

I Shri F. H. Mohsin] tracts. The hilly areas will be divided into not more than six districts and each district will have a District Council. I do hope that the people in that part will play a greater role in the development of the hilly areas to the satisfaction of the people at large. I commend the Bill for the acceptance of the House.

MR. DEPUTY CHAIRMAN : The question is :

"That the Bill to provide for the establishment of District Councils in the Hill Areas in the Union Territories of Manipur, as passed by the Lok Sabha, be taken into consideration."

The motion was adopted.

MR. DEPUTY CHAIRMAN: We shall now take up the clause by clause consideration of the Bill.

Clause 2 to 53 were added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI E. H. MOHSIN : Sir, I move :

"That the Bill be passed."

The question was put and the motion was adopted.

SHRI CHITTA BASU : We can adjourn now.

THE MINISTER OF STATE IN CHARGE,
DEPARTMENT OF PARLIAMENTARY
AFFAIRS

संसदीय कार्य-विभाग में राज्य मंत्री

(SHRI OM MEHTA) : The Minister is busy in the other House and after that he would be coming here immediately. He will make a statement in this House also.

MR. DEPUTY CHAIRMAN-. Will that time we can continue with this business?

THE ASIAN REFRACTORIES LIMITED
(ACQUISITION OF UNDERTAKING) BILL,
1971

THE MINISTER OF STATE IN THE
MINISTRY OF STEEL AND MINES/

इस्पात और खान मंत्रालय में राज्य मंत्री

SHRI

SHAH NAWAZ KHAN) : Sir, I beg to move:

"That the Bill to provide for the acquisition of the undertakings of the Asian Refractories Limited for the purpose of augmenting supplies of refractories to meet the essential requirements of the iron and steel industry as passed by the Lok Sabha, be taken into consideration."

The need to acquire this plant has arisen out of the fact that the total production of refractories in the country is inadequate and insufficient to meet the essential requirements of the iron and steel industry in the country. This plant was acquired by a Presidential Ordinance to augment the supplies of refractories and to speedily bring it into operation. It has been closed since June, 1968. It is also proposed, at a later stage, to expand the existing capacity. This Bill seeks to replace the Ordinance and, with your permission, I would like to place before the House some more details regarding its acquisition and also the background "leading to it. The Asian Refractories have a licensed capacity of approximately 30,000 tonnes per year. They went into commercial operation in 1968, but due to certain reasons they incurred heavy losses and they had to close down. For starting this plant they had to borrow a substantial amount from the Industrial Finance Corporation. As on December, 1970 the outstanding dues from this company were of the order of about Rs. 80 to Rs. 82 lakhs. Sir, since this plant was not functioning very satisfactorily certain creditors went to the court and wanted it to be auctioned. The court permitted and an offer of about Rs. 70 lakhs was made. Later on the United Bank, from whom they had taken the loan, also went to the court and sought their permission to secure higher interest. The court gave them the permission and later on, the Eastern Spinning Mills offered Rs. 78 lakhs. The Eastern Spinning Mills is one of the Birla concerns....

SHRI JOACHIM AIA'A (Nominated) : Where did they get so much money from?

SHRI SHAH NAWAZ KHAN : Under the Monopolies and Restrictive Trade Practices Act, section 26, they could not be allowed to take over this plant. In the meantime tremendous shortage of refractories was felt. We

We found that the progress of the Bokaro Steel Plant was being retarded. Therefore, it was decided that the Government should step in and acquire this plant. It has been decided by the Government to offer Rs. 81 lakhs for the acquisition. The payment is to be made in instalments. The first instalment is to be of Rs. 8 lakhs and the balance has to be in ten equal annual instalments,

SHRI MAHAVIR TVAGI (Uttar Pradesh) : What is the basis of compensation? Is it on the market value?

SHRI SHAH NAWAZ KUAN: Sir, the offer made by Eastern Spinning Units is for Rs. 70 lakhs. The outstandings against this plant are of the order of Rs. 80-82 lakhs. The loan is due to the Industrial Finance Corporation and whatever we will offer as the price of this plant will be first paid to the creditors.

