and its predecessors is con-
cerned, this is a novel measure.
Government are now legislating to
amalgamate two iron and steel com-
panies. I would like to give some
details of the circumstances under
which this decision was taken by
the Government. But, before I pro-
ceed with a narration of the events
that have led up to this Bill, I have
also to tell the House that the
Government promulgated an Ordinance
on the 29th October, by which
the Indian Iron and Steel Company
and the Steel Corporation of Bengal
were amalgamated into one company.
And it is as a consequence of this
Ordinance that this Bill has been
brought before the House. The two
companies, namely the Indian Iron
and Steel Company and the Steel
Corporation of Bengal are under the
management of one company called
the Martin Burn & Company. The
Indian Iron and Steel Company was
the original concern and the Steel
Corporation of Bengal was a subse-
quent creation and was dependent on
the Indian Iron and Steel Company
for the supply of hot metal and also
ancillary services such as power,

water and gas. In fixing the fair retention price of steel produced by the Steel Corporation of Bengal in 1949,—the report was in 1949 though the enquiry started in 1948—the Tariff Board made a reference to the agreement made between the two companies and pointed out that because of the unbalanced nature of equipment of the Steel Corporation of Bengal, the retention price that had to be given to it was higher than that fixed for the Tata Iron & Steel Co., Ltd. In the summary of the recommendations made by the Tariff Board in their report in 1949, they say “the works costs of the Steel Corporation are invariably higher than those of the Tata Company and the principal reasons for this difference are higher cost of material, higher expenditure on refractories and higher general works expenses.” Their recommendation was “in the larger interests of the steel industry, we feel that the amalgamation of the Indian Iron and Steel Corporation and the Steel Corporation of Bengal would now be desirable. Such an amalgamation would secure uniform and coherent management thus avoiding duplication and waste which would ultimately tend to reduce costs of production of steel, which are high as compared with those of the Tata Iron and Steel Company. We therefore recommend that the Steel Corporation of Bengal and the Indian Iron and Steel Company should examine at an early date the possibility of integrating the two plants through amalgamation.”

In 1951, the question of revision of the fair retention prices of the products of this company came up before the Tariff Board. And the Tariff Board have devoted a whole paragraph, paragraph 43A of their report, to deal with the necessity of integration of the two plants. The report says:

“that the Board had already recognised this difficulty and that its 1948 report recommended that the possibility of integrating the two plants through amalgamation should be examined at an early date. In 1950, the Company's management took certain steps to integrate the two works operationally. It is important, however, that integration, to the extent at least that Hirapur be operated primarily in the best interests of the Steel Corporation of Bengal, should be actually achieved. Without such integration, proper performance

may be difficult of attainment at the Steel Corporation of Bengal.”

That is the Tariff Board statement. There was a further revision of the retention prices this year of the Steel Corporation of Bengal's products because of certain increases in railway freights and in the production charges etc. The Tariff Commission in para 11 of its report again harps on the question of merger of these two companies. In doing so, they also deal with the relative financial position of the two companies and say that the position of the Steel Corporation of Bengal would materially improve if the revision of the Steel Corporation of Bengal's retention prices for 1951 and 1952 are accepted by Government. They add:

“what is more important and in fact constitutes the principal gain from the national standpoint is that the merger will greatly facilitate the implementation of the expansion schemes of both the Indian Iron and Steel Company and the Steel Corporation of Bengal. The financial commitments involved in these schemes are so large that neither company may find it easy to undertake them by itself. The amalgamated concern on the other hand with the combined resources of the two plants will be in a stronger position to raise the additional resources required for the expansion. Thus the merger besides improving the economic condition of both the plants will help the expansion of iron and steel capacity in the country and it is therefore in the national interest that the merger should take place. We recommend that the companies should make determined efforts to bring about the amalgamation of the two plants as early as possible.”

