

Eighth Series, Vol. VI, No. 46

Friday, May 17, 1985

Vaisakha 27, 1907 (Saka)

# **LOK SABHA DEBATES**

## **(English Version)**

**Second Session**  
**(Eighth Lok Sabha)**



सत्यमेव जयते

*(Vol. VI contains Nos. 41 to 48)*

**LOK SABHA SECRETARIAT**  
**NEW DELHI**

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# LOK SABHA DEBATES

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## LOK SABHA

Friday May 17, 1985 Vaisakha  
27, 1907 (Saka)

*The Lok Sabha met at Eleven  
of the Clock.*

[MR. SPEAKER *in the Chair*]

### OBITUARY REFERENCE

[*English*]

MR. SPEAKER : I informed the House yesterday of the sad demise of Chowdhry Girdhari Lal, a sitting Member of Lok Sabha representing Bijnor Constituency of Uttar Pradesh.

He was a Member of the Uttar Pradesh Legislative Assembly continuously for 29 years during 1945-74 and was the Member of the State Cabinet right from 1946 to 1967 and again from 1970-72 holding various portfolios. Earlier, he had also been a parliamentary Secretary to the State Government in 1946. He was the leader of the Opposition in Uttar Pradesh Legislative Assembly during 1972-74.

An able parliamentarian, he took keen interest in the proceedings of the House particularly relating to upliftment of weaker sections of the society. He was member of the Indian delegation to the Conference of the Ministers for Irrigation and Power, held in U.S.S.R. in 1964.

Chowdhry Girdhari Lal passed away at New Delhi at the age of 73 years on 16th May, 1985.

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We deeply mourn the loss of this friend and I am sure the House will join me in conveying our condolences to the bereaved family.

[*The Members then stood in silence  
for a short while*]

### ORAL ANSWERS TO QUESTIONS

[*English*]

#### Crisis in Powerloom Industry

\*895. SHRI VIJAY N. PATIL : Will the Minister of SUPPLY AND TEXTILES be pleased to state :

(a) whether the powerloom industry in Bhiwandi; Maharashtra is facing a crisis due to closure of three lakhs powerlooms resulting in loss of more than six crores of rupees ;

(b) if so, the number of workers rendered jobless and forced to leave this area ; and

(c) the reaction of Government and the remedial steps proposed to be taken by Government in this regard ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) : (a) No, Sir.

(b) and (c). Do not arise.

[*Translation*]

SHRI VIJAY N. PATIL : Mr. Speaker, Sir, approximately three lakhs



powerlooms have closed down in Bhiwandi. There might be some difference in the figures. When justice is not meted out the Department concerned, people take the help of newspapers. Whatever news is published in the press has some basis in support of that. This news has been published two or three times. There was shortage of power. People are leaving their business and are going out. It is not very easy to get information about them in a city like Bombay, because the number of people coming to the city is also very large. I would therefore, like to ask the hon. Minister if he would send a team there and find out how many powerlooms are actually lying closed there and how many people have been displaced or have gone out of the city. A similar situation had also developed regarding the textile mills of Bombay also. The owners of the textile mills gradually closed down their mills and inserted their capital in other areas and some of them went out of the city. The industrial area of Bombay is, therefore, facing the problems gradually. Bhiwandi would also be an addition in that direction. Keeping all these points in view. I would like to ask the hon. Minister whether a team would be sent there to find out the number of powerlooms which have been closed down as also the extent of damage suffered by the people and the number of people who have gone out.

[*English*]

**SHRI CHANDRASHEKHAR SINGH:** A Survey Team of the Labour Department of the Government of Maharashtra visited 500 Units in February, 1985 just a little more than two months back and it has failed to find any sign of crisis in powerlooms industry in Bhiwandi. Again a Joint Team comprising Officers of the Labour Commissioner, Bombay; Deputy Labour Commissioner, Thana and the Officers of the Labour Commissioner, Bhiwandi conducted visits as recently as on 8th and 9th May, 1985, and did not come across any significant closure of units or unemployment among workers. So, I am happy

to report to the hon. Member that the crisis which he feared does not exist at all.

**SHRI VIJAY N. PATIL :** I would like to know from the hon. Minister whether the supply of yarn from those powerlooms to different areas has remained the same or there has been variation during the last three months. Can the hon. Minister give us the statistics about the supply of the produce of the powerlooms to different areas?

**SHRI CHANDRASHEKHAR SINGH:** That particular Information or statistics is not here with me at the moment. But from all angles we have examined this. If there is any information specific in nature which the hon. Member has in his possession, I would be happy to take note of it and take remedial action.

**SHRI MURLI DEORA :** There is a different excise charged on the cloth made in powerlooms and much more excise is charged on the mill-made cloth all over India. In the new textile policy which you are going to announce, will you take care of these things so that the cloth made by mills in Bombay City and other centres, in powerlooms, etc., stands the competition with other cloth?

**SHRI CHANDRASHEKHAR SINGH:** We are aware of this situation. But, I think, the hon. Member does not expect me to tell the House immediately what the textile policy is likely to be.

**PROF. MADHU DANDAVATE :** The Minister must be aware of the fact that, due to the prolonged textile strike in Bombay, some of the mills have been closed down on the ground that the machinery is outmoded and the units will not be economically viable. As a result of that, a number of looms have been discarded. I would like to know from the hon. Minister whether the Central Government will take some ini-

tiative in this matter. Thousands of workers from those areas in Bombay have migrated to the Konkan region which is the hinterland of Bombay City. Those powerlooms might be sent there and if, on cooperative basis, some effort is made to set up powerloom factories there, if those looms which are discarded in Bombay are utilised in the backward Konkan region for setting up a powerloom industry, will the Central Government encourage the cooperative endeavour?

**SHRI CHANDRASHEKHAR SINGH:** The question relates to Bhiwandi, but I would like to tell the hon. Member...

**PROF. MADHU DANDAVATE :** Geographically, Bhiwandi is part of Konkan. (*Interruptions*)

**SHRI CHANDRASHEKHAR SINGH:** The question does not relate to the closure of mills in Bombay and its impact elsewhere. But I would certainly take note of the hon. Member's suggestion.

[*Translation*]

**Shifting of Headquarters of MITCO  
From Patna**

\*896. **SHRI SARFARAZ AHMAD :** Will the Minister of COMMERCE be pleased to state :

(a) whether the main activity of mica is centred at Giridih and Kodarma but the headquarters of Mica Trading Corporation is in Patna;

(b) whether in the interest of workers, Government propose to shift the headquarters of Mica Trading Corporation from Patna to either at Giridih or Kodarma and if so, by what time; and

(c) if not, the reasons therefor?

[*English*]

**THE MINISTER OF STATE OF  
THE MINISTRY OF SUPPLY AND**

**TEXTILES (SHRI CHANDRASHEKHAR SINGH :** (a). Yes, Sir. Giridih and Kodarma are main centres for Mica mining in the country. Mica is also mined and processed in Andhra Pradesh and Rajasthan and other areas of Bihar.

(b) No, Sir.

(c) Mica has a large export market. MITCO is exporting mica to about 35 countries in the world. For commercial and administrative reasons, the headquarters of MITCO was located at Patna which has good means of communication and is well connected by airline and rail to enable MITCO to maintain close liaison with the foreign buyers.

**SHRI SARFARAZ AHMAD :** We always talk about workers and labourers. Giridih is an industrially backward district in Bihar and is inhabited by Adivasis. The people of that area have no means of livelihood. The headquarters of MITCO are in Patna which is about 300 kilometres from Giridih, and the workers and staff of MITCO have to run all the way to Patna even for a small work. Apart from that, MITCO has already purchased land in the industrial area at Giridih. The Minister says that due to good means of communications and its being well connected by air and rail, location of the headquarters at Patna will enable MITCO to maintain close liaison. But if that be the reason, you can well shift it from Patna to Delhi which is having better air and rail communications. It will be in the interests of the higher officials of. So from all MITCO. these points of view, I would request the Minister to shift the headquarters from Patna to Giridih which will enable the people of Giridih to have a better say in the functioning of the MITCO.

**SHRI CHANDRASHEKHAR SINGH:** We feel that it will not be in the interests of those involved in the mica business—the and the traders to shift it from Patna to Giridih because that would retard the functioning of the MITCO it-

self. In fact all other facilities are being provided at Giridih and Jhumrithilaya and for reasons which have been clearly stated, Patna is the ideal location. It has rail facilities, communication facilities and it is close to the producing centres and close to the shipping points also. So in view of all these factors, the Government decision is to continue the present MITCO head quarters at Patna.