DR. BHAI MAHAVIR [Delhi] : Are we talking of one particular creditor only, or are the total dues of the order of 82 lakhs?

SHRI SHAH NAWAZ KUAN : There may be some more dues, but that is all we are offering.

DR. BHAI MAHAVIR : We want to know the total dues. Let the Minister find out and reply.

THE MINISTER OF STATE IN THE
INDUSTRIAL DEPARTMENT OF
PARLIAMENTARY AFFAIRS;

संसदीय कार्य-विभाग में राज्य मंत्री

(SHRI OM MEHTA) : At the time of reply he will give you.

DR. BHAI MAHAVIR : He is making a wrong statement.

SHRI SHAH NAWAZ KHAN : Mr. Tyagi has asked me a very relevant question, namely whether it is the market price. Sir, the Industrial Finance Corporation Committee which went into the working of this plant came to the decision that it is very well worth this amount. There is another refractory—Assam Sillimanite—with licensed capacity 11 times almost of the same capacity for which they are asking about Rs. 3] crores.

SHRI MAHAVIR TVAGI : Is this so many lakhs of rupees the deficit which they have

not paid? In that case it will come as a liability to the Government. Will that not be a loss?

MR. DEPUTY CHAIRMAN : That is a limited company and the Government will pay only Rs. 81 lakhs. That will be compensated afterwards,

SHRI SHAH NAWAZ KHAN: It will be paid out of this fund to the creditors, mainly to the Industrial Finance Corporation. Sir, we feel this is a step in the right direction. Last year we had to import refractories of the order of about Rs. 10 crores. And even in 1971-72

1 p. M.

we may have to import another Rs. in crores worth of refractories. This plant is situated in the proximity of the Bokaro Steel Plant and it has been lying closed for the last two years. We feel that it will be advantageous for the Bokaro Steel Plant to have a captive refractory plant of its own situated quite close to it. It will also provide employment to about 400 people.

Sir, with these remarks, I commend the Bill for the acceptance of the House.

The question was proposed.

MR. DEPUTY CHAIRMAN : Mr. Kalyan Roy. Brief observations, please.

SHRI KALYAN ROY (West Bengal) : Sir, whenever the Mines Ministry wants to do something good, instead of going to the full extent it halts in the mid-way and later on starts retreating. It is like a doctor who, when asked to cure a patient, instead of curing him completely, just heals him and lets the disease remain in his body. As Mr. Shah Nawaz Khan has pointed out, we need refractories for our steel plants. And the entire refractory industries to-day in Bihar, Bengal and elsewhere, are in the hands of the private sector. Without refractories, neither can the Bokaro Steel Plant be built up, nor can the steel plants in Hospet and Salem come up. Now, what is the role of the private sector which supplies 100 per cent refractories to the steel plants? The role of the private sector is one of calculated sabotage. The main reason for their failure in this field are not because of certain extraneous matters, but because of

[Shri Kalyan Roy] calculated plan not to supply order to get the fantastic prices which they are asking. Sir, the total capacity for production

factories in India is 1 million tonnes. And we find that in 1969 instead of one million tonnes, they produced only a little over 6,00,000 tonnes. Sir, this is the performance of the refractory industries in this country. In Bokaro when the plant was started, the Government of India went out of its way to please these refractory barons and on their advice decided that only 4 per cent

refractories required for the Bokaro Steel Plant would be imported and the rest would be

supplied by the private sector whose installed capacity was adequate. But it was found that in 1969 when the supposed to despatch

11,345 tonnes, they despatched only a little 000 tonnes. One of the main reasons why the Bokaro Steel Plant is not coming up, why the coke oven battery was not completed

in 1969, why the Blast Furnace No. 1 was not completed, is because these refractory owners went back on their commitments and the biggest

concern, the Indian Firebricks and Insulation Company, which got about 60 per cent of the total order, later came and wanted 100 per cent price increase for the firebricks which had to be paid to the steel plant. Sir, this is a sort of blackmail; not an ordinary blackmail, I must improve myself; it is a deliberate, calculated,

blackmail by the private sector to strangle the industry and to get as much as they can. matter of fact, they wanted that instead of 86 lakhs, they should get Rs. 86 lakhs.