It was about this time when the Tariff Commission was considering the question of the revision of the fair retention price of steel produced by the Steel Corporation of Bengal that the Government were discussing with these two companies their expansion programme. The expansion schemes have been subjected to considerable scrutiny. In order to provide them with the foreign exchange that is necessary for these schemes, the Government had sponsored the application of the companies for a loan from the International Bank for Reconstruction and Development. The schemes were also discussed with the delegation of the

[Shri T. T. Krishnamachari]

International Bank who came to India, and finally we have more or less settled on a scheme which would provide an addition of about 320,000 tons of steel and 380,000 tons of pig iron or alternatively 40,000 tons of steel and 280,000 tons of pig iron per annum. The loan from the International Bank, repayment of which Government will guarantee, is now under negotiation. The Government had already undertaken to lend to this concern five crores of rupees and in order to complete the scheme further assistance from Government to this concern may be necessary. The actual amount of assistance that will be required will have to be determined only when the final picture of the assistance that will be available from the World Bank is known. All this improvement and increase in the earning capacity will only be possible if the two firms were amalgamated into one. Besides the amount of money that the Government would be lending to this company and the amount that would be obtained by way of loan from the World Bank also necessitate that the objective of additional steel output must be attained for one thing and the concern must be an economic one for another. It is for these reasons that the Government pressed the two companies to amalgamate as soon as possible. Ordinarily, an amalgamation of this nature should take place under the provisions laid down in Sections 153, 153-A and 153-B of the Indian Companies Act, but the procedure that will have to be followed under these conditions and the delays that are inevitable are likely to delay the amalgamation for a long period. In view of the importance of the steel industry as a whole and also in view of the fact that we cannot delay the development of this industry by expanding the output of steel and pig iron by these concerns in particular, Government felt that they should legislate to bring the two companies together by amalgamation. I am happy to say that the management of these companies entirely agree with Government in this regard and I understand that they had also put this proposal before their respective company's shareholders.

[PANDIT TEJAKUR DAS BHARGAVA in the Chair]

Two matters had to be determined in this connection. One was the procedure by which amalgamation could be achieved, and the second was to fix the proportion of the shares of these two companies to enable them

to integrate. On the first question, the Tariff Commission's report is there. It has dealt with it. On the second, I have no doubt hon. Members would have perused the report of the Tariff Commission fixing the fair ratio of the ordinary shares of the Indian Iron and Steel Company and the Steel Corporation of Bengal. Copies of this report have been, I believe, made available to every hon. Member. It was necessary that this fixation must be done by an independent body and in view of the fact that the Tariff Commission and its predecessor the Tariff Board had examined from time to time the relative financial position of the two companies, Government naturally felt that the Tariff Commission was the most competent body to fix the ratio. In para 9 of their report, they have said:

"On a careful consideration of what is set out in paragraphs 5 to 8 above and having regard to all other relevant factors, we have come to the conclusion that a ratio of 4:5 would be a fair ratio between the ordinary shares of the Indian Iron and Steel Co. and the Steel Corporation of Bengal and we therefore recommend it."

The talks of amalgamation of these two concerns have been in the air for some time. It is a known fact that amongst the speculative scrips in the share markets, the Indian Iron and Steel Company's shares occupy a very high place. It was therefore felt that the time-lag between the decision to take legislative steps to achieve the amalgamation and the actual implementation of the decision may have serious consequences in respect of the future well being of these two companies. So, Government action in this regard, namely, the fixation of the fair ratio and the amalgamation that subsequently followed it had to be decided without much delay. That is the explanation for the Ordinance of 29th October, 1952.

The provisions of the Ordinance as incorporated in this Bill, to a layman, look formidable, but essentially they follow the pattern of legal documents of this nature. The main clause is clause 7(1) which fixes the terms of transfer in respect of the shares of the dissolved company which is the Steel Corporation of Bengal. Clause 7(1) (a) deals with preference shares of the Steel Corporation and every preference shareholder gets as many preference shares in the Indian Iron and Steel Company as are equivalent

in number and value to the preference shares held in the dissolved company. Clause 7(1) (b) entitles every holder of five shares in the dissolved company to four ordinary shares in the Indian Iron and Steel Company. As there seems to be some doubt in the minds of hon. Members, in view of the amendments that have been tabled by them, I would like to add that these preference shares are tax-free shares. All the other clauses provide the necessary legal padding, and that is very common in such documents. I therefore trust that the House will not require me to deal with the provisions of this measure in greater detail.

