

ISSUE OF CAPITAL BY THE TATA IRON AND STEEL COMPANY

*244. DR. RAGHUBIR SINH (ON BEHALF OF SHRI M. GOVINDA REDDY): Will the Minister for FINANCE be pleased to state:

(a) whether the Tata Iron and Steel Company have recently been permitted to issue fresh capital; and

(b) if so, to what extent, and on what terms?

THE MINISTER FOR REVENUE AND CIVIL EXPENDITURE (SHRI M. C. SHAH): (a) Yes, Sir. Consent was given on the 18th January 1956.

(b) The consent was to the issue of 12,85,000 ordinary shares of Rs. 75 each at a premium of 40 per cent., i.e. at an issue price of Rs. 105 per share, subject to the conditions that—

(i) the issue shall be offered to the existing shareholders in proportion to their present holdings, and

(ii) if any of the existing shareholders do not intimate to the company their acceptance of the additional shares offered to them, the previous permission of the Controller of Capital Issues shall be obtained to the reallocation of these shares, on such terms as the Controller of Capital Issues may specify.

DR. RAGHUBIR SINH: May I know as to whether any fresh capital is being brought in from abroad?

SHRI M. C. SHAH: They have arranged for some foreign loans for their expansion purposes.

DR. R. P. DUBE: When are these fresh shares to be issued?

SHRI M. C. SHAH: I think the Company will have an extraordinary meeting and pass a resolution and then they will start allotting them.

DR. R. P. DUBE: Therefore, I wanted to know the time.

SHRI M. C. SHAH: That can be known from the Company; not from the Government.

SHRI H. C. DASAPPA: May I know whether the Tatas had suggested that these shares should be issued at par or at any other rate of premium than what is indicated here by the Government?

SHRI M. C. SHAH: There is no question of any suggestion now when the Government has already taken a decision and the decision has been intimated to the Company and the Company has also accepted it.

SHRI H. C. DASAPPA: I am only asking for a piece of information.

MR. CHAIRMAN: What he wants to know is: Before this was decided did the Government receive any suggestion from the Company that the shares should be issued at par or this or that?

SHRI M. C. SHAH: Certainly, they wanted to issue at par. Then there was a suggestion to issue at a premium and all these factors were considered before coming to a decision.

BABU GOPINATH SINGH: May I know if any percentage of these shares would be made available to the workmen of the Company?

SHRI M. C. SHAH: If the workmen hold shares of the Company, certainly they will get an allotment of this additional issue.

श्री कन्हैयालाल दौ० बंडा : ऐसी घोषणा की गई थी कि टाटा ने अपने मैनेजमेंट में वर्कर्स को भी हिस्सा दिया है। क्या यह सत्य है ?

SHRI M. C. SHAH: Papers say so.