

[Translation]

**Payment of interest on advance deposits for booking of Lambretta Cento**

**7201. SHRIMATI VIDYAVATI CHATURVEDI :** Will the Minister of INDUSTRY be pleased to state :

(a) whether it is a fact that Scooters India Ltd., Lucknow does not pay any interest on the advance deposit to the persons cancelling the booking of 'Lambretta Cento';

(b) if so, the reasons therefor; and

(c) what are the Government's instructions in this regard ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF PUBLIC ENTERPRISES IN THE MINISTRY OF INDUSTRY (PROF. K. K. TEWARY) :** (a) and (b) As per the terms of booking the Scooters India Limited is paying interest on advance deposit in case the same results in purchase of scooter, but not in the case of cancellation of the bookings.

(c) A copy of the guidelines issued is given in the statement below.

#### Statement

*Guidelines for deployment of funds taken by the companies as advance for booking of vehicles*

The Question of automotive manufacturers accepting deposits as advance for booking of vehicles has been engaging attention of the Government for some time. While these advances may be essentially in the nature of a civil contract. It is not unusual for the depositors to expect a reasonable return in the form of interest and seek reassurance about their deposits even through Government intervention. It is, therefore essential that amounts received from depositors are deployed in a manner which would enable the company to make prompt refunds of the principal amount alongwith the interest. With a view to maintaining adequate security of depositors money, Government have considered it desirable to prescribed the

following guidelines :

1. Not less than fifty percent of the deposits received should be deposited with nationalised banks/public sector financial institutions/public sector undertakings Unit Trust of India and Housing Development Finance Corporation.
  2. The balance amount could be utilised by the company as its working capital or for deposit with private sector companies. However, deposit with the private sector will not be more than twenty-five percent of the total deposits received by the company.
  3. The deployment of funds on the above basis will be relatable to the deposits available with the company on 30-6-84 and at the end of each of the subsequent quarters i.e. 30.9.84, 31.12.84 and so on.
2. The minimum interest payable on the deposits should be seven percent per annum compounded annually.
3. Government trusts that automobile manufacturers will take suitable steps for implementation of these guidelines with immediate effect. The position of deposits and their deployment may kindly be reported to the Department of Heavy Industry every quarter i.e. 30.6.84, 30.9.84 and so on.

Government issued these guidelines in November, 1983. An additional clause stipulating that manufacturers should pay a minimum 7 per cent per annum interest compounded was included. Subsequently, an amendment was made in the guidelines permitting companies to invest in Unit Trust of India and H.D.F.C. from December, 1985, the following cases have been exempted from the purview of the above guidelines :

- (a) Where complete deposits by a manufacturing unit do not exceed Rs. 10 lakhs at any time.
- (b) Where waiting list does not exceed 6 months production as also deposits do not exceed Rs. 50 lakhs.

[English]

**Import of power plants by Companies**

**7202. SHRI RAM BHAGAT PASWAN :** Will the Minister of INDUSTRY be pleased to state :

(a) whether M/s. Gwalior Rayons, M/s. Hindalco, M/s. J. C. Mills and M/s. Renuagar Power Co. have been allowed import of power plants although these are available indigenously;

(b) if so, the reasons therefor; and

(c) the names of companies which have been allowed import of power plants during the last three years ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM):**

a) to (c). No permission to import of power plants has been given to M/s. Gwalior Rayons, M/s. Hindalco and M/s. J.C. Mills. However, M/s. Renuagar Power Co., Renukoot, have been allowed to import one number 67.5 MW Turbo Generator set from GDR under the scheme of import of capital goods against Global Tenders as provided in para 40 of the Import and Export Policy 1985-88. The application was considered in terms of the prescribed procedure taking into account offers received against Global Tender. Indigenous availability of the equipment from M/s. BHEL was also considered before approving the import. Following approvals have been granted by the Empowered Committee during the last 3 years :

1. Himachal Pradesh State Electricity Board, Simla.
2. Maharashtra State Electricity Board, Bombay.
3. M/s. Indian Petro-chemicals Ltd., Baroda.
4. M/s. Madras Refineries Ltd., Madras.
5. M/s. Renuagar Power Co. Ltd., Renukoot.

6. M/s. Hindustan Petroleum Corpn. Ltd., Bombay.

7. Andhra Pradesh State Electricity Board, Hyderabad.

**Industries in Gujarat using Natural Gas**

**7203. SHRI RANJIT SINGH GAEKWAD :** Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state :

(a) whether initially with the discovery of oil in Gujarat O.N.G.C. approached State Government and various industries in Gujarat to utilise the Natural Gas for which there was no alternative use and was flared in the air;

(b) whether on the promise of availability of gas at reasonable price by O.N.G.C. a large number of medium and small industries were set up in Gujarat with a heavy capital investment;

(c) whether these industries have become non-viable due to sudden and manifold increase in price of Natural Gas being provided to them from around Rs. 300-700 during 1976-78 to over Rs. 2400 after 1982-83;

(d) if so, whether Government are considering rationalisation of the prices of Natural Gas; and

(e) the decision taken in the matter ?

**THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BRAHMA DUTT) :** (a) When production of crude oil commenced in Gujarat region in 1961-62, the Gujarat Government and various industries and ONGC made efforts for effective utilisation of natural gas obtained along with the crude oil.

(b) Most of the industries which started using gas were already in existence. ONGC had not made any assurance for the future price of gas beyond the period of contract.