In this connection, I may be permitted to express the hope that this occasion will signify the taking of a big step forward in the fulfilment of the interests and the deliberate intention of the House and the Government in increasing by governmental intervention the output of iron and steel in this country. It has always been said that Government intervention in business has been oftentimes uncalled for and exercised without deliberation and thought. The present step is, in my humble opinion, in direct contradiction to all such ideas and constitutes a type of intervention which I have no doubt the country and the House would welcome. It is an intervention intended for the benefit of the nation as a whole. That is all that I have to say at this stage. If any further questions are asked, or doubts are raised, I shall try to meet them to the best of my ability towards the end of this debate.

Mr. Chairman: Motion moved:

"That the Bill to make special provision, in the interests of the general public and the Union, for the amalgamation of certain companies closely connected with each other in the manufacture and production of iron and steel, and for matters connected therewith or incidental thereto, be taken into consideration."

Shri P. C. Bose (Manbhum North): May I know how many factories and mines will come under one company as a result of this amalgamation? These two companies have a large number of factories and mines.

Shri T. T. Krishnamachari: All of them.

Shri V. P. Nayar: Sir, I wish to raise a point of order. The emphasis

of the hon. Mover has been on the word "amalgamation". You find that in the Statement of Objects and Reasons it is stated that the present Bill is intended to replace the Ordinance of October 29, 1952. It is seen from the title of the Bill that it is a Bill for the "amalgamation of two companies". You also find in the third para of the preamble that it is stated: "whereas the amalgamation of the said companies is also in pursuance of the successive recommendations made by the Tariff Board and the Tariff Commission" etc., etc. Whatever may be the reasons for amalgamation, I submit that in my humble opinion this is not warranted by any provisions of the Constitution. I presume that the hon. Mover has relied on item 43 of List I of Schedule VII. If that be so, then I wish to read out to you the relevant item. Item 43 reads: "Incorporation, regulation and winding up of trading corporations including banking, insurance and financial corporations, but not including co-operative societies." My submission is that amalgamation is not incorporation. "Amalgamation" presupposes the existence of two commercial bodies and incorporation presupposes the non-existence of any such body. I submit that this has to be very clearly seen at this stage, because if the word "amalgamation" is not within the meaning of the word "incorporation", then this House does not have the competence to pass this legislation. I submit that it is the practice according to well known canons of construction of statutes that every statute other than a penal statute has to be construed with a greater regard, with a more attentive regard, to the language of the statute and not with a rational regard to the aims and objects of the Legislature. I submit therefore that this Bill which is concerned with the "amalgamation" of companies is beyond the legislative competence of this House and I want a ruling from you.

Shri T. T. Krishnamachari: Sir, this position was examined by us. We have not embarked on this Ordinance without having these preliminaries examined. I would, Sir, like to read the opinion of the Attorney-General in this matter. The question was posed to him whether the proposed legislation, either in respect of particular companies, or generally, would come within the description of "regulation and winding up of trading corporations". Of course, there is some legal opinion in support of this proposition in the case of *Chiranjitlal Chowdhuri vs. the Union of India*. I would, Sir, like to read the opinion of the Attorney-General.

Shri V. P. Nayar: Is that the case of 1951?

Shri T. T. Krishnamachari: 1950.

I am reading the opinion of the Attorney-General. It is not my opinion, but I would like to adopt it for the time being.

"Amalgamation of two or more companies is a familiar concept in company law. It is resorted to frequently and is a method of facilitating arrangements and compromises in regard to companies for reconstructing them. Legislation which affects such amalgamation could, therefore, be regarded as legislation in respect to the regulation of trading corporations and will fall within the ambit of Entry 43 in List I.