**SHRI SARFARAZ AHMAD :** Do the Government have any plan in the near future to nationalise the mica processing factories at Giridih or to establish their own mica silvering factories or capacitors plants or mica paper plant at Giridih ?

**SHRI CHANDRASHEKHAR SINGH :** Nationalisation is not under consideration at the moment, but promotional efforts and actual construction work is also going on for mica-based industries. Processing units have been set up at Giridih and Jhumrithilaya and it is also our effort to diversify production into value-added items like micronised mica powder, silvered mica plates, mica capacitors, and insulators, etc.

[*Translation*]

**SHRIMATI KRISHNA SAHI :** Mr. Speaker, Sir, I would like to ask the Hon. Minister whether Bihar Government has sent any proposal regarding mica-based industry to the Central Government, and if so, whether the Central Government intend to establish that industry there.

[*English*]

**SHRI CHANDRASHEKHAR SINGH :** The question should be addressed to the Industries Ministry.

**SHRI P. PENCHALLIAH :** Gudur in Andhra Pradesh is internationally famous for mica business. In Gudur there are three rubes mica for which

there is no market to dispose of their mica. So many times all the three mine-owners approached the Mica Trading Corporation officers to purchase their mica. If the MITCO purchases their produce the mines may not stop. I want to know why the MITCO officers are not coming forward to purchase their products.

**SHRI CHANDRASHEKHAR SINGH :** We are not aware of the situation. But if there is any specific difficulty, I will be obliged to the Member if he writes to me. For his information, a mica-processing factory and purchase centre has been operating at Gudur in Andhra Pradesh.

[*Translation*]

**SHRI GIRDHARI LAL VYYS :** Mr. Speaker, Sir, mica is exploited in three areas in India—Bihar, Andhra and Rajasthan. In Rajasthan it is available in my area, i. e., Bhilwara. You have established processing factories in Bihar and Andhra, but no such factory has been established in Rajasthan, though we have been demanding it for the last ten years. As our mica is of a bit inferior quality, MITCO and other traders do not lift its stock from Rajasthan. If a processing factory could be established there, the people would definitely get employment there. Earlier our demand for such a factory was rejected but as a result of our persistent pleadings, this demand has been received again. I would, therefore, like to know how long it will take to establish the processing factory in Bhilwara.

**SHRI CHANDRASHEKHAR SINGH :** A processing factory of MITCO is already functioning in Bhilwara. At present it is housed in a rented building. A new building for the same is under construction.

[*English*]

#### Credit Camps in Bangalore City

\*897. **SHRI V. S. KRISHNA IYER :** Will the Minister of FINANCE be pleased to state :

(a) the number of credit camps held in Bangalore City since January 1985;

(b) the number of persons benefited from these credit camps and the quantum of amount distributed;

(c) the criteria for giving loans in these credit camps; and

(d) whether it is proposed to give loans to the poor who possess ration card and a letter from the local MLA/MLC/MP about his need?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY : (a) to (d). A Statement is laid on the Table of the House.

#### Statement

(a) No credit camp has been held in Bangalore City since January, 1985.

(b) Does not arise.

(c) Viability of the proposed venture and the eligibility of the applicant are among the important criteria for giving loans in these camps.

(d) Possession of a ration card or a letter from a local dignitary may help in the identification of the beneficiary but cannot be regarded as the sole criteria for giving loans. While advancing loans the banks give due regard to the criteria mentioned above and also observe normal banking procedures.

SHRI V. S. KRISHNA IYER : Sir, the hon. Minister has stated that viability of the proposed venture and the eligibility of the applicant are among the important criteria. May I know who will decide about the eligibility of the applicant? Who will conduct the eligibility test and which the agency which will identify the beneficiary?

SHRI JANARDHANA POOJARY :

The viability aspect is considered by the employees of the bank, inside the bank. So far as the identification is concerned, I may point out that under the Integrated Rural Development Programme, that is, IRDP, there are District Rural Development Agencies. They are the State Government agencies. Now, in the case of educated self-employment scheme, there is a task force set up by the State Government. In some of the schemes, the State Governments are implementing these programmes. These programmes are identified. The State agencies identify the beneficiaries. After the identification, the applications are sent to the banks for approval and sanction. The bank people will scrutinise and process these applications and then sanction.

SHRI V. S. KRISHNA IYER : Sir, there have been repeated requests and demands in this House also that the local MPs and local MLAs should be associated with the scheme, apart from the officials. From so many places, a number of complaints have been received and here also, in this House, this point has been raised earlier, so many times. In your reply, you have conceded this point. The other day you said that with regard to the loans, there will be committees appointed which will process the applications before distribution of loans. I once again urge upon the Government that for effective implementation of this scheme, there should be committees consisting of MPs and MLAs. Will the hon. Minister consider this?

SHRI JANARDHANA POOJARY : So far as the implementation of the IRDP is concerned, as I have said earlier, the State Government is setting up agencies. In that District Rural Development Agency, there is a provision for the association of MPs and MLAs. Unfortunately, some of the State Government have not associated the local MPs and the MLAs. So far as the implementation of IRDP is concerned, it comes under the Rural Development Ministry. When I asked for the particu-

lars, they themselves had sent saying that the association of MPs and also MLAs are there. But in some of the State agencies, the State Governments have not implemented this policy. As you know, you represent the Karnatak State and you can kindly find out from them whether they have implemented this policy.

**SHRI S. KRISHNA KUMAR :** Sir, it is our common experience that throughout the nationalised banking system, there are managers and officers who are opposed to the progressive policy of this government in relation to making available credit for weaker sections. Some of them, due to predilections for the bigger businessmen, do not like to deal with the smaller men and their getting these facilities. There are others who are ideologically opposed to this Government because they are controlled by Opposition-led Union. What is the strategy of the Government to deal with these officers and the managers who try to flout our policy from within the system ?

**SHRI JANARDHANA POOJARY :** In order to have demonstrative impact on the weaker sections, we are having credit camps throughout the country. Unfortunately, that has been criticised and it has been misquoted as 'loan mela'. In the credit camps which we are organising throughout the country, we guide the weaker section and tell them to come forward and get assistance from the banks. We also tell them not to pay anything as bribe to the bank officials and what type of security is required for obtaining these loans. We also make them aware of the elements of subsidy in some of the special programmes, and how to pay back the amount. On the other hand, we also advise the bank officers to help people belonging to the weaker sections and not to harass them. We also motivate the bank employees to have a commitment and dedication to these people belonging to weaker section.

Unfortunately, what is happening is that some of the opposition members

and persons belonging to the non-Congress (I) Governments go and attend the conferences of the union people and they criticise our functioning. They even criticise the Minister when he goes to attend credit camps. Further some of the Ministers belonging to the Karnataka State Government, for example, while attending the conference of the employees asked them not to give loan to the weaker section in the credit camps. This is what they have done.

**KUMARI MAMATA BANERJEE :** The rural banks are engaged in the implementation of 20-point Programme with a view to ensure development for poor people. But in West Bengal, where the CPI is in power, persons belonging to the weaker section are not getting any help from the rural banks. They are totally captured by the CPI. What is the reaction of the Government to the proposal for a thorough investigation into this, and to associate the Members of Parliament in such programmes to help the poor people? Otherwise, it appears that it is next to impossible to bring up these people.

**PROF MADHU DANDAVATE :** Please tell us if West Bengal has been nationalised.

**THE PRIME MINISTER (SHRI RAJIV GANDHI) :** We nationalise only sick mills !

**SHRI JANARDHANA POOJARY :** It is true that we have been receiving complaints from people in West Bengal. I am going to visit West Bengal shortly; there will be a credit camp in West Bengal and I will personally attend it and see that necessary assistance is given to the deserving people.

**SHRIMATI GEETA MUKHERJEE :** Is it that now undeserving people are getting assistance in West Bengal.

*(Interruptions)*

**SHRI ANAND GAJAPATHI RAJU :** The credit plan fixed for every district is

for Rs. 15 crores only. It is the minimal amount fixed for any credit plan, and out of this amount, they give various loans, grants etc. I would like to know, if this amount could be increased.

