

UTILIZATION OF WORLD BANK LOAN BY  
PRIVATE SECTOR COLLIERIES

\*219. { SHRI SITARAM JAIPURIA:  
SHRI U. S. DUGAL:†

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

(a) whether it is a fact that there is a slow progress of utilisation of World Bank loan by private sector collieries;

(b) if so, what are the reasons for the slow progress;

(c) by when the loan is to be utilised; and

(d) whether the collieries have sought Government's assistance for utilisation of the loan and if so, what assistance is being given by Government in this connection?

THE DEPUTY MINISTER IN THE MINISTRY OF STEEL AND MINES (SHRI P. C. SETHI): (a) Yes, Sir, there has been some delay in utilisation of the loan.

(b) In the initial stages, the delay is stated to have been due to the industry experiencing difficulties in securing the necessary matching rupee finance. Latterly, there has been a certain reluctance on the part of the industry to make heavy investments on the import of machinery because of the slackening of the demand for coal;

(c) the last date for the utilisation of the loan is 30-9-1965.

(d) In order to facilitate utilisation of the loan, Government sanctioned a scheme for partial guarantee by Government for advances to be given by Credit institutions to collieries in the private sector. Coal prices were increased in June 1962 and March 1964 in order to attract investment in the

†The question was actually asked on the floor of the House by Shri U. S. Dugal.

industry. Besides this price increase, additional concessions were given in the shape of increased subsidies for stowing, a higher development rebate and concessional rates of duty on imported mining machinery.

श्री विमलकुमार मन्नालालजी चौरडिया :

क्या श्रीमान्, यह बतलावेगे कि सब सुविधा देने के परिणामस्वरूप उनको उपयोग में लाने में क्या प्रगति हुई ? अगर प्रगति नहीं हुई तो क्या शासन इस बात का प्रयत्न करेगा कि इन व्यवसायियों में मिलकर उनकी दिक्कतों को जाने और उनको हल करें ?

श्री पी० सी० सेठी समय समय पर उनकी दिक्कतों को जानने का प्रयास किया गया है और इन्हीं कारणों से जिन सुविधाओं का उल्लेख किया गया है, ये सुविधायें उन्हें दी गई हैं। इस काम में कुछ प्रगति भी हुई है और हाल में कुछ फ्रेश एक्ज. केशन लोन के लिए आये हैं।

SHRI M. P. BHARGAVA: May I know if the Government is thinking of amending the Mines and Minerals (Regulation and Development) Act, 1957, to enable coal companies to mortgage or assign mining rights in favour of banks for obtaining matching rupee credit?

SHRI P. C. SETHI: Sir, this information is not at the moment available with me.

SHRI BHUPESH GUPTA: From the reply which the hon. Minister has given two things stand out. One is that the coal prices have been increased in order to facilitate the utilisation of this loan and secondly that the Government will now underwrite these loans. If these were not two of the reasons, may I know why these private sector people having got the sanction for these loans and having negotiated them successfully, did not avail

of them by importing machinery and so on? Was there any deal between them or understanding between them and the World Bank authorities?

SHRI P. C. SETHI: There was no such deal to our knowledge between them and the Bank authorities. Actually, as I have stated, the difficulty has arisen due to a slackening of the demand for coal.

SHRI BHUPESH GUPTA: Under the Plan, the targets are fixed and financial allocations including foreign exchange allocations are made and I assume that they have been adhered to. If not, why did not the Government take early steps in order to settle this matter because it has been pending at least for more than a year or so? We have been asking questions and raising this matter in other ways also. Has there been any investigation as to why the private sector colliery industry people did not avail of the sanctioned loans from the World Bank and why they waited for the Government of India to underwrite them?

SHRI P. C. SETHI: Sir, actually they had to produce matching rupee funds and they had difficulty in having that. Therefore the Government came forward to give this guarantee to the Bank. Sir, the total allocation out of this loan is about Rs. 16.67 crores against which orders placed till now come to about Rs. 14.77 crores or so. As a matter of fact, it is only a small amount of the total amount of the loan that has not been utilised.

SHRI BHUPESH GUPTA: It is not a question of orders being placed. It was stipulated that the loans would be utilised much earlier. Now we are told that orders placed would come to that amount mentioned by the hon. Minister. May I know exactly how much money has been actually utilised by way of import of machinery and so on instead of being given this figure of the orders placed?

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SHRI P. C. SETHI: Sir, as I have stated already, the licences issued come to much more. They come to about Rs. 20.48 crores but the amount for which orders have been placed comes to Rs. 14.77 crores. The date for replacement and renovation of machinery was 1963 but later on it was extended to 1965. Yet the actual amount claimed out of this is Rs. 6.70 crores and orders placed come to Rs. 14.77 crores.

#### FOURTH STEEL PLANT AT BOKARO

\*220. { SHRI BABUBHAI M.  
CHINAI;  
SHRI U. S. DUGAL;†  
SHRI R. S. KHANDEKAR:

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

(a) the progress so far made in regard to financial and technical collaboration with the Union of Soviet Socialist Republics for the establishment of the Fourth Steel Plant at Bokaro;

(b) whether it is a fact that the Indian team of experts has been isolated in building up the steel plant at Bokaro and entire reliance is placed on Russians in this matter; and

(c) if so, the reasons therefor?

THE DEPUTY MINISTER IN THE MINISTRY OF STEEL AND MINES (SHRI P. C. SETHI): (a) A project assignment for the preparation of a detailed project report by the U.S.S.R. design organisation has been signed. An Indo-U.S.S.R. Agreement specifying the terms of financial and technical collaboration to be given by the U.S.S.R. for the Fourth Steel Plant at Bokaro is expected to be concluded shortly.

†The question was actually asked on the floor of the House by Shri U. S. Dugal.