

DR. P. C. MITRA : Are we not importing some green tea ?

SHRI D. P. KARMARKAR : We import some green tea with a view to exporting it to Tibet and Afghanistan where it is in demand.

TELEPHONE CABLE FACTORY

*176. SHRI K. C. GEORGE : (a) Will the Minister for PRODUCTION be pleased to state what is the total authorised and paid up capital invested in the Hindustan Telephone Cable Factory ?

(b) How much of that capital is foreign ?

(c) What is the interest of the Government of India in this factory ?

(d) What is the total production capacity of the factory and what is the actual production therein ?

(e) Is there any foreign technician working in this factory ? If so, in what capacity ?

(f) How are the cables produced in the factory utilised ?

THE MINISTER FOR PRODUCTION (SHRI K. C. REDDY) : (a) The authorised capital of Hindustan Cables Limited is Rs. 3 crores. The exact amount of capital invested so far is not yet available. Expenditure booked up to the end of September 1952, however, amounts to Rs. 2,49,032.

(b) Nil.

(c) The factory is entirely owned by the Government of India.

(d) The production capacity of the factory will be 459 miles length of cable per annum. Production is expected to start about the third quarter of 1953.

(e) Two technicians of the technical advisers, Messrs. Standard Telephones and Cables, of the U. K. are, on the spot, supervising the erection of buildings and machinery.

(f) As I have said in reply to part (d), production is expected to commence only about the third quarter of 1953.

It is expected that the Department of Posts and Telegraphs will absorb all the production.

SHRI K. C. GEORGE : Is it a fact that it has been converted into a private limited company ?

SHRI K. C. REDDY : Yes, Sir, it has been converted into a private limited company.

SHRI K. C. GEORGE : Who are the Directors of this Company ?

SHRI K. C. REDDY : The Directors are :

Shri M. N. Majumdar,

Shri M. P. Pai, I.C.S.,

Shri H. N. Srivastava,

Shri B. C. Mukharji, I.C.S.,

Shri A. Baksi,

Shri G. D. Ambekar,

Shri M. P. Birla, and

Shri D. C. Driver.

SHRI K. C. GEORGE : Who are the partners of this company ? In view of the fact that this has been converted into a private limited company, there must be some shareholders.

SHRI K. C. REDDY : There are no partners.

MR. CHAIRMAN : His question is whether there are any private shareholders.

SHRI K. C. REDDY : There are no private shareholders. The Government of India is the only shareholder. For technical purposes, one or two shares have been registered in the names of persons nominated by the Government.

SHRI P. SUNDARAYYA : If the Government of India is the sole shareholder, why is it necessary to convert it into a private company ?

SHRI K. C. REDDY : The policy is to run these industries by constituting companies under the Companies Act so that they could be administered without any delay.

SHRI K. C. GEORGE : If it is converted into a private limited company, who are the partners? If it is a private company, it certainly means that it is not a concern of the Government. In a private company, there must be shareholders. Who are they? That is what we would like to know.

SHRI K. C. REDDY : As I said, the company is completely owned by the Government of India, but shares have been registered in the names of some officials nominated by the Government.

SHRI SHRIYANS PRASAD JAIN : What are the qualifications of the Directors?

SHRI K. C. REDDY : I cannot say that definitely.

SHRI SHRIYANS PRASAD JAIN : Qualifications by way of holding of shares.

SHRI RAJAGOPAL NAIDU : Can any Government servant be a director under the Government Servants' Conduct Rules?

SHRI K. C. REDDY : Yes, Sir.

SHRI JAWAHARLAL NEHRU : If the Government servant is there, he is not there in his private capacity. It is only to represent the Government, and he does not get anything for the work.

SHRI SHRIYANS PRASAD JAIN : Sir, of the Directors, how many are officials and how many non-officials?

SHRI K. C. REDDY : Non-officials are three in number, out of a total of eight.

PROF. G. RANGA : What are the special advantages of having it as a private limited concern instead of having it in the usual way as a nationalized institution owned and managed by Government?