Secondly, the economic growth and development does not trickle down to the bottom rung of the society. It gets stagnated somewhere at the top and does not go down. Even for the green revolution, the credit was taken by the bigger farmers and landlords. Will a proper credit plan be prepared which can go to the lowest rung of society and benefit them, as far as employment and growth is concerned?

**SHRI JANARDHANA POOJARY :** I want to bring to the notice of the hon. Members that 40 per cent of the total advances will go to the priority sector. Twenty-five per cent of this 40 per cent will go to the weaker section, and last year the amount outstanding in this priority sector was Rs. 3704 crores. Under DRI scheme, we had given Rs. 444 crores to about 42,95,000 people. Under IRDP Programme, we have given Rs. 2910 crores to more than one crore fifty seven lakhs. We are going to achieve the target set for the Sixth Five Year Plan. Our target was Rs 3000 crores and Rs. 1800 crores in the form of subsidy. We have crossed the target so far as the subsidy is concerned. We have already given Rs. 1,554 crores on fifty-fifty basis, i.e. 50 per cent coming from the Central Budget and 50 per cent coming from the State Government. So far as the direct finance to agricultural sector is concerned, we have to give direct assistance to the agricultural sector, which will be 16 per cent by 1987. Here also we have given Rs. 5898.95 crores to the farmers as direct assistance. Under the educated Self-Employment Scheme, we have sanctioned Rs. 401 crores to more than one lakh forty two thousand educated unemployed youth. This is the programme, and nobody can say that the amount is not adequate. On the contrary, we are going to meet

the requirements of the weaker sections as stated by the Finance Minister.

#### Worker's Strike in NALCO

\*898. **SHRI K. PRADHANI :** Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether the work in the National Aluminium Company's Aluminium Refinery Project at Damanjodi in Koraput district has been affected due to workers' strike recently;

(b) if so, the extent to which the work was affected in the bauxite mines of NALCO;

(c) the reasons of the strike organised by the workers at the project area; and

(d) the steps taken to redress the genuine grievances of the workers?

**THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) :** (a) to (d). A statement is laid on the Table of the House.

#### Statement

(a) to (d). The work in the National Aluminium Company (NALCO) was hampered by labour belonging to various contractors stopping work between 20-3-1985 and 29-3-1985 at site on account of a fatal accident to a workman of a sub-contractor of BHEL. Initially workmen demanded compensation to the heir of the deceased, funeral charges and arranging to send the dead body of the deceased to hometown, which were complied with by the contractor.

New demands were subsequently raised which included direct employment of the heir in NALCO, and employment by NALCO of contract labour on completion of the project etc. A number of meetings were held between the representatives of the Union and

the management in the presence of the State Labour authorities where BHEL agreed to employ a nominee of the deceased family. The strike was called off and work resumed from 30-3-1985.

**SHRI K. PRADHANI :** The Minister in his reply has stated that there was strike in NALCO due to the death of a worker, working under its contractors. May I know from the hon. Minister what was the nature of death and whether any steps were taken to prevent such accidents and what was the compensation paid to the worker's family.

**SHRI VASANT SATHE :** Sir, according to the information, one Mohammad Tajub Khan, a labourer working in M/s North India Erectors, a sub-contractor of BHEL at Boiler Unit No.2 in Damanjodi met with a fatal accident on 19-3-85 at 5.45 PM. He had climbed on the boiler erection which is about 25 feet high and from there he slipped and fell down. That was how the fatal accident occurred. This led to the stoppage of work by workers of other contractors. In all there are about 49 sub-contractors engaged for the entire work, by the main contractors for erection work, etc. in the Damanjodi area. This was of the accident that occurred and because this, the workers spontaneously responded and struck work. They were making certain demands for funeral expenses, transportation of the body to his home district area and so on. Those demands were met by the contractor. The compensation as per law was also paid, which was about Rs. 17,000. I do not have the exact amount. Then they said that was not enough. They wanted an heir of the deceased to be employed directly by NALCO. The contractor was a sub-contractor of BHEL and NALCO was not directly concerned. But the employees of the contractors raised the demand that an heir should be appointed and this was going on and this was how the strike was protected for about nine days. Ulti-

mately, BHEL agreed to employ the heir of the deceased and the strike was withdrawn; the strike lasted for nine days.

**SHRI K. PRADHANI :** There was a strike from 20th March 1985 to 29th March, 1985. Another strike was from First June to 3rd June 1984. The present estimate of this project is Rs. 2,200 crores, but the original estimate was about Rs. 1200 crores; it has gone up by Rs. 1000 crore. Is this increase in cost of this project due to labour trouble or there is some other reason for delay of this project? If so, what are the other reasons for the delay in construction of this project?

**SHRI VASANT SATHE :** There is no delay on account of labour. In fact, there are not many strikes in this project and not many man days are lost; and the project is likely to be completed on schedule. The cost escalation has gone up because of normal escalation and inflationary pressure in the cost of equipment, construction cost, civil construction cost and all that. As you have mentioned, it is not on account of (1) delay or (2) labour trouble.

**SHRI CHINTAMANI PANIGRAHI :** Has the Government made any enquiry into the discontent prevailing among the local tribal workers in Damanjodi? Is it not a fact that the contractors who are working at Damanjodi, they are all from outside Orissa and they are trying to get labourers from outside Orissa; and it is because of this reason that there is discontent among the local workers every day, every month and they have also represented to the Government? Will the hon. Minister be kind enough at least to go into this discontent among the local people because employment has not been provided to the local people by the contractors because they are outside contractors and they bring labour from outside? As a result of not providing employment to the local people, this discontent is going on; whether this has been gone into by the Government.

**SHRI VASANT SATHE :** We have made certain enquiries. As is well-known, it is the policy of the Government that, whenever a work is started in any area, maximum employment opportunities must be given to the people of that area; and here because a large number of people are tribals, we are more keen that tribal people should be given maximum employment opportunities. I agree that the contractors may be from outside Orissa because it is not possible to get experienced contractors always locally. But the number of people employed at Damanjodi is 8,695 and at Angul 12,414. At Damanjodi in Koraput where there is a tribal belt, the maximum number of people employed are unskilled labour who do not require previous experience and they are from local area and from tribal people. We shall ensure that this is what is done.

#### Problems Facing Handloom Sector

\*899. **SHRI AMARSINH RATHWA :** Will the Minister of SUPPLY AND TEXTILES be pleased to state :

(a) the main problems, the handloom sector is facing;

(b) the steps being taken to meet their demands in regard to yarn;

(c) the steps taken or being taken to popularise this industry in rural areas and particularly in Adivasi areas of the country; and

(d) the details of help being given to establish handloom industry in those areas ?

**THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) :** (a) to (d). A statement is laid on the Table of the House.

#### Statement

(a) The main problems faced by the handloom sector relate to supply of raw material at reasonable prices and marketing of the finished products.

(b) To meet the demand in regard to yarn, Government have taken a number of measures like the imposition of hank yarn obligation by which all mills producing yarn for marketing have to pack at least 50% of their marketable yarn in the form of hanks. Out of this, 85% has to be in counts upto 40s. Besides, some State Governments have made arrangements for the supply of yarn to the weavers through yarn depots set up in handloom concentration areas. The National Handloom Development Corporation has already opened yarn depots in Guwahti and Bihar Shariff and is planning to open more such yarn depots in other areas. It is also supplying yarn to State Handloom agencies in Kerala and West Bengal.

(c) and (d). Several schemes are being implemented to help the weavers to organise themselves into Cooperatives. For weavers outside the Cooperatives handloom development Corporations have been set up by various State Governments to organise their production and marketing activity. As bulk of the weavers are located in rural areas, the benefit of these schemes is expected to flow to this industry in the rural areas. Some of the important schemes, being implemented are as follows :

(i) Share capital assistance for Primary Handloom Weavers Cooperative Societies, apex handloom weavers societies and State Handloom Development Corporations;

(ii) Loan and grant assistance to handloom weavers in the Coope-



- rative sector for replacement and modernisation of looms;
- (iii) Managerial subsidy to handloom Cooperatives;
- (iv) Assistance for creation of pre-loom and processing facilities;
- (v) Intensive Handloom Development Projects/Production Projects for the benefit of the handloom weavers outside the cooperative fold;
- (vi) Janata cloth scheme for providing sustained employment to handloom weavers and cheap cloth to the weaker sections of the Society; and
- (vii) Grant of special rebate on sale of handloom cloth.

In the Sixth Plan provision of Rs. 130 crores was made in the Central Sector for handloom development programmes and schemes.

