

# REPAYMENT OF LOANS BY TISCO AND IISCO

\*248. { SHRI SANKAR PRATAP  
SINGH DEV:  
SHRI A. B. VAJPAYEE:†

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

(a) what decisions Government have finally taken with regard to the repayment of loans by the Tata Iron and Steel Company and Indian Iron and Steel Company; and

(b) whether the interests on the said loans is being realised?

THE MINISTER OF STEEL AND MINES (SHRI N. SANJIVA REDDY):

(a) Discussions were held with representatives of the Tata Iron and Steel Company and the Indian Iron and Steel Company regarding the mode of repayment of the special advances made to those Companies. As a result of those discussions certain proposals are under the consideration of Government. No final decision with regard to them has been taken yet.

(b) No, Sir.

SHRI A. B. VAJPAYEE: May I know exactly what are the proposals that are under the consideration of the Government and whether these companies have asked for some concessions with regard to the repayment of these loans?

SHRI N. SANJIVA REDDY: There is a ten-year history behind these loans and the repayments have not yet begun and the interest also is not being paid. Therefore, the Government is considering steps to see how best to get back these amounts.

SHRI A. B. VAJPAYEE: May I know why the Government cannot take stringent measures against these companies for the repayment of the

loans and why even the interest is not being paid?

SHRI N. SANJIVA REDDY: There were a number of conditions laid down when the loans were given to them, about the procedure for repayment. These conditions were there in 1953-54 when the loans were given to them. Therefore, the Government can function only within this circle and we have to respect the conditions agreed to by the two parties.

SHRI A. B. VAJPAYEE: Is it a fact that the Government is being pressurised by these companies and that they want that these loans should not be recovered fully from them?

SHRI N. SANJIVA REDDY: I can assure the hon Member that the Government would not surrender, whatever may be the amount of pressure put on them.

SHRI BHUPESH GUPTA: We have heard that earlier also.

SHRI P. K. KUMARAN: Recently we passed a legislation in this House which authorised the Government to convert these loans into share capital. Are the Government thinking of converting these loans into shares under that Act?

SHRI N. SANJIVA REDDY: This honourable House has given that power to the Government and we are aware of it. The power will be used if and when necessary. We shall also see if the money cannot be recovered by negotiation. Failing that, of course, we will certainly take necessary measures to recover the amounts.

SHRI BHUPESH GUPTA: Sir, the loans were given in 1954 without a maturity date. It was stipulated that after the expansion had been made the repayment would be made and the interest would be paid from 1958 and so on. In this very House, some months ago the hon Minister, I mean the earlier incumbent of this office, said that the interest was going to be realised from them. Now we are

†The question was actually asked on the floor of the House by Shri A. B. Vajpayee.

told that even that is not being collected from them and they have to move within this circle—a vicious circle, I know, I should like to know why in this particular case which involves Rs. 20 crores from the public exchequer, the Government is not at least taking steps to realise the interest. That is (a). And (b) when the companies had made the expansions and are earning enormous profits out of the expansions effected with this money, why has the Government not collected the capital money advanced? And (c) in the event of the companies' failing to do so, why special powers now in the hands of the Government are not used to compel Tatas and Martin Burns to surrender it in the form of equity shares and so on? What comes in their way? What is coming in the way, I would like to know? Who rules in this matter, Mr. J. R. D. Tata or Mr. Sanjiva Reddy?

**SHRI N. SANJIVA REDDY:** Sir, (a), (b) and (c) put together I can answer. As I said earlier, there is a special element to be given to them and we had also agreed that we would consult the Tariff Commission. The Tariff Commission was consulted and it recommended a special element of eight rupees to be paid over and above the retention price. If that was given, it was thought that the money would be repaid but the Government felt that the special element recommended by the Tariff Commission, of eight rupees per ton, was not fair and Government did not accept that. It was also felt that the retention price itself contained an element out of which the loan could be repaid. In view of these complications and in view of the agreement entered into by the Government with the concerns in the year 1954, discussions have been going on so far and Government are also considering whether the Tariff Commission should not be approached before taking a decision.

