

†[THE DEPUTY MINISTER IN THE MINISTRY OF PETROLEUM AND CHEMICALS (SHRI DALBIR SINGH)

(a) and (b) The required information is as follows :

(000 tonnes)		
Type of fertilizer	Installed capacity of all factories in production as on 31-12-1972	Actual production during 1972
Nitrogen	1464	1081
Phosphate	500	324

†USE OF CREDIT MONEY BY FOREIGN COMPANIES INSTEAD OF THEIR OWN FUNDS

6. SHRI BHUPESH GUPTA :  
SHRI S G SARDESAI :  
SHRI BHOLA PRASAD :

Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state :

(a) whether it has come to the notice of Government that some foreign companies operating in India hardly use their huge reserve build-up in this country for financing their operations and often take recourse to loans from banking institutions for the purpose with a view to use the reserves for boosting up the quantum of dividends; and

(b) if so, what steps Government have taken to curb this practice ?

THE MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI D. R. CHAVAN) : (a) and (b) It has been noticed that some foreign companies are drawing upon their reserves for declaration of dividends and have also taken loans from banking institutions. However, Govern-

ment have now taken a decision where under remittance facilities in respect of dividends declared by 100% foreign-owned companies, wholly or in part, out of reserves will be conditional on the Reserve Bank being satisfied (i) that the reserves have been drawn upon only for maintaining the dividend quantum at the average of the previous 5 years or at 10% of the paid-up capital whichever is more, (ii) the drawal on reserves does not exceed 10% of the total of the paid-up capital and free reserves of the company at the beginning of the year and (iii) that the balance of free reserves left after the drawal does not fall below 15% of the total of the paid-up capital and reserves as in (ii) above

†INVESTMENT IN PRIVATE SECTOR

58 SHRI BHAGWAT DAYAL :  
SHRI GANESHI LAL CHAUDHARY :  
SHRI BANARSI DAS

Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state :

(a) the annual new investments in the Private Sector during the last five years,

(b) the contribution of the 20 large monopoly houses in these investments, year wise, and

(c) the average rate of profitability of the investment from 1968 to 1972 ?

THE MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI D. R. CHAVAN) : (a) to (c) The information is being collected and will be laid on the Table of the House

†[English Translation]

†Transferred from the 20th February, 1973