That is the demand of the Indian Firebricks and

any. And I beg to say, eminent of India, instead of calling their bluff and forcing them to keep to their commitments, started giving them a price increase. And added to that, when we have enough installed capacity, we are

our utter shame, importing firebricks worth about Rs. 10 crores. In other words, 25 per cent of our requirement of firebricks is coming from the Soviet Union. The Soviet Union is giving us missiles, is giving us submarines. It

is giving us ships. It is giving us ammunition. It is giving us veto. Yes Sir, the things

which are produced in this country, the things which we can get in this country, are left to the private sector and they are getting all the concessions because of your tinkling. I welcome this Bill. But the question remains: Why are you so timid? Why do you not take over all the refractories in

this country? I know one refractory in Durgapur. It is quite a big refractory. Its name is Hind Refractories Limited. It belongs to one of the tycoons. They employ 340 workers. And you will be surprised that they pay only Rs. 3 per day. There are no medical facilities. There are no leave facilities. There are no overtime facilities, no quarters, no promotions,...

SHRI JOACHIM ALVA : The whitewashing man in Delhi gets Rs. 7 per day.

SHRI KALYAN ROY : This is their wage rate, Rs. 3 or Rs. 4, in the refractories in Kumardubi belonging to the Bird & Company. The Hind Refractories belonging to K. Worhar, Bannerjee or Goomka, these are the handful companies today which are strangling your neck. Instead of taking them over after this debacle, you go to take over one single plant. That is why I was regretting that you understand the disease—you the Mines Ministry and know what the cure is. But instead of giving the proper medicine, you just keep the patient alive, instead of curing him. That is the tragedy of the Mines Ministry. It wants to take over the coal industry. But later on it hesitates and takes over only a coking coal. They say that the entire coal industry should be taken over. But they are hesitant. They are afraid. They are nervous. It is because of the pressure inside their party. The same thing is repeated in the case of refractories where the time has come....

SHRI OM MEHTA : I must clarify that there is no pressure in any of these things.

DR. BHAI MAHAVIR : In any case their pressure is there on you very much.

SHRI KALYAN ROY : Sir, in between these two pressures I will not be able to finish my speech.

I agree with Mr. Om Mehta, he is also unhappy about the pressure. That is why he is denying. I know him. I am in sympathy with him. But the solution is not just taking over one. The solution lies in taking over the refractories which are about ten or twelve and which you need. One refractory will not give you sufficient number of bricks which are necessary for the new steel plants which are coming. Again you will have to bargain.

with the private sector who, after six months will be failing to supply youth bricks. Again they demand more price. Again you will be succumbing to their pressure. Again the rusts 4' steel refractories will go up as they are going up in Bokaro. It was Rs. 600 and it has gone up to Rs. 10(H). The problem is there. You cannot take India to the path of industrialisation by continuously succumbing to the pressure of mill liners and capitalists who neither have sympathy for Indian development nor care whether your steel factories come up or not. So, this is the solution. I am very unhappy about what you are doing, instead of bringing that at this particular time, you have brought only this. Now is the time when we should have gone one step further, but we should have gone the whole way and taken over all the refractories...

SHRI O.M. MEHTA : We will go.

SHRI KALYAN ROY : I tell you, you will have to bring another Bill if you want to see steel factories come up in Salem, Hospet...

SHRI O.M. MEHTA : We have taken the first step. We will take many more.

SHRI KALYAN ROY : I know how the first step was taken and what pressure was built. Let him not brag about it. In fact, as Lenin said, one step forward and two steps backward. I hope you will not take two steps backward. That is again true. This Bill does not meet the problems at all. This does not meet the requirements. The solution lies in taking over the refractories which are in the hands of the private sector.

MR. DEPUTY CHAIRMAN : Minister.

