

accordance with their rights and interests. This interim compensation is payable partly in cash and partly in securities which will carry interest from the date of nationalisation. No specific time limit has been prescribed for the distribution of interim compensation to the shareholders by the erstwhile banking companies. However, the banking companies are expected to distribute the interim compensation to the shareholders as soon as possible after receipt from Government

†CONVERSION OF GOVERNMENT LOANS
TO COMPANIES INTO EQUITIES

*14. SHRI BHUPESH GUPTA :
Will the PRIME MINISTER be pleased to state :

(a) whether it is a fact that the Chairman of the Life Insurance Corporation and the Industrial Finance Corporation have expressed themselves strongly against conversion of Government loans to Private Sector Companies into equities;

(b) if so, the reasons given by them; and

(c) what is Government's reaction thereto?

THE MINISTER OF STATE IN
THE MINISTRY OF FINANCE
(SHRI P. C. SETHI) : (a) to (c) A statement is laid on the Table of the House.

STATEMENT

(a) to (c) The Industrial Licensing Policy Inquiry Committee (Dutt Committee) has observed that when public sector financial assistance on any significant scale is provided for the private sector industrial concerns, not only should an appropriate share in the benefits accruing from the project after it is completed be available to the State, but the project should also necessarily be treated as belonging to the 'joint sector' with proper representation for the State in its management. The Committee has suggested that this purpose might be achieved by the financial institutions insisting on the whole or part of their assistance in the form of loan and debentures being made convertible into equity capital of the assisted concern, at their option and, if necessary, the law should be amended to provide for this. The recommenda-

tions of the Committee are still under consideration of the Central Government.

In part (a) of the Question, the Hon'ble Member has probably in mind the observations made by the Chairman of the Life Insurance Corporation of India on September 20, 1969 at a meeting of the Central Advisory Council of Industries under the Chairmanship of the Minister for Industrial Development and the observations of the Chairman of the Industrial Finance Corporation of India at a Press Conference held after the Annual General Meeting of the Corporation of September 25, 1969, both of which were reported in the newspapers. The Chairman of the Life Insurance Corporation briefly expressed himself as not being in favour of a flat principle of convertibility of all loans to the private sector into equity. The major part of his observation related to matters other than conversion of loans into equity. The speech, however, clearly indicated that if Government takes policy decisions the LIC would naturally fall in line.

The Chairman, IFC, appears to have stated that the financial implications to his Corporation of conversion of loans into equity would need careful examination because conversion of loans into equity might in a sense reduce the availability of funds for further lending. It does not appear as if the Chairman IFC, said anything specifically against the Report of the Industrial Licensing Policy Inquiry Committee.

The observations of the Chairman of the two public sector institutions have been studied and Government sees no reasons to think that there will be opposition from these two bodies in the implementation of such policies or decisions as the Government may formulate in this matter.

INTERIM BUDGET

*191. SHRI LOKANATH MISRA :
SHRI S. S. MARISWAMY :
SHRI K. C. PANDA :
SHRI DEVI SINGH :
DR. B. N. ANTANI :

Will the PRIME MINISTER be pleased to state :

(a) whether several senior economists including Dr. R. K. Hazari, author of the recent report on Industrial

†Transferred from the 17th November, 1969.

Planning and Licensing Policy have recently suggested the formulation of an interim budget; and

(b) if so, the reactions of the Government of India in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P. C. SETHI) : (a) and (b) In a speech to the Rotary Club of Bombay, Dr. R. K. Hazari did advocate formulation of an interim budget. However, Government do not consider it necessary to do so at this juncture.

KHETRI COPPER PROJECT

***192. SHRI BALACHANDRA MENON :**

SHRI M. V. BHADRAM :

Will the Minister of PETROLEUM AND CHEMICALS AND MINES AND METALS be pleased to state :

(a) whether the Superintendent of Mines, the General Manager and Mining Geologist have submitted different notes regarding the production of copper and the working of the Khetri Copper Project, to the Managing Director of the Project;

(b) whether the Managing Director has brought these notes to the notice of the Ministry;

(c) what are the details mentioned regarding the working of the project in these notes; and

(d) what action is being taken by Government to improve the situation?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND CHEMICALS AND MINES AND METALS (SHRI JAGANNATH RAO) : (a) to (d) A statement is laid on the Table of the House.

STATEMENT

(a) Presumably the reference is to notes prepared in connection with the assessment of ore reserve and production build up at Khetri and Kolihan mines, which was entrusted to a Working Group, comprising of General Manager, Khetri Copper Project, Superintendent of Mines, Khetri Copper Project, Mining Geologist and a representative of Geological Survey of India, as constituted in June, 1968. The note prepared by the Mining Geologist tou-

ched upon, apart from production build up and ore reserve estimate at Khetri and Kolihan mines, problems relating to administrative and organisational aspects. At the instance of the Chairman of the Working Group i.e. General Manager, Khetri Copper Project, separate exercises were assigned to different members of the Working Group. There were some differences in the conclusions drawn by the different members which were finally discussed in the Working Group in a series of meetings and an agreed final report was submitted by the Working Group.

(b) The conclusions of the Working Group were approved by the Board of Directors and brought to the notice of Government by the management.

(c) The scope of the study being as at (a) above, no details regarding "working of the Project" were mentioned in the report of the Working Group. But the Mining Geologist's note referred in detail to the lack of adequate geological data and specific recommendations for undertaking an intensive programme in this regard.

(d) The management is implementing the recommendation of the Working Group for intensifying exploration and development work at Khetri and Kolihan Mines, to the extent the final recommendation of the Working Group report supported the detailed suggestions made in the Mining Geologist's note, the latter are being taken into account automatically.

NAMING OF ROAD IN NEW DELHI AFTER SWAMI RAM TIRATH

***193. SHRI JAGAT NARAIN :** Will the Minister of HEALTH AND FAMILY PLANNING AND WORKS, HOUSING AND URBAN DEVELOPMENT be pleased to state :

(a) whether Government propose to name a road in New Delhi after Swami Ram Tirath whose commemorative stamp was issued on the 11th November, 1966 on the Diwali day; and

(b) if so, the details thereof?

THE MINISTER OF HEALTH AND FAMILY PLANNING AND WORKS, HOUSING AND URBAN DEVELOPMENT (SHRI K. K. SHAH) : (a) and (b) The New Delhi