There are no separate schemes for handloom weavers in adivasi areas. However, some of the schemes have been liberalised for weavers in hill areas which are at some places inhabited by the adivasis. The details of liberalisation are as follows :

- (i) The weavers' contribution in the purchase of share of Primary handloom weavers cooperative societies has been reduced from 10% to 5%;
- (ii) The duration of managerial subsidy has been increased from 3 years to 8 years in the case of Primary Weavers' Societies in hill areas; and
- (iii) The element of subsidy in modernisation assistance to handloom cooperatives has been increased from 1/3rd to 1/2, with match-

ing assistance from the State Governments.

[*Translation*]

**SHRI AMARSINH RATHAWA :**  
Mr. Speaker, Sir, through you, I would like to ask the hon. Minister what steps are being taken to ensure the timely supply of raw material to the handloom weavers and to streamline the distribution of the textiles produced by them as he himself has admitted that the handloom weavers have to face many problems in getting the supply of raw materials as also in marketing their products ?

**SHRI CHANDRASHEKHAR SINGH:**  
So far as the question of supply of yarn is concerned, arrangements have been made earlier also that the weavers should get a continuous supply of yarn at reasonable prices, but we have revived the situation recently and the review shows that whatever difficulties might have been there, we are in a position to solve them. I think that arrangements would be made to ensure timely and continuous supply of yarn to the weavers at reasonable prices.

**SHRI AMARSINH RATHAWA :**  
Mr. Speaker, Sir, I would like to know what schemes have been formulated or are proposed to be formulated by Government for the development of this industry in the tribal areas of the country and to provide incentives to the weavers.

**SHRI CHANDRA SHEKHAR SINGH :** There is no special scheme for the tribal areas, but the weavers are given special concessions in the tribal dominated areas, the details of which are as follows :

[*English*]

- (1) The weavers's contribution in the purchase of share of primary

handloom weavers' cooperative societies has been reduced from 10 to 5 per cent ;

- (2) The duration of managerial subsidy has been increased from three years to eight years in the case of primary weavers' societies in the hilly areas ;
- (3) The element of subsidy in modernisation assistance to handloom cooperatives has been increased from one-third to half with matching assistance from the State Government.

**SHRI SHYAM LAL YADAV :** The hon. Minister has not taken care of two factors in this matter that there is keen competition between the power loom and the handloom and the power loom is producing the same variety of and quality of cloth that the handloom is expected to produce. So, may I know from the hon. Minister whether he is going to pursue vigorously a policy of reservation of certain varieties of cloth to be produced completely and fully by the handloom sector and powerloom should be debarred from that ?

And secondly, he has said in his reply that supply of yarn is being maintained. I am sorry to say that the silk yarn that is used in my city of Varanasi is not available. It is today being sold at the highest rate of Rs. 700 per kg. So, may I request him to make it available as early as possible ? Otherwise, thousand and thousands of weavers will be thrown out of employment.

**SHRI CHANDRASHEKAR SINGH :** About the availability of silk yarn at Varanasi, after the hon. Member made his speech last time during the discussion on the Demands for Grants, I have initiated measures to improve the situation to alleviate the situation and I hope that something tangible will be possible to be done within a few days.

As far as the other part of the questions is concerned, we are aware of the

situation that the powerlooms are making serious inroads into close territory of handlooms and in the formulation of the new textile policy we are taking note of the situation and I would like to assure the House and the weavers in general that we shall take every measure possible to ensure the effective implementation of the reservation policy which has now been enacted, given the form of an Act and also take such other measures possible, to see that the interests of the handloom weavers are fully protected.

**SHRI N. TOMBI SINGH :** Mr. Speaker, while appreciating the various steps taken by the Government of India to improve the lot of the handloom weavers by reservation of certain items against the onslaught of powerlooms and mills, may I know from the Government of India, in view of the fact that in certain regions like Manipur, handlooms form a second profession next to agriculture for livelihood and the handloom weaving profession and handloom market is now confined to the local consumers where ladies are broadly confined to the use of handloom products, whether the national market and the export market have lost their volume because the price of yarn available to the weavers is increasing day by day. May I know the steps taken by the Government to protect the handloom weavers of the regions like Manipur and other similar areas where the price of yarn is soaring high ?

**SHRI CHANDRASEKHAR SINGH :** We are very soon formulating a programme, a scheme for timely supply of yarn at affordable price. I would like to inform the hon. Member that the Prime Minister, a few days ago, wrote to us to take particular and special measures to promote handloom industry sector in the north-eastern region. I have sent a team of officers to that region. I myself will be making a programme on 10th and 11th of June. We will go into the details of the difficulties which the handloom sector is facing in that area. I would like to

assure hon. Members that we will take every measure to protect handloom industry in the north-eastern region.

[*Translation*]

**SHRI R. P. SUMAN :** Mr. Speaker, Sir, the number of weavers in U. P. is very large and keeping in view their serious problems government have established spinning mills in the State; out of these mills, eight spinning mills are working in U. P., but these spinning mills are manufacturing in stead of stable yarn, other yarns as a result of which the weavers are facing a serious problem. I would, therefore, like to ask the hon. Minister whether he would see to it that staple yarn is manufactured in these spinning mills and it is made available to the weavers.

**SHRI CHANDRASHEKHAR SINGH:** Mr. Speaker, Sir, as I have said just now, so far as the availability of yarn is concerned, there does not seem to be any difficulty in it at present. We would be able to make such an arrangement very soon that there would be no difficulty in its production and its supply to weavers.

[*English*]

#### Simplification of Selective Credit Controls

\*901 **SHRI K. RAMAMURTHY :** Will the Minister of FINANCE be pleased to state :

(a) the measures announced by the Governor of Reserve Bank of India during his recent meeting with the Chief Executives of major scheduled commercial banks in order to rationalise and simplify selective credit controls to take care of the impact of the high rates of inflation ; and

(b) the details of the steps taken to help to contain the growth of liquidity ?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARY) :**

(a) and (b). A statement is laid on the Table of the House.

#### Statement

In the meeting with the Chief Executives of major scheduled commercial banks held on April 6, 1985, the Governor of the Reserve Bank of India announced several measures to rationalise and simplify selective credit controls and to contain growth in liquidity within reasonable limits. These measures includes :

- (i) The Statutory Liquidity Ratio (SLR) has been raised from 36 per cent to 37 per cent to be completed in two stages.
- (ii) The threshold for food refinance is being raised from Rs. 4,600 crores to Rs. 5,800 crores, to be completed in three stages by September 27, 1985.
- (iii) The refinance rate on food credit has been raised from 10 per cent, to 11.5 per cent and on stand , by refinance from 11 per cent to 12.5 per cent.
- (iv) For commodities where there is a stipulation on the level of credit based on certain base years, the new base period will uniformly be the three-year period 1980-81, 1981-82 and 1982-83 (November-October).
- (v) In the case of foodgrains, pulses, vegetable oils and vanaspati, cotton and kapas, and sugar, gur and khandsari, the multiplicity of minimum margins prescribed for each broad commodity group has, to the extent possible, been reduced. In the case of oil-seed, however, the existing structure of minimum margins was not being altered.
- (vi) Advances to roller flour mills against wheat have been totally

exempted from all the provisions of selective credit controls.

- (vii) Advances upto an aggregate limit of Rs. 25,000 per borrower against stocks of commodities covered by selective credit controls have been totally exempted from these controls. The earlier exemption limit was Rs. 5,000.

**SHRI K. RAMAMURTHY :** The intention of my question is to know the high rate of inflationary trend in the country because of which there is an unprecedented price rise in the country and the common people are suffering. Of course, the selective credit control is one of the weapon in the hands of the banking sector to control the free flow of credit by which they can contain the inflationary trend. The Governor of Reserve Bank has announced certain measures which were decided in the meeting of the Chief Executives. Definitely it will help to contain inflationary trend in the country. May I know whether these measures have helped contain the unprecedented inflationary trend after the Budget? Has any review been made after 6th April and what is the present rate of inflation prevailing in the country?

