

(b) It was represented that the scheme of amalgamation had been forced through coercive and pressurising tactics on a small company where the majority shareholders were Indians whereas about 90% of the shareholders of the transferee company were foreigners. It was also pointed out that the auditors of the company had not examined full facts of the transfer or company in their valuation report.

(c) On receipt of representation of the shareholder and the notice under Section 394A. of the Companies Act, 1956 from the Bombay High Court, a representation opposing the scheme of amalgamation was filed in the Bombay High Court. However, the Court sanctioned the scheme of amalgamation on 9-2-1970 mainly on the ground that the scheme of amalgamation has been approved by a majority of not less than 3/4ths in value of the members present and voting in person or by proxies, subject to the sanction of the Reserve Bank of India and any other authorities concerned being obtained in respect of any matter for which such sanction or approval is required.

CONTROL OVER CONCERNS BY BIG BUSINESS HOUSES

*1439. SHRI MRITYUNJAY PRASAD: Will the Minister of INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS be pleased to state:

(a) what control, if any, do the big twenty business houses named in the Hazare Committee and Dutt Committee Reports continue to exercise over the concerns, which they used to manage as managing agents;

(b) whether their control is limited to the one exercised by any group of shareholders controlling a sizeable percentage of shares;

(c) the percentage of shares held by the individual big houses, in five each of their biggest units, according to the last report received from the individual companies by Government;

(d) whether Government proposed to continue the restrictions on grant of licences for new factories or expansion of existing units in the changing circumstances; and

(e) if so, the reasons therefor?

THE MINISTER OF INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS (SHRI F.A. AHMED): (a) Full information regarding alternative forms of management chosen by companies consequent upon the abolition of the Managing Agency System as from 3rd April, 1970 has not yet become available.

(b) The information regarding the extent of shares held by the big Industrial Houses themselves in their erstwhile managed companies which would be indicative of the control possibly still being exercised by them is not fully available.

(c) The information is being gathered from the latest annual returns of the Companies.

(d) and (e). The Industrial Licensing Policy Inquiry Committee has laid down in para 2.16 of its report, the criteria for inclusion of individual concerns in a House. Even after the abolition of Managing Agency System, there will remain other criteria for identification of larger industrial houses. In view of this position, Government do not propose to revise the latest licensing policy according to which preference will be given to new and smaller entrepreneurs in the matter of grant of industrial licences.

CHANGES IN PROCEDURE BY HINDUSTAN STEEL RE : FIXED DEPOSITS AGAINST SUPPLIES TO SMALL INDUSTRIES

*1440. SHRI LOBO PRABHU : Will the Minister of STEEL AND HEAVY ENGINEERING be pleased to state :

(a) whether his attention has been drawn to a letter to the Editor published in the *Economic Times* on the 23rd April, 1970 under the caption "PFA for Small Industry" wherein it has been stated that the Hindustan Steel Limited had changed its procedure for permanent fixed deposits, against supplies to be made to Small Scale Industries:

(b) if so, the circumstances under which this change was made; and

(c) the reasons for not restoring the previous procedure?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND HEAVY ENGINEERING (SHRI K. C. PANT) : (a) Yes, Sir.

(b) With scarcity of steel materials and consequent increase of speculative indenting, Hindustan Steel Ltd. have decided to stop extending permanent financial arrangement to new traders and to withdraw the same from those whose performance had not been satisfactory. The arrangement has not, however, been withdrawn from reliable small-scale industries and consumers.

(c) It is for Hindustan Steel Ltd. to decide the circumstances if any, in which the arrangement should be restored.

PAYMENT OF BLACK MONEY BY DELHI PHOTOGRAPHERS TO PROCURE PHOTOGRAPHIC PAPER

8507. SHRI BABURAO PATEL : Will the Minister of INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS be pleased to state :

(a) whether it is a fact that the Delhi Photographers were paying 1 crore and 68 lakh rupees annually as black money to dealers to obtain photographic paper;

(b) if so, the steps taken by Government to increase the internal production of photographic paper and check black money deals;

(c) whether any photo-dealers have been caught in this connection; and

(d) if so, their names?

THE MINISTER OF INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS (SHRI F. A. AHMED) : (a), (c) and (d). There is no control on the prices of photographic paper. Hence the question of payment of black money by consumers to the dealers in this commodity or apprehending of any photo-paper dealer in this connection does not arise.

(b) Government have arranged import of 0.8 million square meters of photographic paper through State Trading Corporation to relieve the present shortage. Further, more foreign exchange is being

released to small units to import raw materials to enable them to increase their production. Besides, ban on the licensing of further capacity for the manufacture of Photographic paper in large sector has also been lifted.

SHORTAGE OF RAW MATERIAL USED BY PUMP MANUFACTURING INDUSTRY

8508. SHRI DEVINDER SINGH GARCHA : Will the Minister of INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS be pleased to state :

(a) whether Government are aware that the Indian Pump manufacturers are facing difficulties in obtaining the necessary raw materials like proper grade of pig iron and steel and laminations and stampings by manufacturers of electric motors which were not prime movers for pumps;

(b) if so, the details thereof;

(c) whether Government propose to help the pump manufacturers to set up a research centre in order to help develop new ideas;

(d) if so, the details thereof; and

(e) what has been the contribution of this industry in the export earnings during 1969-70?

THE MINISTER OF INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS (SHRI F. A. AHMED) : (a) and (b). It has been represented by the Indian Pump Manufacturers' Association, Calcutta that they are experiencing difficulties in regard to the short supply of Electric Motors which are the prime movers for pumps. It has also been represented that the manufacturers of Motors are also experiencing difficulties in regard to the supply of laminations.

(c) and (d). No proposal in this regard has been received from the pump manufacturers. If and when any detailed proposal is received from them, it would be considered by the Government on merits.

There is a general shortage of pig iron (Grade I) and steel required by the pump