

separately in the States and a Central training college should be established for doing research work in connection with basic education.]

प्रो० आर० डी० सिन्हा दिनकर : मेरा इसके बारे में यह प्रश्न है कि उसके परिणाम क्या निकले, यह बतायें ?

†[PROF. R. D. SINHA DINKAR: My question in this connection is: What was the result? We may be informed of it.]

डा० के० एल० श्रीमाली : प्रश्न तो आपका उल्टा है। आपने लिखा है कि बेसिक एजुकेशन डिफेक्टिव (defective) है और उसकी जांच की जाय।

†[DR. K. L. SHRIMALI: Your question is irrelevant. You have written that basic education is defective and research work should be done in connection with that.]

प्रो० आर० डी० सिन्हा दिनकर : डिफेक्ट्स का ही अध्ययन करने के लिए रिसर्च सेंटर्स हैं।

†[PROF. R. D. SINHA DINKAR: Are the research centres meant for studying the defects?]

डा० के० एल० श्रीमाली : जी नहीं, सरकार की राय में बेसिक एजुकेशन सब से अच्छी प्रणाल मानी गई है और उसको सफल बनाने के लिए रिसर्च किया जा रहा है।

†[DR. K. L. SHRIMALI: No, Sir; in the opinion of the Government, basic education is the best system and research work is being done to make that successful.]

#### INDUSTRIAL FINANCE CORPORATION

\*600. SHRI M. VALIULLA: Will the Minister for FINANCE be pleased to state:

(a) whether the Industrial Finance Corporation of India stipulates that a nominee of the Corporation should be

†English translation.

on the Directorate Board of each borrowing concern;

(b) if so,

(i) the number of Directorate Boards on which the Corporation has appointed such nominees; and

(ii) the names of the concerns which have taken such nominees; and

(c) whether the Corporation also stipulates as to what dividend a borrowing concern should declare?

THE DEPUTY MINISTER FOR FINANCE (SHRI A. C. GUHA): (a) Under section 25 of the Industrial Finance Corporation Act, 1948, the Corporation may impose such conditions as it may think necessary or expedient for protecting the interests of the Corporation and securing that the accommodation granted by it is put to the best use by the industrial concerns. In pursuance of this, in suitable cases, the Corporation stipulates as one of such conditions that it may appoint from time to time up to two Directors on the Board of Directors of the borrowing company.

(b) (i) Twenty-four.

(ii) A list showing the names of the concerns on whose Boards of Directors the Corporation has appointed its nominees is laid on the Table of the House

(c) It imposes a condition that during the currency of the loan the dividend to be paid will be restricted to 6 per cent. per annum on the paid-up capital of the company but a relaxation can be obtained with the written consent of the Corporation.

*Names of concerns on whose Boards of Directors Industrial Finance Corporation has appointed its nominees.*

1. Messrs. Great Eastern Electroplaters Ltd., Allahabad.

2. Messrs. Punjab Vanaspati & Oil Mills Ltd., Lucknow.

- 3 Messrs Hind Chemicals Ltd. Kanpur.
- 4 Shri Vikram Cotton Mills Ltd, Lucknow
- 5 Panipat Woollen & General Mills Co Ltd., Kharar (Punjab).
- 6 Messrs India Cements Ltd, Madras.
- 7 Messrs Mettur Chemical & Industrial Corporation Ltd., Mettur Dam (Madras).
- 8 Messrs Link Industries Ltd, Madras.
- 9 Messrs Purulia Electric Supply Corporation Ltd, Purulia (Bihar)
- 10 Messrs Orissa Textile Mills Ltd. Cuttack.
11. Messrs Sodepur Glass Works Ltd, Calcutta
- 12 Messrs Small Tools Manufacturing Company of India Ltd., Calcutta
- 13 Messrs Hindusthan General Electrical Corporation Ltd, Calcutta.
- 14 Messrs Bengal Fine Spinning & Weaving Mills Ltd, Calcutta
15. Messrs Metal Corporation of India, Ltd, Calcutta.
- 16 Messrs Kamani Metals & Alloys Ltd, Bombay
17. Messrs National Electrical Industries Ltd, Bombay.
- 18 Messrs. Crescent Iron & Steel Corporation Ltd, Bombay.
19. Messrs Hindusthan Chemical Works Ltd., Bombay.
20. Messrs. Machinery Manufacturers Corporation Ltd., Bombay.
21. Messrs. Standard Batteries Ltd., Bombay.
22. Messrs. Lokamanya Mills Barsi Ltd., Sholapur.
23. Messrs. Shree Digvijay Woollen Mills Ltd., Jamnagar.