**SHRI JANARDHANA POOJARI :** The issue has been discussed on the floor of the House not only in Lok Sabha but Rajya Sabha also a number of times. A number of questions have been placed before the House, both Starred and Unstarred, and we have discussed this matter in detail here. I request the hon. Members not to harp much on this issue because many times it is said that it is seasonal and it is on account of the Budget. All these things have been discussed here. But there are unscrupulous elements in the country harping much on this issue. It is going to be counter-productive. On the contrary, some of the people will exploit the situation. That is why we have discussed this issue in very detail and measures

are also being taken. One of the measures that has been taken to contain inflation is to mop up the resources which are in circulation. For that purpose, the Reserve Bank of India has raised the statutory liquidity ratio by one per cent. That has to be done by July, 1987. By raising one per cent we are going to mop up the resources to the tune of Rs. 800 crores to Rs. 1,000 crores. In addition to that, in order to contain the inflation, some measures have been taken to rationalise and simplify it.

So far as the price rise is concerned, as you know, in 1979 so there was inflation to the tune of 21.4 per cent. Particularly during the period between March and August generally the trend of prices is to go up. Afterwards it comes down gradually. Last year also it happened like that, and in 1983 and 1984 also it had happened like that. Today the inflation has been 2.7 per cent in 6 weeks after the Budget. I am sure, if some measures are taken, the prices will definitely come down and that is why some measures are being taken. But if we create panic in the minds of the people, as I said unscrupulous traders will definitely take advantage of it and will raise prices of all the commodities. We are definitely controlling the prices. In the year 1979-80, inflation was 21.4 per cent which came down in 1980-81. In 1981-82 it came down to 2.4 per cent and last year it was only 7 and odd per cent. This year also we are sure that we are definitely going to contain it. So, that is my request to the hon. House.

**SHRI K. RAMAMURTHY :** Sir, so far as the rate of inflation in 1979-80 is concerned and onwards, I could see from the graph. Which the hon. Finance Minister had given us while he was replying to the debate, that the inflationary trend in the graph may go up and down. But once the prices shoot up, nowhere in the country they come down, nor. Since we have discussed this issue many times in this House, I want to know how far the

Government is seized of this matter and how serious they are in booking these unscrupulous fellows who have raised the prices, and what measures he is going to take.

**SHRI JANARDHANA POOJARY :** We have already written to the State Governments, which are the implementing authority, to take action against these hoarders. It is not within the purview of the Central Government to take action against them, State Governments have to take action. There are measures, there are enactments, but unfortunately these are not being implemented. I just give you an example. There is the Essential Commodities Act. There are various provisions under that Act and the State Governments can definitely take action against them under those provisions. During Emergency, actions were taken, prices were controlled, but unfortunately today some of the State Governments are not taking any action against these hoarders. That is why I have stated that whatever is possible within our means, we are doing.

So far as meeting of the requirements is concerned, we are meeting the genuine requirements of the trade and other industries, but we cannot give money for the purpose of hoarding and black-marketing. There we stop it and there the flow of liquidity in circulation is also contained.

#### **Substitute of Forest Timber for Packaging**

\*902. **SHRI DIGVIJAY SINH :** Will the Minister of COMMERCE be pleased to state :

(a) whether a national worksop was held in Delhi on the 30th and 31st July, 1983 on substituting forest timber for packaging of horticultural produce, tea, tobacco and textile ;

(b) whether the Seminar resolved that forests were being depleted fast

to manufacture wooden crates from subsidised wood ;

(c) whether representations have been made that the only solution to substitute wood is by corrugated fibre board boxes ;

(d) whether such a product can compete with subsidised wood without excise exemption ; and

(e) if not, whether Government propose to allow excise exemption on production of corrugated fibre board ?

**THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) :** (a) to (e). A statement is laid on the Table of the House.

#### **Statement**

(a) Yes, Sir.

(b) Yes, Sir.

(c) Yes, Sir.

(d) Wooden crates have a precise advantage over corrugated fibre board boxes. Wooden crates are preferred for packing for ease in handling and for their end use as fuel.

(e) Corrugated board boxes, other than printed, are exempt from the whole of the Central Excise duty. Printed corrugated board boxes are exempt, if manufactured wholly out of kraft paper or out of kraft liner or corrugating media. It has not been found possible to grant any further exemption from excise duty on corrugated board boxes or on corrugated board.

**SHRI DIGVIJAY SINH :** We all know that for the rapid depletion of our forest wealth there are two important reasons. One is the use of wood as fuel mainly for our rural needs and

secondly its use for packaging. The premise of my question is that on 30th and 31st of July we had a very very meaningful seminar and workshop for finding out ways of substituting timber wood for packaging of horticultural produce, tea, tobacco and textiles and the exact quantification of how much depletion of the forest wealth took place for the packaging of these products. It was properly quantified and our conclusion was communicated to the Ministry of Finance. Luckily the present Prime Minister had inaugurated the Seminar. The ex-Finance Minister the predecessor of the present Finance Minister and the Deputy Minister for Commerce were also there. In the Seminar we had drawn out our conclusions about what needs to be done and to find out ways whereby excise duty of these products is waived so that it becomes competitive and that it replaces the wooden packaging.

Now, I want to ask a question in relation to part (d) of his answer where he concedes that the wooden crates have a price advantage over corrugated fibre board boxes. He agrees that unless there is a certain concession in excise, competition with the existing wooden boxes is difficult. But later on he replies in the same question that the wooden boxes have two advantages—one is ease in handling and second for its use as fuel. Now, we do not want that this wood which is used for packaging is used for fuel. That is not the reason why all this wood is being cut. And as far as the ease of handling is concerned, there is no comparison because today...

**SHRI NARAYAN CHOUBEY :** What is the question ?

**MR. SPEAKER :** The question is very important. I think the hon. Member should put it directly. Mr. Digvijay Singh, it is a very important question. Just put it straight from the shoulder : whether he will leave the forests for our existence or not. So simple is the question. You should ask whether he is

going to ban this timber use or not. So simple it is.

**SHRI DIGVIJAY SINH.** Exactly that is what I want to know. How can the two things be compared when today there is no comparison between the two. Then why is this excise concession not given to the corrugated board boxes so that they are able to replace the wooden boxes ?

**SHRI CHANDRASHEKHAR SINGH:** I have agreed that there is...

**MR. SPEAKER :** Do you understand the essence of the question, Mr. Minister ?

**SHRI CHANDRASHEKHAR SINGH:** Yes.

**MR. SPEAKER :** Then reply.

**SHRI CHANDRASHEKHAR SINGH:** This question has been received by our Ministry only because no other Ministry was in a position to accept it. It concerns the Ministry of Finance. It concerns the Ministry of Environment and some other Ministries.

**MR. SPEAKER :** Nobody's child ?

**SHRI CHANDRASHEKHAR SINGH:** I am holding the baby, because nobody is prepared to hold it. (*Interruptions*) The price advantage is only marginal ; and although no detailed cost study has been made about the difference in cost of wooden crates or these corrugated fibre boxes, the advantage is there for wooden crates only, or primarily because this is being subsidized by the different State Governments, and wood is being made available to them at nearly 50% of the price.

**MR. SPEAKER :** Why ?

**SHRI CHANDRASHEKHAR SINGH:** It is done by the State Governments in order to encourage the outgo of fruits... apples in Himachal Pradesh and such other fruits. With the development of

horticulture, the State Governments have thought it prudent to encourage it. This is a very important question; and according to the information given by the Ministry of Finance, boxes made of wholly craft paper, liner or corrugating media are exempt from excise duties—whether printed or otherwise. There are also boxes where 25% raw material is craft paper, but the rest is wooden pulp. In such cases, excise duty is exempted if the boxes are not of wood. So, the excise duty is leviable only on printed boxes of such categories. But I will convey to the Ministry of Finance the feelings of the House on this question. They would certainly take into consideration the question of how to preserve forests. This is of prime importance to the economy as a whole.

MR. SPEAKER. I think we can leave it to the Prime Minister. He knows what is to be done. It is not to be done this way. Spoon feeding has to be done for the children, for their own good. So, it has to be done by some other method; and he will find a way out.

SHRI DIGVIJAY SINH : I am grateful to the Minister for giving an undertaking ... (*Interruptions*) Now, to make available milk supply, specially to the power and to the infants at the lowest price, total excise duty waiver on both the paper as well as the cartons has been given. In the same way, because this is of prime importance, would this kind of excise duty exemption be given, i.e. waiving of excise duty for wood used in packaging ?

SHRI CHANDRASHEKHAR SINGH: As for the undertaking, the only undertaking that I have given here is that I would convey the feelings of the House to the Finance Minister.

Regarding the other supplementary, it is better that he addresses it to the Finance Minister himself.