SHRI SHAH NAWAZ KHAN : Sir, I am very grateful...

DR. BHAI MAHAVIR : Sir...

SHRI O.M. MEHTA : Let him speak on the Third Reading.

DR. BHAI MAHAVIR : Sir, I raised my hand. Your eyes were glued on to Mr. Kahan Roy. I know he is a very attractive personality.

MR. DEPUTY CHAIRMAN : This side also.

SHRI KALYAN ROY : About gluing of eyes, I took the trouble to give in writing that I wanted to speak. However, if I have to be glued, I would like to be glued to Dr. Bhai Mahavir.

MR. DEPUTY CHAIRMAN : All right. Dr. Mahavir.

DR. BHAI MAHAVIR : Mr. Kalyan Roy, I was only appreciating your personality.

Sir, the hon. Minister stated

that in telling us about the need to acquire the Asian Refractories Limited, I must say that I am very much disappointed at the reasons that have been put forward by him. He says that the need arose because the production is inadequate. There is no production in this unit since June, 1968. I would be justified in asking why no effort was made—or, if any effort was made, I would like to know the details thereof to start production of this concern during the period that has lapsed since June, 1968?

Sir, he has referred to certain creditors who went to the courts for realising their dues and he has admitted that the Industrial Finance Corporation was the biggest creditor. Here what I want to ask very pointedly is, if there was any proposal for the revival of this refractory unit which the Industrial Finance Corporation did not accept; or was there any proposal which they did accept? Why I ask this is because, as things are and as the hon. Minister has said, the Industrial Finance Corporation is the largest creditor. I would like him to verify whether the total loans which have accumulated against this are of the order of nearly Rs. 82 lakhs only, because my information is that the loan is that amount by a fair margin. The Industrial Finance Corporation is not the only creditor. There are others also, and those are sought to be totally ignored because the total compensation that is proposed to be given under this Bill is Rs. 81 lakhs. In the Bill there is reference of distribution.

"...amount of the compensation amongst the creditors, and if there is any surplus left after such distribution, amongst the contributories of the company in accordance with their rights and interests."

[Dr. Bhai Mahavir]

Rupees eightyone lakhs are being given and Rs. five lakhs are owed to the IFC. And what will remain will be practically zero. It is that zero which is likely to be distributed amongst the contributors of the company in accordance with their rights and interests. I do not know how the rights and interests will be split in dividing something which does not exist because the total amount of money provided will be taken over by the IFC.

This is one thing. Further, I would like to know whether the Government is aware that there are certain small creditors of the company and that, those creditors have probably put their money in the company because they knew that the Industrial Finance Corporation also had put its money there in a large measure. There are shareholders who have contributed Rs. 55 lakhs by way of share, money. Rs. 32 lakhs are owed to other bankers and Rs. 20 lakhs are owed to other small creditors. Then, these shareholders are not monopolists of any type or quality. These are small shareholders. If my information is correct, none of them belongs to any of the big monopoly or large industrial concerns of the country. But no attention seems to be necessary in the mind of the government to secure any interests of these creditors. I want to know if the government is aware that in addition, there are nationalised banks also who have to realise money from the concern and whether any attention has been paid how that money will be paid to them. That is one thing.

I wish to know whether it is not a fact that during the course of these two years two or three proposals were brought for the revival of the company and its production. I am saying this because the hon. Minister emphasized the need for improving production of refractories in view of the expanding needs of our steel industry and in view of Bokaro. Shri Kalyan Roy was also emphasizing the need for the establishment of steel plants according to our schedule or as early as possible. My information is that there were two or three proposals for the revival of this company and I would like the hon. Minister to either accept it or to contradict it. One was made on the 35th of July 1970. In that proposal an amount of Rs. 70 lakhs was offered in cash. But that proposal was not accepted by the biggest creditor, namely, the IFC. Very curiously the