Further, by recent legislation, Parliament, acting under Entry 52 has declared the iron and steel industry amongst others as an industry, the control of which by the Union is expedient in the public interest. All legislation, therefore, in relation to this industry, including legislation which provides for the amalgamation of two corporations working this industry could well be contended to be covered by Entry 52 in the List. Once Parliament has declared a particular industry to be of the character prescribed in Entry 52, Parliament would be competent to undertake all legislation whatsoever with respect to that industry. The purpose of the Entry is, on the face of it, to enable Parliament to fashion the control of the industry in the Union. Legislation providing for the amalgamation of Corporations engaged in carrying on of this industry would be the exercise of control over this industry by the Union which Item 52 contemplates."

I could read further. But that I think would constitute an answer to the point raised by the hon. Member.

Shri V. P. Nayar: There is also another aspect of the question which I would like the hon. Minister to explain. How does he get over the provisions in article 19 declaring certain fundamental rights? Suppose, for a moment I am an investor in "Scob". I invest my money in the hope of taking the fortunes and also prepared to suffer the losses. You cannot impose on the shareholder a condition that he should be a shareholder of the new company. I would like to know from the hon. Minister whether article 19

would not apply in this case. If under article 19, this is not possible then, we cannot pass this measure.

Shri T. T. Krishnamachari: Sir, I can assure my hon. friend that even the remote application of article 19(1) (f) was examined and the opinion of the Attorney-General is that article 19(1) (f) will not present any difficulty.

Shri V. P. Nayar: What about (g)? That also will apply. I am sorry I have to differ from the Attorney-General in this matter.

Shri T. T. Krishnamachari: The hon. Member has a right to differ from the Attorney-General. He does not contemplate it will apply.

Shri V. P. Nayar: This measure will infringe the provision of article 19(1) (g) also. How can we get over this?

Mr. Chairman: So far as this question is concerned, it is clear that hon. Member and the House have already come across certain cases in this regard. It is for the House to decide whether this measure would infringe the provisions of the Constitution. It is not for the Chair to decide. The House will no doubt take this criticism into consideration. When the hon. Member is called upon to speak he can urge his points upon the House.

Shri V. P. Nayar: I raise it as a point of order for you to decide.

Mr. Chairman: There is no point of order to be decided. So far as the practice in this House is concerned, it is usually left to the House to decide. The Chair does not decide this question. When the hon. Member is called upon to speak, he can urge his point.

Shri V. P. Nayar: My contention is this. If it is beyond the legislative competence of this House under the provisions of the Constitution, what is the purpose of considering this Bill?

Mr. Chairman: This argument can be advanced by the hon. Member when he gets an opportunity to speak. The House can decide whether it is within its competence to pass this measure.

श्री क० ली० जोषिया (सागर) :
समापति महोदय, आप के सामने जो बिल
पेश हुआ है उस के सम्बन्ध में मुझे दो चार
बातें दिवेदन करनी हैं। हमारे मिनिस्टर
साहब ने फरमाया है कि इन दोनों कम्पनियों

के मिल जाने से आगे चल कर के लोहे और इस्पात की पैदावार में काफ़ी ज्यादा तरफ़की हो जायगी और इन कम्पनियों के इफ़्टा हो जाने की वजह से इन का काम आसानी से चल सकेगा और इन को और ज्यादा पूंजी मिल सकेगी तथा सरकार इन को नयी पूंजी भी देने वाली है। इन सब बातों को चुन कर के मुझे इस बात की खुशी है कि हम देहात के लोगों को आगे चल कर के लोहा काफ़ी मिलने लगेगा। सभापति महोदय, पिछले पांच साल का यह अनुभव है कि जोहरे के सम्बन्ध में देहाती लोगों की सब से ज्यादा दिक्कतें हुई हैं। मैं खुद अपनी बात कहना चाहता हूँ कि गाड़ी के खाली टायर (Tyres) बलैक मार्केट में चालीस बाईस रुपये में मेने खुद लिए हैं जिन को कंट्रोल की कीमत १८ रुपये थी। अब यहां पर बहुत से बिल तो हम पास कर देते हैं और वह क़ायदे बन जाते हैं। लेकिन आगे चल कर के उन की जो मंशा यहां पर बतलाई जाती है, वह मंशा पूरी होगी थान ही होगी, इस के बारे में मुझे सन्देह है। लेकिन मिनिस्टर साहब फरमाते हैं, इसलिए मैं इस बात को मान लेता हूँ और उन को यह अमैल्लोमेशन करने के बारे में धन्यवाद देता हूँ।