SHRI C P N SINGH : The hon. Minister has been very truthful in saying

that the baby has been laid on his table, and he has had to handle it. The hon. Prime Minister is here. Since he is deeply over the fast depletion of forests, I would like to frame this question before him. This affects some other materials also; not only the corrugated paper. Government should look into this. This is one of the sources of various unscrupulous traders and contractors. That is how State Governments permit the felling of trees.

SHRI CHANDRASHEKHAR SINGH: The question is being examined by the Ministry of Finance. There are other inter-related problems which should certainly come into consideration when a switch-over is considered. I would like to assure the House that the question of preservation of forests is considered, and is always given the highest importance by the Government. This will always be kept in view.

**Agreement Between the LIC Management And Representatives of LIC Unions.**

\*904. PROF. MADHU DANDAVATE : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that on the basis of the understanding arrived at between the management of the LIC and various trade unions in the LIC, a notification has been issued on the 11th April, 1985 ; and

(b) if so, following the publication of this notification, whether the management will sign an agreement with the representatives of LIC unions specifying the period for which the agreement will be valid ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Yes, Sir. Based on the understanding reached between the Management and the Employees' Unions, Government issued a Notification under Section 48 of the Life Insurance Corporation Act, 1956

on the 11th April, 1985, revising the terms and conditions of service of Class III and IV employees of the Corporation.

(b) With the enactment of the Life Insurance Corporation (Amendment) Act, 1981, the Central Government have been empowered to alter the terms and conditions of service of the LIC staff. Hence the question of signing of an agreement between the management of LIC and the representatives of LIC unions does not arise.

**PROF. MADHU DANDAVATE :** Sir during our talks with the Finance Minister I gathered that the Finance Minister was definitely of the opinion that even after the Notification has been issued, it would be more convenient to sign an agreement because that would constitute actually a commitment on the part of the Union to abide by the Notification conditions, and in view of this particular view of the Finance Minister which he communicated to us during our talks with me, will he revise his opinion and come forward with a proposal to see that the management is signed, which will be advantageous both to the management and the trade unions ?

**SHRI JANARDHANA POOJARY :** Sir, that information is not available with me but, Sir, in view of the Act and in view of the fact that the provisions of the Act have been upheld by the Supreme Court also, I do not think that there is any necessity for signing this agreement.

**PROF. MADHU DANDAVATE :** How is it that the Finance Minister's views are available to me and not to him ?

(Interruptions)

**MR. SPEAKER :** Short Notice Question.

**PROF. MADHU DANDAVATE :** Sir it seems I have more contact with the

Finance Minister than the Minister of State.

**MR. SPEAKER :** It looks like that because you handled the Railway finances.

[English]

### SHORT NOTICE QUESTION

#### Rules of Recognition of Unions/ Associations of Central Government Employees

**SHRI LALIT MAKEN :** Will the PRIME MINISTER be pleased to state

(a) when the rules of recognition of Unions/Associations of Central Government employees were suspended by the Supreme Court ;

(b) the progress made by the Committee, set up to frame the fresh rules ; and

(c) the time by which the Committee is expected to complete its task ?

**THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL AND TRAINING, ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCES AND PENSION AND IN THE DEPARTMENT OF CULTURE (SHRI K.P. SINGH DEO) :** (a) The Central Civil Services (Recognition of Service Associations) Rules, 1959 were not suspended by the Supreme Court. Actually, these Rules were framed in exercise of the powers conferred by the proviso to Article 309 and clause (5) of Article 148 of the Constitution and also with reference to rule 4(B) of the Central Civil Services (Conduct) Rules, 1955. In 1962, the Supreme Court had struck down rule 4(B) of the said conduct Rules. It is only on this account that the Recognition Rules, 1959 were treated by the Central Government *suo mota* as "inoperative".



(b) and (c). The Committee set up by the National Council (JCM) to draft the fresh Recognition Rules, had in one of its meetings, set up a drafting Committee consisting of both staff side and the official side members, to prepare the draft Rules. This drafting committee is at work at the moment and the Government is constantly in touch with the staff side of the National Council to expeditiously frame the new Recognition Rules. In fact, the Staff Side Secretary of the National Council had been finally asked to furnish their draft of the Recognition Rules by 17th May 1985 for further consideration. In his reply dated 10th May, 1985, the Staff Side Secretary has stated that "their own Study Group has been advised to finalise the draft reply" and has requested to fix the Committee meeting to finalise the issue. Further action in this regard is being taken.

**SHRI LALIT MAKEN :** Mr. Speaker, the Joint Consultative Machinery came into existence about 30 years ago and the purpose of the Joint Consultative Machinery was to promote harmonious relations between the Government and 50 lakhs Central Government employees to have Joint consultation and to refer the un-resolved matters to the arbitration. As stated by the Minister, rule 4 (B) was struck down by the Supreme Court about 16 years ago which concerns with the rules of recognition for the purpose of JCM. After that, a new Committee was set up by JCM to frame the fresh rules.

Mr. Speaker, 16 years have passed away but that Committee has been unable to frame the fresh rules and this is the deliberate attempt, Mr. Speaker, because those organisations, those unions and associations which are sitting there . . . do not want the new rules should be framed and that is being done in connivance with the bureaucrats of a particular Department. After that, Rule 4 (B) was struck down. Many new Unions and Associations were formed and they enjoy the majority support.

But they were not given recognition. They were not represented in Joint Consultative Committee Machinery on a very simple ground. (*Interruptions*)

**MR. SPEAKER :** No interruptions please.

**SHRI LALIT MAKEN :** Before Rule 4 (B) was struck down, no new Organisation, even if it enjoys the majority support was allowed to be represented in the JCM. This situation was prevailing for the last 16 years and those Associations and Unions which are sitting in JCM know that if fresh rules are framed they will be out and the new Unions and Associations will become representatives on this JCM. This is a matter of great concern. Prime Minister can change in this country. A ruling party may lose the power. The opposition party can become the ruling party. But once any Union or Association enters JCM, they enjoy the permanent membership, even if they lose majority.

**SHRI NARAYAN CHOUBEY :** As in Maharashtra and Madhya Pradesh also.

**SHRI LALIT MAKEN :** Many Unions and Associations enjoying majority support applied for recognition (*Interruptions*) But they were not given recognition. Some Unions were given recognition by the various Departments but were not given representation on the JCM.

My question is, is it a fact the many Unions and Associations, although they enjoy the majority support were not given recognition and, even if they get the recognition, they were not allowed to be represented on JCM.

**SHRI NARAYAN CHOUBEY :** This is being repeated.

**SHRI LALIT MAKEN :** I am putting a question. My second question is this (*Interruptions*). I do not know why you

people are scared. This is something very general. It has nothing to do with it.

My second question is, is it a fact that those Unions and Associations which are represented on JCM were never verified of their membership for the last 20 years. (*Interruptions*). Is it a fact, I am asking. I want to ask will the Minister give a commitment on the floor of the House that this Committee will be time-bound and in a particular time these rules will be framed so that the Unions and Associations which enjoy the majority support will be given recognition, representation on the JCM ?

PROF. MADHU DANDAVATE :  
Time bound or time-barred ?

SHRI K. P. SINGH DEO : The hon. Member seems to have raised an hornet's nest. In his Preamble, what he has said is right. The intention and the basic objective of having JCM was to have harmonious relationship between employer and the employees, to secure the greatest measure of cooperation between the Government in its capacity as employer and the General Body as employees and to increase the efficiency of public services through collaborative endeavour.

I would like to give a little bit of the dates when he says 16 years have passed and nothing seems to have been done and the draft rules have not been framed.

As I said, the Supreme Court struck down Rule 4(B) in the year, 1962 and, therefore, as I have said in the initial answer, the Government did it suo motu because this itself was the basis for recognition under Rule 4(B) and, therefore, the Home Minister had a series of consultations with the staff side upto 1965-66 and ultimately in 1966 they came to an agreement with the Staff side because it was getting delayed, to have it into an ad hoc policy for recognition of JCM

purposes pending the framing of fresh recognition rules.

PROF. MADHU DANDAVATE :  
Why not read out Rule 4 (B), the one which was struck down ?

SHRI K. P. SINGH DEO : I will read out Clause 4 (b) of the Central Civil Services Conduct Rules, 1955 :

4. Joining of Associations by government servants."

"No government servant shall join or continue to be a member of any Service Association of government servants

(a) which has not, within a period of six months from its formation, obtained the recognition of the Government under the rules prescribed in that behalf; or

(b) recognition in respect of which has been refused or withdrawn by the Government under the said rules."