24 Bagaikdar Co operative Sugar Producers' Society Ltd, (Since changed to Pravara Sahakari Sakhar Karkhana Ltd) Shrirampur Dist Ahmednagar, Bombay

**SHRI M. VALIULLA.** The list given consists of 24 companies on which the Corporation has appointed its nominees. May I know how many are the companies on which the Corporation has not appointed such directors?

**SHRI A C GUHA** The total number of concerns to which the Corporation has given loan would be near about 137. So the remaining companies have not got any director nominated by the Corporation

**SHRI M VALIULLA** The concerns on which the Corporation has its directors are given. It is not so in the case of all concerns. Then on what basis are the other concerns which may not be companies allowed to borrow money from the Corporation when they have no directors of the Corporation nominated on them?

**SHRI A C GUHA** That depends on the credit worthiness of the concern. If the Corporation is satisfied that the concern is going satisfactorily, it may not be necessary for the Corporation to put directors as their own nominees.

**SHRI H C. DASAPPA.** Are the directors officers of the Corporation, or are the services of businessmen also utilised for the purpose?

**SHRI A. C. GUHA:** In most cases, it is from the staff of the Corporation itself and in some two or three cases—I think two cases—outsiders have also been nominated.

**SHRI H C. DASAPPA:** With regard to relaxation as regards the quantum of dividend to be declared, if the concerns have been earning larger dividends, will that be taken into consideration for relaxing this rule?

**SHRI A C. GUHA:** It is not only the quantum of dividend earned by the company but also the capacity of the company to repay the Corporation's

money. The latter is the main consideration on which these relaxations are given.

**THEFT OF WOOD PLANKS IN THE SMALL ARMS FACTORY, KANPUR**

\*601. **SHRI M. VALIULLA:** Will the Minister for DEFENCE be pleased to state:

(a) the number of persons involved in the misappropriation of Haldu planks detected in March 1953 at the Small Arms Factory, Kanpur;

(b) how many of these persons are officials and how many are non-officials;

(c) whether any action has been taken against the persons involved; and

(d) if no action has so far been taken, when it will be taken?

**THE DEPUTY MINISTER FOR DEFENCE (SHRI SATISH CHANDRA):** (a) Seven.

(b) All these persons were officials.

(c) Yes. Three persons directly responsible for the loss have been dismissed from service; two have been reduced in pay and two have been censured.

(d) Does not arise.

**SHRI M. VALIULLA:** Has any prosecution been launched against these persons?

**SHRI SATISH CHANDRA:** No prosecution has been launched. Departmental action has been taken.

**SHRI M. VALIULLA:** Is it not a fact that articles worth more than Rs. 10,000 were misappropriated? Still no prosecution could be launched?

**SHRI SATISH CHANDRA:** It is true that there was shortage of timber valued at about Rs. 52,000. There was a thorough enquiry into this matter, but as it was difficult to prove the guilt in a court of law, we were advised not to launch prosecution.

**NAVAL RESEARCH LABORATORIES**

\*602. **SHRI S. N. DWIVEDY:** Will the Minister for DEFENCE be pleased to state:

(a) whether there is any proposal to establish Naval Research laboratories in Bombay and Cochin;

(b) if so, what steps have so far been taken in this regard and when these laboratories are likely to be completed; and

(c) what would be the expenditure incurred on the establishment of these laboratories?

**THE DEPUTY MINISTER FOR DEFENCE (SARDAR S. S. MAJITHIA):** (a) and (b). Laboratories have already been established both at Bombay and Cochin, with effect from September 1952 and July 1952 respectively, for Naval Research.

(c) Capital expenditure authorised for these establishments is about Rs. 8 lakhs. Annual recurring charges for each laboratory is expected to be between Rs. 1 and 2 lakhs.

**INTRODUCTION OF THE SYSTEM OF INTERNAL AUDIT**

\*603. **SHRI GOVINDA REDDY:** Will the Minister for FINANCE be pleased to state:

(a) the number of Ministries and departments thereunder in which the system of internal audit has been introduced;

(b) whether all the Ministries have agreed to the introduction of internal audit; and

(c) if the answer to part (b) above be in the negative, the names of those Ministries which have not agreed to the introduction of internal audit?

**THE DEPUTY MINISTER FOR FINANCE (SHRI M. C. SHAW):** (a) and (b).