

SHRI JAWAHARLAL NEHRU: No, Sir.

SHRI BHUPESH GUPTA: May I know what will be the position in the Security Council after this report is submitted there?

SHRI JAWAHARLAL NEHRU: We don't know, Sir. ^f

SHRI BHUPESH GUPTA: May I know whether the hon. Prime Minister envisages any move on the part of certain Powers with regard to this report?

SHRI JAWAHARLAL NEHRU: I have not quite understood the question.

MR. CHAIRMAN: Whether he has heard any reports or moves by certain powers with regard to this question—is that your question?

SHRI BHUPESH GUPTA: Yes, Sir.

MR. CHAIRMAN: He asks, whether you have heard about any moves on behalf of any Powers?

SHRI JAWAHARLAL NEHRU: No, I have not.

SHRI BHUPESH GUPTA: May I know whether India must continue this case in the Security Council or whether it is possible for us to freeze this case, as far as we are concerned, in the Security Council pending the vacation of aggression?

SHRI JAWAHARLAL NEHRU: The matter having gone to the Security Council, is not entirely in the hands of any party. We can, of course, express our opinions and once it has gone, so far as I know, it cannot be withdrawn by one party. It is not feasible and as for freezing the case till the aggression has been vacated, if the aggression is vacated, the problem would be solved.

SHRI BHUPESH GUPTA: May I know whether it is not possible for the Government of India to make it known to the Security Council that it would be interested in participating in the deliberations of the Security Council if invited only when they discuss the question of vacating the aggression?

SHRI JAWAHARLAL NEHRU: The Government of India has expressed its views on this question at great length, before the Security Council. It does not intend to put forward some kind of easy phrase or slogan which would not clarify these views fully.

BALRAMPUR SUGAR COMPANY LIMITED

^f SHRI BHUPESH GUPTA at 155 ^ SHRI PERATH NARAYANAN [NAIR:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Balrampur Sugar Co. Ltd., has recently been purchased by Messrs. Sohanlal Pachisia and Co., from Messrs. Begg Sutherland and Co., Ltd., Kanpur;

(b) if so, what is the price per share paid by the purchasers to the sellers; and

(c) what is the foreign exchange involved in the transaction?

I THE DEPUTY MINISTER OF COMMERCE AND INDUSTRY (SHRI SATISH CHANDRA): (a) The controlling interest in Balrampur Sugar Company Limited was recently purchased by Messrs. Sohanlal Pachisia and Company partly from Begg Sutherland and Company Limited and partly from British India Corporation Limited;

^fThe question was actually asked on the floor of the House by Shri Bhupesh Gupta.

(b) It is understood that the price paid was Rs. 16.25 pP per share.

(c) None.

SHRI BHUPESH GUPTA: May I know if it is a fact that the price paid by the purchaser, of Rs. 16 odd per share was against the quoted market price of Rs. 6 per share?

SHRI SATISH CHANDRA: The price that was being quoted during the month of November ranged from Rs. 6 to Rs. 6.70 nP. That is true.

SHRI BHUPESH GUPTA: May I know how is it that transactions of this kind take place under the very nose of the Government which are clearly speculative and intended to cheat our country of some substantial foreign exchange?

SHRI SATISH CHANDRA: There has been no legal irregularity whatsoever in this transaction. The purchaser agreed to purchase the shares of the company at a particular price because they got a controlling interest and the selling parties, *i.e.*, Messrs. Begg Sutherland and Co. and the British India Corporation, were anxious to sell their shares.

SHRI BHUPESH GUPTA: We understand the anxiety on the part of both parties. But may I know how much we have to pay in foreign exchange in order to pay the price of the shares to the foreigners?

SHRI SATISH CHANDRA: Begg Sutherland and Company is an Indian Company and the question of foreign exchange- is not involved at all.

SHRI BHUPESH GUPTA: May I know whether it is a fact that there are certain foreign shareholders of this company?