एक दूसरी बात जो मुझे कहनी है वह यह है कि इन दोनों कम्पनियों के शेयरों (Shares) के तबादले के बारे में जो रेशो (Ratio) टैरिफ़ कमीशन (Tariff Commission) ने मुक़रर की है, उस को हमारी सरकार ने जैसे का तैसा चुप चाप मान लिया है। सभापति महोदय, आप इस बात की ओर उरा अपना ध्यान आकर्षित करें तो मैं आप को टैरिफ़ कमीशन की रिपोर्ट से आंकड़ें बतलाऊँ। उस से आप को यह साफ़ मालूम हो जायगा कि यह जो हमारी बंगाल स्टील कंपनी है उस के जो आर्डिनरी शेयर-

होल्डर्स (Ordinary shareholders) हैं उन के साथ उस टैरिफ़ कमीशन ने एक बहुत बड़ी बेइसाफी की है। मैं आप को बतलाऊँ कि यह जो कम्पनियाँ हैं एक इंडियन कम्पनी और दूसरी स्टील कम्पनी इन में प्रायः जो पूंजी है वह एक सी लगी हुई है। इंडियन कम्पनी की पूंजी चार करोड़ ५० लाख रुपये है और स्टील कम्पनी की ४ करोड़ ४८ लाख रुपये है, यानी बराबर है।

अब आप देखिये इंडियन कम्पनी के ऊपर यानी जिस में यह कम्पनी मिलाई जा रही है वह बड़ी कम्पनी जिस को दोनों को मिला कर के एक कम्पनी बनने वाली है, उस कम्पनी के लिये डेबेंचर्स (Debentures) एक करोड़ ५८ लाख के हैं, और प्रीफ़रेंस शेयर्स (preference shares) डेढ़ करोड़ रुपये के हैं और आर्डिनरी शेयर्स (Ordinary Shares) २५ लाख और बावन हजार के हैं। इन तीनों में चार करोड़ ४९ लाख की पूंजी है, उस में प्रीफ़रेंस शेयर्स एक लाख बीस हजार के हैं और बचीस लाख ९८ हजार के आर्डिनरी शेयर्स हैं। अब इन आर्डिनरी शेयर्स में आप देखिये कि जो कम्पनी मिलानी जा रही है उस कम्पनी में आधरत एन्ड स्टील कम्पनी का बहुत ज्यादा हिस्सा है, उस के तीन लाख छः हजार हिस्से इंडियन कम्पनी में हैं और १२ लाख २० हजार स्टील कम्पनी में हैं जो मिलाई आगे वाली है। अब आप देखिये कि इन्स्योरेंस कम्पनीज में जो बारह लाख बीस हजार के शेयर्स हैं, उन के अलावा छोटे छोटे आदमियों की भी पूंजी मिली हुई रहती है। इस तरह आप देखेंगे कि पूंजी वाले आदमियों के बारह लाख बीस हजार के शेयर्स हैं, लेकिन इस के इलावा एक करोड़ रुपये की पूंजी इन्स्योरेंस कम्पनीज की लगी हुई है। इस

[श्री के० वी० सरोधिया]

वक्त यह जो मिलाई जाने वाली कम्पनी है, उस में एक लाख से ज्यादा के हिस्से इंडियन कम्पनी के हैं। इंडियन कम्पनी में जो कम्पनी मिलाई जा रही है, और दोनों को मिला कर के जो कम्पनी बनायी जा रही है, उस में मिलाई जाने वाली कम्पनी में विदेशी लोगों की अपेक्षा हिन्दुस्तानियों के शेअर्स ज्यादा है और हिन्दुस्तानियों के उस में आडिनरी शेअर्स हैं और जिन शेअर्स को हम ने अपने क्रलम की एक नोक से दस के आठ कर दिये यानी सौ रुपये के शेअर्स अस्सी रुपये के हो गये। ऐसी स्थिति किया गया, मुझे इस को कोई बजह नहीं मालूम होती है।

