

the integrated steel plant at Salem in Tamil Nadu;

(b) if so, what are the findings of the study conducted by the above Centre on the working of Salem Steel Plant; and

(c) what action is proposed to be taken by Government thereon?

THE MINISTER OF STATE IN THE DEPARTMENT OF STEEL (SHRI K. NATWAR SINGH): (a) Yes, Sir.

(b) and (c) Their report is awaited.

Gevra Coal Handling Plant

128. SHRIMATI USHA MALHOTRA:
DR. LOKESH CHANDRA:

Will the Minister of STEEL, MINES AND COAL be pleased to state:

(a) whether it is a fact that tenders for executing Gevra Coal Handling Plant, on Turnkey basis, were invited by the Western Coalfields Limited in early 1982 and were received in July, 1982;

(b) when were the price bids submitted by the tendering firms, opened and what were the reasons for the delay in opening the tenders;

(c) whether it is a fact that on the basis of these tenders the Board of Directors of Western Coalfields Limited, decided to entrust the project to a Public Sector Construction Company and of so, when was the Letter of Intent issued to the Public Undertaking; and

(d) whether it is also a fact that the said Letter of Intent was withdrawn by the Western Coalfields Limited and if so, when and on what grounds?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE):

(a) Tenders for the construction of Gevra Coal Handling Plant on turn key basis were invited by Western Coalfields Limited in 1982 and the qualifying bids were opened on 26-7-1982.

(b) The price bids submitted by the tendering firms were opened on 1-2-1984.

The technical specifications were opened in October 1982. As the tenderers had given different specifications and technical parameters for the design of major plant and machinery, detailed discussions had to be held by Western Coalfields Limited with each of the tenderers. The tenderers were also asked to submit an addendum to the original price bids so that the price bids thus received could be compared on like to like basis. As, at each stage, tenderers had to be given sufficient time, the final price bids on frozen technical parameters could be opened only on 1-2-1984.

(c) A provisional letter of intent was issued to M/s. Engineering Projects (India) Limited on 16-7-1984.

(d) Subsequently, it came to the notice of Western Coalfields Limited that the past performance of M/s. Engineering Projects (India) Limited had not been satisfactory. Thereafter, they decided to do the work departmentally. The letter of intent issued to M/s. Engineering Projects (India) Limited was withdrawn on 12-9-84.

Vijayanagar Steel Plant

129. SHRI F. M. KHAN: Will the Minister of STEEL, MINES AND COAL be pleased to refer to the answer to Starred Question 77 given in the Rajya Sabha on the 26th July, 1984 and state:

(a) what progress has so far been made in starting the Vijayanagar Steel Plant in Karnataka;

(b) whether the Government of Karnataka have assured the regular supply of the required quantities of water and power for the Steel Plant;

(c) whether it is a fact that the Central Government propose to hand over this

Steel Plant to some private undertakings; and

(d) if so, what are the details in this regard?

THE MINISTER OF STATE IN THE DEPARTMENT OF STEEL (SHRI K. NATWAR SINGH): (a) Detailed Project Report for the first phase of the Vijayanagar Steel Plant has been received. The commencement of work on the Project will depend upon the investment decision which has not yet been taken. However, certain preparatory/preliminary works survey, geophysical investigations, soil investigations etc. have been undertaken.

(b) Yes, Sir.

(c) No, Sir.

(d) Does not arise.

Private Financial Companies

130. SHRI M. M. JACOB: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of the existence of a large number of private financial companies engaged in obtaining deposits and money lending business;

(b) whether it is a fact that these private financial companies are charging very exorbitant rates of interest; and

(c) if so, whether there is any proposal before Government to curb the activities of these companies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) to (c) Reserve Bank has issued certain directions to financial companies incorporated under the Companies Act, 1956 including private limited companies. These directions seek to regulate the deposit acceptance activities of such companies by imposing certain restrictions on the quantum and period of deposits, rate of interest/brokerage payable on deposits, maintenance of liquid assets in respect of certain types of financial companies, etc. These directions, however, do not extend to other activities of the com-

panies viz. investment, loans, etc. business. No ceiling on rates of interest that can be charged by financial companies on the loans and advances granted by them have been prescribed under these directions.

In recent years there has been a spurt in the activities of unincorporated bodies such as individuals, private financial financing firms etc. Reserve Banks' directions as aforesaid are not applicable to such firms which are increasing in number and are found to be accepting deposits from the public by offering exorbitant rates of interest. They also charge high rates of interest on the loans and advances granted to speculative and risky ventures. With a view to curb the deposit acceptance activities of these bodies, a new chapter III C has been incorporated in the RBI Act, 1934 through the enactment of Banking Laws (Amendment) Act, 1983. In terms of the provisions of the said chapter which have come into force with effect from 15-2-1984, unincorporated bodies are prohibited from accepting deposits from more than the number of depositors specified therein. Since the administration of the relative provisions concurrently vests in the State Governments/Union Territories, Reserve Bank addressed a circular letter to the Chief Secretaries of State Governments in February, 1984 impressing upon them the need for giving publicity to the provisions of Chapter III C as also for creating suitable administrative machinery to monitor the activities of such bodies and initiate action in respect of contravention, if any, of the provisions of the said Act. Reserve Bank is vigorously pursuing the matter with the concerned authorities of the State Governments.

Amendment of Gold Control Act

131. SHRI M. M. JACOB: Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal under Government's consideration to repeal the Gold Control Act; and

(b) if so, what are the details in this regard?