IFC accepted one proposal that came from the Birlas, that is, from the Eastern Spinning Mills to which the hon. Minister has referred. How the Eastern Spinning Mills came to be interested in a refractory undertaking is something which is not easy to appreciate. But what is more mysterious is how the IFC accepted that proposal the very day it was received and within 17 or 18 days it obtained the approval of the Calcutta High Court also to that proposal. While a better proposal in terms of total value was not accepted, a proposal from the Eastern Spinning Mills was accepted. This proposal was to the effect that one lakh was to be paid down cash by March 1971 and the balance in ten yearly instalments. It looks as if the Industrial Finance Corporation was anxiously waiting for this proposal to come because the same day it was

and within 17 or 18 days the approval of the High Court was also obtained. I would like to know whether this is a fact and if so in what way the IFC has a particular charm for the Birla proposal. Do they have a particular preference for having this concern sold or handed over to the Birlas? If not, why is it that the first proposal which happened to come from the Tatas was not accepted and another proposal which was from the Eastman India Ltd.—I do not know who the proprietors of this concern are—offering 81 lakhs—5 lakhs down cash and the balance in ten annual instalments—was also rejected by the IFC in the High Court? How is it that the proposal from the Birlas for one lakh down cash was accepted while another proposal for 5 lakh down cash was rejected? I would like to know how and in what way this particular paradox is to be explained.

B) accepting Rs. 78 lakhs from the Birlas, the IFC was to lose Rs. 3 lakhs on its own dues; Rs. 14 lakhs were to be lost by the United Bank of India; and Union Bank of India would have lost Rs. 12 lakhs—not only Rs. 12 lakhs, but Rs. 17 lakhs due to devaluation. I think the bank guarantee that they had given to the Polish collaborators of this undertaking. In addition, Sir, there are about two thousand shareholders who have contributed a total of Rs. 55 lakhs. I do not know why the Government has no sympathy for the holders and why not any amount of compensation is likely to be paid to them, because, Sir, the amount that is being promised as compensation is going to be gulped wholly by the IFC. Sir, the Industrial Finance

Corporation has played a very interesting role in this whole drama. Firstly, Sir, I have said that they scuttled one or two proposals which, from all appearances were better than the one which they accepted. They insisted on liquidation of the company, liquidation of the assets of the Company, on deferred payment and they did not accept the offer of the Tatas or another offer for the revival of production.

Sir, I also want to know—I would like to know the hon. Minister, Shri Shah Nawaz Khan to make a note of all that I am asking—whether it is a fact that there was a proposal made to the Steel Ministry in December, 1970 to take over the Asian Refractories. Was then a proposal to the Steel Ministry for the take-over of the whole undertaking? If that offer was therein December, 1970, I would like to know for what reasons that offer was not accepted.

Sir, there was also a proposal from one of the Directors—I have got some record here and some letters also—in which it was suggested to the Government that they should extend managerial and technical collaboration of the steel plants. The proposal was that the steel plants—they are the most important customers, actually they are the only customers buying refractories—should extend their technical and managerial collaboration and in turn, 51% of the controlling interests was offered to them. I do not know why this type of a proposal could not be accepted by the Government and why the Government had to wait all this time. Sir this offer came in December, 1970. The Government waited all these days and now, when we are in the midst of an emergency, when every penny is important, the Government wants to take over and pay compensation. Sir, there was a proposal wherein not a penny, not a Naya Paisa, was required to be paid. Technical collaboration was the only thing which was asked for. The assets of the creditors and the banks could have been later on realised as the work would have started. I do not know why the Government did not do anything in this matter and today, in a national emergency, when funds have to be mobilised, when resources have to be collected from all possible sources, when new duties and new taxes are becoming necessary, the Government is coming forward with a Bill where Rs. 81 lakhs will be paid in instalments and another sum, something like Rs. 120 lakhs or so, will be required for reviving the Company so that it can start producing.

Sir, it is strange and I do not know how it can be justified except in terms of the doctrinaire approach which the Government might be having that it must take over all possible things which it sets its eyes upon. If production was the purpose, then, Sir,.... [Time hell rings]. . . the better alternative would have been for the Government to revive it, give managerial and technical collaboration from the Bokaro Steel and enable them to start working so that with 51% of control of the whole thing, the people who have contributed by way of shares, the people who are small creditors, they would have benefited and the Government would not have been made to find funds to the tune of Rs. 2 crores for this undertaking.