टैरिफ कमिशन ने अपनी रिपोर्ट में यह बतलाया है कि ईक्विटी वैल्यू (equity value) जो है वह किसी काम की नहीं है। ईक्विटी वैल्यू के मुताबिक हम कीमत तय नहीं करते हैं। कीमत हम इस बात पर तय करते हैं कि आयरन एंड स्टील कम्पनी का डिविडेंड (Dividend) कितना है और इंडियन कम्पनी का डिविडेंड कितना है। अगर आप सन् ५१ के डिविडेंडस देखें तो आप पायेंगे कि दोनों कम्पनियों में प्रायः एक से डिविडेंडस है। फिर यह नहीं मालूम होता कि जब दोनों में से कोई कम्पनी बिक नहीं रही है, दोनों आपस में मिल रही है तो फिर आडिनरी शेअर वालों को क्यों नुकसान पहुंचाया जाय और इन गरीब लोगों के शेअर्स दस रु० से आठ करने का कोई सबब मुझे नहीं मालूम होता है। टैरिफ कमिशन ने जो बात कही है उस बात को आर्बेन बीच कर जैसे का दस्ता मंजूर कर लेना है; इस के सिवा मुझे कोई बजह नहीं मालूम होती है कि ऐसा आडिनरी क्यों किया गया है, सिर्फ ऐसा

इसलिये किया गया है कि टैरिफ कमिशन बड़े ऐक्सपर्ट लोगों की बाड़ी है, लेकिन ऐक्सपर्ट लोग आप जाते ही हैं कि वह सिर्फ अपना और बड़े बड़े लोगों के स्वार्थ को देखना ही जानते हैं, उन्हें मालूम नहीं है कि हमारे गरीब लोगों के साथ इस में कितनी बड़ी बेइसाफी होती है। इसलिये मैं मिनिस्टर साहब से इस बात को बिनाती करूंगा कि वह इन गरीब शेअरहोल्डर्स के स्वार्थों का रक्षा करें। जब आप चार करोड़ की पूंजी में से ढाई करोड़ की पूंजी जैसे की तैसी सौ के हिस्से सौ में देते रहे, तो फिर वह जो छोटे शेअर्स वाले थोड़े आदमी बच रहते हैं उन थोड़े से आदमियों को दस, बारह लाख आदमियों को जिन के दस, दस, रुपये के शेअर्स हैं और जो सारी पूंजी सवा करोड़ के करीब होगी उन के हिस्सों को क्यों आप घटा कर उन की आमदनी को कम कर रहे हैं, इस बात पर आप द्वारा सहानुभूतिपूर्वक विचार करें।

तीसरी बात यह है कि आप का आडिनमेंस तो पहले ही गया है और उस आडिनमेंस के मुताबिक अगर हिस्सों में तबदीली हो गई है तो आज इस बात के कहने से कोई विशेष फायदा नहीं होगा, क्योंकि जो कमी आप ने कर दी है, उस कमी को अब आप कैसे वापिस लेंगे, यह बात समझ में नहीं आती है। अन्त में मैं आप से यही प्रार्थना करूंगा कि आप मेहरबानी कर के इन आडिनरी शेअर वालों के लिये जो आप ने आठ और दस का रेशो खंदा है उस पर आप फिर विचार करें और अगर आप समझें कि उस में कोई ज्यादा नुकसान नहीं है तो आप उन लोगों को भी जैसे कि आप ने प्रीफ़रेंस शेअर वालों को जैसे का तैसा हिस्सा दिया है उसी के मुताबिक आप इन आडिनरी शेअर होल्डर्स को भी जैसे का तैसा

हिस्सा है जिससे उन गर्दब लोगों का पेट न
कटे। वस मुझे सिर्फ इतना ही जर्ज करना है।

Shrimati Renu Chakravarty (Bansirhat): May we ask certain clarifications of the hon. Minister?

Mr. Chairman: Yes, certainly.

Shrimati Renu Chakravarty: Could the hon. Minister tell us what are the terms of interest for the Indian as well as the foreign loans which have been decided upon?

Secondly, what are the conditions for the repayment of these loans?