For four years, the staff side and the then Home Minister upto 1965-66 had a series of discussions and yet, they could not come to an agreed solution. Then in 1966 they decided to have this Joint Consultative Machinery and adopted an ad hoc policy for recognition for JCM purposes pending framing of fresh rules. In 1966 the JCM comes into existence. At that time, in consultation with the staff side it was decided that, for the purposes of nomination of the staff side, only those Federations, Associations and Unions will be recognised which had enjoyed recognition in the past and which represented broadly and adequately all the categories of employees of the Department; however, in the case of Departments where there

has been no recognised Federation, Union or Association in the past or where the existing Federation does not represent all the categories adequately, then another Association or Union be recognised; this arrangement is only for an experimental period of one year at the end of which the Government will review the whole question of recognition. The hon. Member has again asked why some of the Unions which enjoy majority support are not being allowed or represented in the JCM. There are guidelines for recognition or inclusion in the JCM. These are divided into both 'industrial' and 'non-industrial'. In this case I will leave out 'industrial' because it does not concern government servants. It is under 'non-industrial'. Ad hoc recognition for the purpose of the scheme of JCM: it was decided in consultation with the employees' leaders that only those Union/Associations which were recognised in the past and which continue to represent broadly and adequately all the Categories of employees of the Department should be recognised for participation in the JCM; in the case of Ministries and Departments where there are no recognised Federations/Unions/Associations in the past or where the existing Federation did not represent all the categories of employees broadly and adequately, a new Association Union/Federation could be granted ad hoc recognition for the purpose of JCM scheme. In fulfilling the conditions for broad and adequate representation, an Association or Union or Federation should have at least 15 per cent membership of each of the categories of staff which it purports to represent. In addition, it should also satisfy the relevant major features of the Central Civil Services Recognition of Service Associations Rules, 1959 as indicated. Such an Association/Union/Federation enjoys all the facilities extended to an Association recognised informally or *de facto* and in addition, it is entitled to participate in the Joint Council of the JCM. He has said that many of these Unions have the majority support. If they have more than 15 per cent support and if there has been a complaint that in

spite of more than 15 per cent support they are not recognised and that a Union which is in the JCM does not now enjoy the support of 15 per cent, then there in a methodology or procedure by which the Chief Labour Commissioner undertakes a verification and after that the question is decided whether the Union will be recognised or not.

PROF. MADHU DANDAVATE : It is 15 per cent in various categories.

SHRI K. P. SINGH DEO : Yes 15% in each category. As far as the question of the time bound thing, in my answer I have given that in 1983 the JCM had set up a committee to look into the guidelines for the framing of the new rules for recognition, comprising members both from staff side as well as from the government side. That committee also set up a sub-committee to draft the proposed rules for consideration of the committee. In the meantime the staff side has set up a study group and although the Government had given a deadline, that is 17th May, that is to-day, on the 10th May, the Secretary of the staff side has written to the Government saying that the Sub-Committee has been asked to submit the proposals. Therefore, the Government is seized of the matter and 17th May, that is to-day is the last day given to them and the day is not yet over. I think after the 17th is over, then the Government will be able to take the decision. The Secretary, JCM is summoning the committee so that it can deliberate.

SHRI LALIT MAKEN : My questions have not been replied. I asked : is it a fact that many unions and associations, although they got their recognition by their respective Departments, were not allowed to represent in JCM? That was the first question. My second question is : is it not a fact that the membership of the Unions and Associations which are sitting in the JCM for the last 20 years has not been verified?

**SHRI K. P. SINGH DEO :** As a matter of clarification, I have already said that if there is a complaint that a 'A' Union which is represented in the JCM has lost its majority, that is that it has less than 15%, then only we can move.

**SHRI LALIT MAKEN :** I am asking for the information whereas you are telling the policy.

**SHRI K. P. SINGH DEO :** I have no complaints. How can I say that they do not have the requisite membership? Only when I receive a complaint I can go to the Chief Labour Commissioner for verification. In the absence of that I cannot just say anything.

**SHRI LALIT MAKEN :** Sir, when he was in the Defence Ministry, we made many complaints and he refused to give us recognition on this ground that new associations and organisations cannot be given recognition although those organisations enjoyed more than 80% majority support. Now, the basic questions which I have raised here have not been replied properly. The answer is very vague. I can prove that the membership of the organisations has not been verified. When JCM was formed, any organisation which said, 'Yes, I have got membership of 15,000.' was given representation without verifying their membership. The quota was given on the basis of their claim. Today the situation is very serious. The situation may go beyond control because so many unions and associations have not been given recognition. They have not been given representation in the JCM.

**SHRI K. P. SINGH DEO :** If he can supply us the information that these are the associations which have got majority and the associations which are in the JCM which have lost the majority, then only we can verify. In the absence of any complaints, how can we proceed?

**SHRI LALIT MAKEN :** I will do that.

**SHRI BHAGWAT JHA AZAD:** Without going into the nicety, I would like to know from the Minister what are those very difficulty or extra-ordinary circumstances in which the knowledgeable member of the staff side and the Government side could not frame rules for 16 years? Is it not a fit case for the government to intervene and find out what were those unusual causes due to which they could not be framed?

**SHRI K.P. SINGH DEO :** The hon. Member is right. In fact from the Government side we have been reminding them time and again to give us the proposals and, therefore, as a last resort we have fixed the time limit, that is to-day, the 17th May and still we are expecting the staff side to respond before the midnight of 17th because 17th is not yet over and then only the Government will decide what action to take.

**SHRI INDRAJIT GUPTA :** I am afraid the inter-union rivalries will not be settled so easily on the floor of this House. I would like to know one thing, that is, whether it is a fact or not many of these Government departments have traditionally and historically got separate systems of schemes of recognition. Because he is giving the impression as though there is one set of rules, one standard common set of rules of recognition applicable to all the Central Government employees, I would like to know from him whether it is not a fact that since these rules which are referred to, were suspended after 4(B) was struck down, as well as the new rules which are proposed to be drafted now did not then and will not now apply, for example, to the Railways which employ 17-1/2 lakh people, the biggest single Government Department. It has nothing to do with the Railways. They have their own system of recognition that they have worked out in their own sector which will be applied to the Defence people, will be applied to the Posts and Telegraphs or is it meant only for the Central Secretariate

employees and other Government Departments and not enlarge the scope of this by giving an impression that this is something which is concerning whole body of employees. There are established norms and rules of recognition covering over 70% of the Central Government employees in the Railways, Posts and Telegraphs and Defence Department. Is that a fact or not? These rules are talking about all these. Who will actually apply them whenever they are drafted?

**SHRI LALIT MAKKN :** Sir, I think Mr. Indrajit Gupta is trying to confuse the issue. (*Interruptions*)

**SHRI R.P. SINGH DEO :** Sir, the hon. Member is a leader of a trade union of repute. He knows very well that the JCM applies to all employees excepting Class-I services and Class-II services other than the Central Secretariat services, persons in the industrial establishments, employees of the Union Territories and the Police personnel. The Railways have a separate set up. There is no problem in the Railways.

**PROF. MADHU DANDAVATE :** Railways are also in the JCM.

**SHRI K.P. SINGH DEO :** Yes, I know that. The Secretary himself is on the Railways. (*Interruptions*). There are guidelines for recognition of Service Associations which we are concerned with at the moment. He is right that when individual Ministries have been given option of dealing with their Unions, as far as dealing in correspondence, as far as ventilating their collective grievances pending the framing of the rules, the rules have taken so long a time.

#### WRITTEN ANSWER TO QUESTIONS

[*English*]

##### Smuggling of CTC Tea

\*900. **SHRI ANANDA PATHAK :** Will the Minister of COMMERCE be pleased to state :

(a) whether supplies of CTC tea to Soviet Union and other East European countries have been reduced due to smuggling of this tea from India to other countries;

(b) if so, the countries to which CTC tea is being smuggled;

(c) the quantum of such smuggling; and

(d) the steps taken by Government to book the culprits?

**THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) :** (a) A statement is laid on the Table of the House.

(b) to (d). Do not arise.

##### Statement

There is no shortage of CTC in India and export quota of 70 m. kgs. for 1985 is comparable to export of this variety in previous years. USSR and East European countries are free to purchase CTC within this quota in competition with buyers from other countries and have in fact bought much more tea from January to March, 1985 than in the corresponding period in 1984 or 1983.