SHRI SATISH CHANDRA: Begg Sutherland and Company is a Company registered in India with rupee capital. It is also controlled by Indians. The question of foreign

exchange does not arise. If it does arise, the matter will be considered by the Reserve Bank when an application is made. But no such application has been made so far.

SHRI BHUPESH GUPTA: Do I understand that if a foreigner is a shareholder in a rupee company, the foreigner is not entitled to get anything in his own currency?

SHRI MANUBHAI SHAH: I may amplify this. I can assure the hon. Member that when any such application for the transfer of foreign exchange comes, the Government will very carefully look into the matter.

SHRI BHUPESH GUPTA: May I know, Sir, whether it is a fact that the transfer has taken place in one of the so-called take-over deals with a view to securing control over the reserves of the company, thereby again cheating the exchequer as far as the company's reserves as well as liabilities to the State are concerned?

SHRI MANUBHAI SHAH: Normally in these transactions there is no question of cheating one or the other party. When two private parties make a bargain, the selling price is accepted by the buyer and the seller sells at the price accepted by the buyer. So in this connection no question of foreign exchange arises. But if they apply to the Reserve Bank for transfer of foreign exchange, we will look into the matter very carefully.

SHRI BHUPESH GUPTA: Is there no remedy to prevent such obvious and patent speculative take-overs of the shares of a company at inflated prices? There is the Company Law Administration Department and all that. Is there no remedy? I would like to know the position from the hon. Minister.

SHRI SATISH CHANDRA: The transfer of shares to speculators can be an evil; but such transfer can also be a blessing especially when a

good party comes forward to take up a company which is not running very well. According to the British India Corporation they were not able to run this company profitably. A party which thinks that it can be run efficiently has taken it over and the results will be found only after some time.

SHRI BHUPESH GUPTA: How does the Government know that this party will be in a position to run it efficiently?

SHRI SATISH CHANDRA: I did not say that. That will be found later on. No legal irregularity has been committed. If the hon. Member feels that such things should not happen, he may make his own suggestions when the amendment of the Company Law is taken up after some time.

SHRI BHUPESH GUPTA: When will the Bill come?

(No reply.)

**ESTABLISHMENT OF A RAYON PULP FACTORY
IN METTUR (MADRAS) WITH JAPANESE
COLLABORATION**

*162. SHRI T. S. PATTABIRAMAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government propose to establish a Rayon Pulp Factory in Mettur (Madras) in collaboration with Japan; and

(b) whether a team of Japanese experts recently toured India in this connection and submitted its report to Government?

THE MINISTER OF INDUSTRY (SHRI MANUBHAI SHAH): (a) and (b). A paper and pulp delegation sponsored by the Government of Japan visited the country in 1956. Thereafter a preliminary project report was submitted by a Japanese firm for the establishment of a 100-tons per day unit in the public sec-

tor based on the use of bamboo and the same is under consideration of Government. The scheme has also been commended to the private sector and all the Rayon Industry units likely to be interested have been addressed in the matter.

SHRI T. S. PATTABIRAMAN: Is it a fact that the Japanese Government has offered to give the entire machinery to the Government of India in case this unit is in the private sector?

SHRI MANUBHAI SHAH: No. Some of the manufacturers of textile engineering machinery of this type in Japan are ready to enter into suitable agreements with either the Government of India or private parties to set up this plant.

SHRI T. S. PATTABIRAMAN: May I know whether any particular party has been recommended to the textile industry? If so who are they?

SHRI MANUBHAI SHAH: We have circularised the letter to about nine firms who are interested in rayon manufacture.

MR. CHAIRMAN: Questions are over.

WRITTEN ANSWERS TO QUESTIONS

1 EXPORT OF MONKEYS BY MESSRS. T. E. PATTERSON

*156. SHRI N. C. SEKHAR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Messrs. T. E. Patterson were ever punished for irregular and illegal practices in connection with the export of monkeys;

(b) if so, how many times and for what reasons; and

(c) whether other firms have also been penalised for similar offences?