MR. DEPUTY CHAIRMAN : Please
re-
state now.

DR. BHAI MAHAVIR : Sir, I would also like to know whether the Government has given thought to this and I would like to be enlightened on this.

Lastly, Sir, I would also like to know whether the hon. Minister is aware that there is some litigation going on in the Patna High Court regarding some land which is belonging to this company. There is some gentleman—one Mr. Bastumati or someone—who claims a lease-hold right in that land. There was some injunction which the court had given. Now I learn that the injunction has been vacated. But the case is pending and it may be decided at any time. Now if that case is decided in favour of the man, the Government may have to come before the House again for making payment to him to buy his right—of lease-hold in that land. That again is a point which I would like to mention.

These are the things on which, I think, the Government owes us an explanation. Without that, I think, we should not merely rush headlong. When the Government is taking over one concern or the other if they think that socialism will descend on us only through what is coming. I think that should be our guiding criterion. We should be guided by a pragmatic consideration of the country's total economic interests.

SHRI SHAH NAWAZ KHAN: Sir, I would like to deal with the points raised by

[Shri Shalt Nawaz Khan.]

Dr. Bhai Mahavir ji first. In my opening address, due to paucity of time I perhaps did not give sufficient details. So it has now become necessary to give a bit more details so that he will understand the sequences and the circumstances under which it was done.

Sir, in March, 1961 an application was filed by an unsecured creditor before the Calcutta High Court for winding up the company. The Industrial Finance Corporation, with a view to safeguarding its interests as a secured creditor, also filed an application in March, 1969 under Section 30 of the I.P.C., 1948, before the Calcutta High Court for the sale of the mortgaged assets. Tending disposal of the said application¹, the Calcutta High Court, by an order dated 19th March, 1969, appointed joint receivers. The joint receivers were directed by the Calcutta High Court to sell the mortgaged assets and other property of the company in June 1969. Accordingly, the joint receivers advertised for the sale of the assets. The United Bank of India had also to recover about Rs. 20 lakhs from Messrs. Asian Refractories Limited advanced by way of loans. As in December, 1970, the outstanding dues to the [FC from the Company were Rs. 80 to 82 lakhs. Of the parties who responded to the advertisement for sale, M/s. Belpahar Refractories Limited gave the highest offer of Rs. 70 lakhs. When the Calcutta High Court secured this offer, the United Bank of India intervened and prayed for time to procure better offers. Considering the United Bank of India's request, the court confirmed the offer of M/s. Belpahar Refractories Limited subject to the condition that the joint receivers could accept any higher offer that might be obtained by the United Bank of India within the time fixed by the court. The United Bank of India approached the Eastern Spinning Mills Limited, who gave an offer of Rs. 78 lakhs as against Rs. 70 lakhs offered by M/s. Belpahar Refractories Limited. The said offer was accepted by joint receivers and confirmed by the High Court of Calcutta on 16th of December, 1970 —

DR. BHAI MAHAVIR : What was due to the IFC...

SHRI SHAH NAWAZ KHAN : The High Court directed that the Joint Receiver shall execute the Deed, of Conveyance in favour of Eastern Spinning Mills —

DR. BHAI MAHAVIR : That is all right. I want to know whether the IFC...

SHRI SHAH NAWAZ KHAN : Please let me finish first....

DR. BHAI MAHAVIR : Is it the answer to my questions ? He is reading a prepared brief. I would like to have the answers to my questions. ... [Interruption-]

MR. DEPUTY CHAIRMAN: He is replying. The High Court ordered after taking into consideration all the factors...

DR. BHAI MAHAVIR : That is not the point. The point is whether the proposal was not accepted by the IFC... (Interrupt fans).