**SHRI ARJUN ARORA:** May I know whether certain unfortunate attitudes

adopted by the World Bank and certain other authorities in the United States are standing in the way of the realisation of the loan, principal and interest, from Tatas and Martin Burns?

**SHRI N. SANJIVA REDDY:** Let me assure my hon. friend that nothing will stand in the way and Government will not be bullied by anybody either inside or outside the country.

**SHRI BHUPESH GUPTA:** Is the hon. Minister aware that the accountants, very responsible and high placed accountants in both the concerns maintain that they are in a position today to repay the loan, they have got enough funds and that they are doing this in the expectation that now, in the name of having further expansion, they would like Government to adjust this against fresh claims and that in this matter they have been backed up by recommendations or proposals made by the World Bank which had made it very clear that in order to help them secure the help of the World Bank it would not be advisable at this stage to compel both these concerns to repay the money or even to ask them for the payment of interest? These are very categorical questions. I have personally investigated into this matter. I cannot give the names but I have got it from the accountants of both these concerns who maintain that they are in a position to pay now even the capital amount but they have certain other things up their sleeves. This is what I want to know.

**SHRI N. SANJIVA REDDY:** I do not know the source of Mr. Gupta's information but I should like to assure him that nothing of that type comes in the way of the Government collecting this money, capital and interest, but as I said in the beginning, there are some conditions attached to the loan; the mode of recovery is also indicated and because of this we will have naturally to go slow and negotiate but I can assure the hon. Members that Government

will not be influenced either by anybody inside or outside the country. The money will be collected.

MR. CHAIRMAN: Next question.

SHRI BHUPESH GUPTA: We want half an hour's discussion on this. Kindly allow.

DEATH OF FIRST CLASS WOMAN PASSENGER  
IN TRAIN

\*249. SHRI FARIDUL HAQ ANSARI: Will the Minister of RAILWAYS be pleased to state:

(a) whether his attention has been drawn to a letter published in the 'Statesman' dated the 1st July, 1964, alleging that a few days ago a woman passenger travelling in first class by Dehra Dun Express died at Gaya owing to heat and thirst; and

(b) if so, whether any enquiry was made about the incident?

THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI RAM SUBHAG SINGH): (a) and (b) Yes, Sir. Enquiries made have revealed that the lady passenger died at Gaya station due to injuries sustained by her in an accident earlier at Dehra Dun and not due to heat or thirst.

SHRI FARIDUL HAQ ANSARI: I have mentioned in this the letter that was published in "The Statesman" which had said that due to excessive heat in that particular compartment, the sort of bogie that we have, of the corridor type made of metal, and due to lack of water even at the Gaya Station where the cooling apparatus is supposed to be functioning—in those days that was not functioning—the lady could not get water. She was feeling excessive thirst and she died.

SHRI RAM SUBHAG SINGH: I do not want to give any analogy but yesterday a news story appeared in "The Statesman" about me and about the Congress Working Committee.

SHRI A. D. MANI: That is different.

SHRI RAM SUBHAG SINGH: No meeting of the Congress Working Committee was held to consider a particular subject and "The Statesman" says that Ram Subhag Singh gave a recorded note of dissent. If you are to go by such reports, I am sorry I do not know what to say.

RETRENCHMENT OF KHALASIS

\*250. SHRIMATI DEVAKI GOPIDAS: Will the Minister of RAILWAYS be pleased to state:

(a) whether it is a fact that about 300 serving Khalasis under the Olavakkot Sub-Division recruited in 1961 were served with retrenchment notices while about 800 new hands were recruited in existing vacancies; and

(b) if so, what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI RAM SUBHAG SINGH): (a) and (b) A statement is laid on the Table of the Sabha.

STATEMENT

As a result of a selection for recruitment to posts of Khalasis in the Mechanical Department of the Olavakkot Division, Southern Railway, 800 candidates were empanelled by the Selection Committee. Out of these 607 were already in service as Substitute Khalasis and the balance of 193 were new hands. The number of persons who were discharged includes 56 who were overage, 20 who were found unsuitable and the balance who did not apply.

SHRIMATI DEVAKI GOPIDAS: From the statement it is seen that new recruits have been taken in. May I know whether this is fair to those who were already in service and who were retrenched? Would it not have been better to utilise the services of