SHRI JAWAHARLAL NEHRU : May I answer that, Sir? This matter has been repeatedly considered and we

came to the conclusion, first of all, that running industries departmentally is a bad thing, too much bureaucracy comes in and there will be delays. Therefore, we came to the conclusion that either they should be autonomous bodies—we have some autonomous corporations, as the hon. Members are aware—or, that some might be run as private limited companies—private in the technical sense, with Government's representatives on the Board of Directors. But it is a matter on which two opinions can be held. We are experimenting with the various ways. Whichever is more effective from the public point of view will be adopted.

PROF. G. RANGA : Is it open to the House to put questions and get information, in regard to (1) the Government managed factories and (2) the public corporations established by Government under statute, in the same way as we are now doing?

SHRI K. C. REDDY : That raises a very large question really. Even in the case of nationalized industries in the West, matters pertaining to the day-to-day administration of those concerns do not form the proceedings of the House. It is only high matters of policy that come up there and in regard to these, the Minister concerned is accountable. It is a matter on which conventions have to be built and it would take some time before we know exactly how to proceed.

SHRI V. K. DHAGE : For the purpose of consultation, is there any other firm?

SHRI K. C. REDDY : Our consultants are the Standard Telephones and Cables Ltd. to whom I have referred in the answer, and we consult them.

SHRIMATI VIOLET ALVA : What is the criterion on which non-official Directors are selected.

SHRI K. C. REDDY : Their experience in industrial matters and we also see whether they have got experience of Labour matters. We take all these factors into consideration?

SHRI SHRIYANS PRASAD JAIN : Are these Directors subject to rotation ?

SHRI K. C. REDDY : No, Sir.

SHRI P. SUNDARAYYA : Does not this policy of appointing three non-officials in the Board of Directors mean that Government funds are in the hands of private agencies ?

SHRI K. C. REDDY : No, Sir.

SHRI P. SUNDARAYYA : Why not all the eight Directors be Government officials themselves ?

SHRI JAWAHARLAL NEHRU : I am a little surprised to notice the firm faith hon. Members have in Government officials.

SHRI SHRIYANS PRASAD JAIN : Will the Companies Act apply.....

SHRI K. C. REDDY : It is registered under the Company's Act.

II. A. M.

CONSTRUCTION PROGRAMME OF HINDUSTAN SHIPYARD

*177. SHRI GOVINDA REDDY : Will the Minister for PRODUCTION be pleased to state :

(a) the construction programme of the Hindustan Shipyard Ltd., Visakhapatnam, for 1951 and 1952 ; and

(b) the progress made so far in working it?

THE MINISTER FOR PRODUCTION (SHRI K. C. REDDY) : (a) and (b). Hindustan Shipyard Ltd., was incorporated only on the 21st January 1952. During the current year, the shipyard has completed and launched three ships: The Jag Rani (4th June 1952), the Jala Pratap (31st July 1952) and the Jala Pushpa (30th September 1952) and has two more ships, the VC 114 and the VC 115 under construction. The shipyard also has orders for seven more ships on hand, and these, it is expected, will keep it engaged till the end of 1954 or early 1955. Production programmes for the future can only be settled after the Project Report, now

being prepared by the shipyard's French technical advisers, is ready. It is expected that this Project Report will be ready towards the end of January 1953.

SHRI GOVINDA REDDY : Is the production programme for 1952 according to schedule ? Is the progress according to the schedule or behind the schedule for 1952 ?

SHRI K. C. REDDY : There has been some delay because of the non-availability of steel at the proper stages. We are making every effort to secure the required quantity of steel.

SHRI GOVINDA REDDY : May I know whether Government are contemplating importing sufficient quantity of steel for this purpose ?

SHRI K. C. REDDY : This aspect is also under consideration.

SHRI C. G. K. REDDY : May I know whether Government are aware of the assurance of the Minister in charge with respect to certain deficiencies especially in the matter of the production of auxiliary engines, when I raised the discussion over this shipyard last session ? If so, may I know whether Government have asked these French experts of the shipyard to go into the matter ?

SHRI K. C. REDDY : Government are aware of the assurance given. This matter and the possibility of manufacturing auxiliary machinery and making it available to the shipyard have been referred to the French consultants and they are busy drawing up their report. As I have already indicated their report could be expected to be in our hands by January 1953. After the report is received we will go into this question carefully.

SHRI C. G. K. REDDY : Another matter on which the hon. Minister assured us was in respect of the training of Indian personnel in the shipyard. I want to know if the Government are aware of that, and if so, whether they have asked the French committee of