The third is: is there any commitment that the repayment of the loan depends on the company being allowed to increase the retention price of steel?

Fourthly, could we have an idea as to whether there is any condition imposed, in the negotiations which are going on with the World Bank, regarding restricting the purchases which are going to be made from the U.S.A.?

And lastly, could we have any sort of inkling as to the contract between the International Bank, India and the company?

Shri K. K. Basu (Diamond Harbour): I want to ask for some information.

Mr. Chairman: About four or five questions have been put by one hon. Member. And now Mr. Basu wants to ask some more questions. It would be better if all the questions are passed on to the hon. Minister so that a fully reply may be given by him.

Shri T. T. Krishnamachari: I do not know whether she wants to make a speech. If she wants the information I can answer those questions just now.

The terms of the agreement of the loan are not yet finalised. So I cannot tell with any precision the question of interest. Normally the World Bank loans carry about four and a quarter or four and a half per cent.

Shrimati Renu Chakravarty: Income-tax free?

Shri T. T. Krishnamachari: You mean the interest? Well, the interest is a matter between the Government and the World Bank. It has nothing to do with the company. Normally, as

I said, it is four and a quarter or in some cases four and a half per cent. I do not know what it will work out to.

The other point was—I will come to the last point, namely whether there are any conditions regarding the purchase of equipment. There are no conditions at all. They provide the exchange that is wanted. If you want French exchange or anything like that, they will provide it. So there are no conditions at all with regard to equipment.

The third point, I think, was whether there is any restriction regarding the raising of prices of steel. It is a matter for Government, and the World Bank cannot say that the prices should be raised.

There were two other questions.

Shrimati Renu Chakravarty: Are there any guarantees to the company being allowed to increase the price of steel?

Shri T. T. Krishnamachari: It is a matter of arrangement between Government and the company, and the Government do not propose to promise any increase in the retail prices, unless it be that the costs mount up. If, when they start producing this additional interest is something which has got to be taken into account, perhaps the Tariff Commission will examine it at that time. The retention price is merely a matter of costs, and Government are giving no guarantees with regard to that. But at the same time, actually, it will have to be examined. Very possibly the capital commitment and the interest they have to bear might, unless the production goes on *pari passu*, become a burden. It is a possibility. But it might not be if production takes place according to expectations.

Is there any other question?

Shrimati Renu Chakravarty: There was one. You could not give us the terms of interest for the foreign loan. But you could give us the terms of interest for the Indian loan.

Shri T. T. Krishnamachari: Indian loan, we have given Rs. five crores. That is an ordinary Government loan which would carry four and a half per cent. interest.

Shri A. C. Gaha: That Rs. five crores has already been given?

Shri T. T. Krishnamachari: The entire amount is not taken up. It will carry normally four and a half per cent. interest, payable as and when Government wants it. Very possibly Government will give them some time according to the exigencies. So far as further loans are concerned, --we have granted them Rs. one and a half or Rs. two crores--as regards the other thing that we propose to advance them, the amount will be determined by the shortfall between the needs they have and the resources available and the amount the International Bank would give. It may be Rs. nine to ten crores.

Shri K. K. Basu: I want to know what happens to the managing agency agreement with Martin & Burns. What happens to them after the merger? Will they continue to be the managing agents under a new term or will the terms of the Indian Iron and Steel Company or of the Steel Corporation be accepted?

Shri T. T. Krishnamachari: The answer is quite simple. What is hap-

pening is that the Company is being transferred on to the Indian Iron and Steel Company. Whoever was managing the Indian Iron and Steel Company will manage it. The terms and conditions of the Indian Iron and Steel Company would continue in respect of the amalgamated company.

5 P.M.

Shri K. K. Basu: I want to know whether it should be deemed that the new Managing Agency Agreement entered into will be under the old terms as was between the Indian Iron & Steel Co. and or with the Steel Corporation of Bengal?

Shri T. T. Krishnamachari: What I said precisely was that the position of the Managing Agents *vis-a-vis* the Indian Iron & Steel Co. remains unaltered.

The House then adjourned till a Quarter to Eleven of the Clock on Monday, the 8th December, 1952.