SHRI SHAH NAWAZ KHAN : The Member is so impatient. On the execution of the Deed, they could satisfy and discharge to the extent of Rs. 78 lakhs. That is the ruling of the High Court by which we are going. We have taken over these properties free from all encumbrances and the Government will not accept any other liability. If there are any other creditors, it is up to them to obtain the amount from the Asian Refractories. It is between them and the creditors.

DR. BHAI MAHAVIR : What about the small creditors who went to the court first of all?

SHRI SHAH NAWAZ KHAN : I entirely agree with my friend, Mr. Kalyan Roy, that the Government....

DR. BHAI MAHAVIR : Have you done away with me ? Let me repeat. I wanted to know whether you have paid any attention to the small creditors who had to go to the court;¹

SHRI A. D. MANI (Madhya Pradesh) : This is an important point. It is a public matter. The people are waiting to see that at least the interests of the small depositors and the small shareholders are safeguarded,

SHRI KALYAN ROY : I do not shed tears.

SHRI A. D. MANI : Are you going to prepare a list of such small depositors and small shareholders ? Are you going to look into the valid point raised ?

MR. DEPUTY CHAIRMAN: AU right Mr. Mani. Your point is clear.

DR. BHAI MAHAVIR : The simple chiriR seems to be that the total amount of compensation will be taken away by the IFC. Tlie small shareholders, the small creditors and all others will be left to themselves.

MR. DEPUTY CHAIRMAN : That is the best price that was available in the market. The company has gone into liquidation and it is lor the court to see in what way the assets can be distributed to them.

DR. BHAI MAHAVIR : I asked whether there was a proposal to take over....

MR. DEPUTY CHAIRMAN : Yes, yes, your point is clear.

DR. BHA! MAHAVIR : You have only read out the High Court's observation.

SHRI SHAH NAWAZ KHAN : The caw was *sub judice*. It was before the High Court and we could only come in when the Court permitted the auction to be undertaken.

Regarding dispersal of the amount which accrued as a result of auction, the realisable value of this plant was only this much and we arc merely following the directives of the Court and whatever the Court has decided.

Now coming to a very important and very relevant point raised by my friend, Shri Kalyan Roy, I entirely agree with him ihat it should be our endeavour to attain self. sufficiency in refractories ii the interest of development of steel industry. I may inform him that we already initiated action to put up a refractory plant to product 100,000 tons at Bhilai.

SHRI KALYAN ROY : When is it coming up?

SHRI SHAH NAWAZ KHAN : We are trying to expedite it as fast as we can. We have a proposal under consideration for acquiring the Assam Silimanite, that is another factory with a licensed capacity of about 45 ' thousand tons and we hope that we shall be able to acquire all that in the near future.

Regarding his question as to why we have not nationalised the entire coal industry. I may ay thai it is a separate question. We are taking up the nationalisation of coking coal. When that comes up, this question can be raised.

With these remarks, I beg to move that the Bill as passed by the Lok Sabha be taken into consideration.

MR. DEPUTY CHAIRMAN : Now I will put the, motion.

The question is :

"That the Bill to provide for the. acquisition of the undertaking of the Asian Refractories Limited for the purpose of augmenting supplies of refractories to meet the essential requirements ot the iron and steel industry as passed by the Euk Sabha be taken into consideration."

The motion was adopted.

MR. DEPUTY CHAIRMAN : We shall now take up clause by clause consideration of the Bill.

Clauses 2 to 11 were added to the Hill-Clause 1, ike Enacting Formula and the Title were added to the Bill.

SHRI SHAH NAWAZ KHAN: Sir, I move :

"That the Bill be passed." *The question was put and Ik motion was adopted.*

STATEMENT BY MINISTER RE LATESTSITUATION OF FIGHTING ON EASTERNAND WESTERN SECTORS

THE MINISTER OF DEFENCE/ƒW Hsfl (SHRI JAGJIN AN RAM): Mr. Deputy Chairman, Sir, this is the 11th day of the war forced on us by Pakistan. The enemy has failed almost completely to achieve the aim of his pre-emptive attack. In the process, Pakistani forces have suffered grievous losses which can be made good .uily by large-scale inductions from foreign sources.