##### U.S. Government Curbs on Import of Indian Textiles

\*903. **SHRI B.V. DESAI :**  
**SHRI RAM SAMUJHAWAN :**

Will the Minister of SUPPLY AND TEXTILES be pleased to state :

(a) whether U.S. Government has enacted a legislation to curb the imports of textiles;

(b) if so, whether the exports of garments and textiles to U.S.A. from India and other countries are in for a major setback;

(c) the extent to which the export of garments to U.S.A. will be affected;

(d) the measures Government propose to take to help the garment exporters suffering due to the decision of U.S. Government; and

(e). whether any alternative market has been found for them ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) : (a) No, Sir.

(b) to (c). Do not arise.

#### Shortage of Coins

\*905. PROF. K.V. THOMAS :  
SHRI RAM BAHADUR  
SINGH :

Will the Minister of FINANCE be pleased to state :

(a) whether there is any hoarding of coins;

(b) if so, the steps proposed by Government to prevent this hoarding;

(c) whether the pricing of commodities like petrol to the fractional value is causing undue difficulties to people as small coins are not available; and

(d) whether Government propose to fix the price of petrol and other commodities, whose price is fixed by them, in round figures ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POJARY) : (a) In the present context of shortage of coins, there have been reports in the press and elsewhere about hoarding of coins particularly in big cities and industrial/Commercial Centres.

(b) The best way to overcome this malpractice is to increase the production of coins and thereby bridge the gap between demand and supply. Government have taken various steps to augment the production of coins such as introduction of Incentive Schemes in the three Mints, increased working hours and a second shift in the Calcutta Mint. As part of the modernisation and expansion of the existing three Mints, 22 new Coining Presses are being installed. These measures have already resulted in substantial increase in production of coins which was 1355.7 million pieces in 1984-85 as against 1063 million pieces in 1983-84, 660 million pieces in 1982-83 and 525 million pieces in 1981-82. The target for 1985-86 is 2000 million pieces. As a long term measure it has been decided to establish a new Mint at NOIDA, Ghaziabad (U.P.) and steps are being taken to implement this decision. It is expected that with the increased production of coins coming into circulation, there would be no incentive for hoarding them.

The State Governments have been advised by the RBI to exercise vigilance and take necessary preventive measures to check hoarding of coins.

(c) and (d). Government have already stopped minting of 1 paise, and 2 paise, and 3 paise coins. Such coins which are already in circulation continue to be legal tender but are not reissued once these are received in the currency chests. To alleviate the resultant inconvenience in making transactions, Government had issued instructions in May, 1982 to all Ministries/Departments and all the State Governments/Union Territories that all transactions be rounded off to the nearest 5 paise multiple; these instructions were reiterated in November, 1983 and May, 1984. By and large, these instructions are being followed and prices of various commodities, including petrol, are being fixed in the nearest multiple of 5 paise.

**Changes in Set up of Regional Rural Banks and Nationalised Banks**

\*906. SHRI SHANTI DHARIWAL :  
SHRI MADAN PANDEY :

Will the Minister of FINANCE be pleased to state :

(a) whether Government propose to bring about certain changes in the set up of regional rural banks and nationalised banks; and

(b) if so, whether Government are also of the view that district-wise appointment of district level public representatives as Directors in regional rural banks will be in the public interest ?

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). The appropriateness of the set up of regional rural banks and nationalised banks is kept under continual review by the Government. The National Bank for Agriculture and Rural Development has proposed some amendments to Regional Rural Banks Act with a view to streamline the organisational structure of Regional Rural Banks. Government have not yet taken any final decision in the matter. No specific proposals with regard to the set up of nationalised banks are currently under consideration.

The policy of nominating two public representatives from the area of jurisdiction of Regional Rural Bank, as Directors on the Board of Directors, has generally been followed so that the local aspirations and requirements are adequately represented on these Boards.

**Formulation of a National Policy for Mineral Development**

\*907. SHRI HARIHAR SOREN :  
Will the Minister of STEEL, MINES AND COAL be pleased to state ;

(a) whether Government have a proposal to formulate a National Policy for Mineral Development ;

(b) if so, the time by which the above proposal is expected to be implemented ; and

(c) the steps taken in the matter?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) :

(a) Yes, Sir.

(b) and (c). The work has been taken on hand. This will involve extensive consultations with all concerned Ministries, organisations etc. The policy will be finalised as early as possible.

**Loss Suffered by Bharat Gold Mines Ltd.**

\*908. SHRI MOOL CHAND DAGA :  
Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether the Bharat Gold Mines Ltd. fell short of the target by 28 per cent and the loss was Rs. 7.85 crores during the April-December, 1984 ;

(b) since when the Bharat Gold Mines Limited is undergoing losses and the details of losses for the last three years ended March, 1985 ;

(c) the number of gold mines under operation ; and

(d) the names of the mines not undergoing loss ?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) :

(a) Yes, Sir.

(b) Export the years 1979-80 and 1980-81, when the LME price of gold was high, Bharat Gold Mines Ltd. has been incurring losses since its inception (1972-73) The Company's financial performance for the last three years has been as follows ;

Year	(+) Profit / (—) Loss in Rs. lakhs.
1982-83	(—) 272
1983-84	(—) 569.14
1984-85	(—) 1066 (Provisional)

(c) The following four mines are being worked by Bharat Gold Mines Ltd.

*A—Kolar Gold Fields (Kolar District, Karnataka)*

- (i) Nundydroog Mine ;
- (ii) Champion Reef Mine ; and
- (iii) Mysore Mine.

*B—Ramagiri Gold Fields (Anantapur District, Andhra Pradesh)*

- (iv) Yeppamana Mine.
- (d) None.

**Safeguards for Rural-Based Handloom Industry and Weavers**

\*909. SHRI HUSSAIN DALWAI : Will the Minister of SUPPLY AND TEXTILES be pleased to state :

- (a) the steps the Union Government propose to take to safeguard the rural-based handloom industry ;
- (b) the State-wise production of handloom textiles in India ;
- (c) the percentage of subsidy the weavers get for the handloom production ; and
- (d) the effective measures taken to encourage the handloom cottage industry by Union Government ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH): (a) In order to protect the hand-

loom industry from the powerlooms certain articles have been reserved for exclusive production on handlooms. A separate legislation has also since been enacted entitled 'The Handlooms (Reservation of Articles for Production) Act, 1985'. Other problems of the handloom industry relate to exploitation by middle-men, supply of raw-materials, ensuring continued employment of weavers and remunerative wages to them to prevent their migration to other areas. Safeguards in this regard have been provided, in the first place, by creation of non-exploitative organisational infrastructure in the form of cooperatives and handloom development Corporations for weavers outside the cooperative fold. Institutes of Handloom Technology and Weavers Service Centres have been set up to upgrade technology, improve productivity and conserve traditional skills. In addition, assistance for creation of infrastructure for supply of inputs is also being provided.

(b) The production statistics of handlooms are largely derived from the figures of civil delivery of hank yarn. Since these figures are not available State-wise production of handloom according to States is not available. However, it is estimated that the production of handloom in the country as a whole during 1983-84 was of the order of about 3400 million metres.

(c) There is no specific scheme for providing direct subsidy for production of handloom cloth. However, under Janata cloth scheme a subsidy and at the rate of Rs. 2 per square metre is provided for its sale to the consumers at prices fixed by the Government. During 1984-85, the outflow of subsidy on this account was of the order of Rs. 58.28 crores.

(d) Some of the important schemes being implemented with a view to develop and encourage the handloom sector are as follows :

- (i) Share capital assistance for Primary Handloom Weavers Cooperative Societies, Apca



Handloom Weavers Societies and State Handloom Development Corporations ;

- (ii) Loan and grant assistance to handloom weavers in the Co-operative sector for replacement and modernisation of looms ;
- (iii) Managerial subsidy to handloom Cooperatives ;
- (iv) Assistance for certain of pre-loom and post-loom processing facilities
- (v) Intensive Handloom Development Projects/Export Production Projects for the benefit of the handloom weavers outside the Co-operative fold ;
- (vi) Janata cloth scheme for providing substained employment to handloom weavers and cheap cloth to the weaker sections of the Society ;
- (vii) Grant of Special Rebate on sale of handloom cloth ;
- (viii) Reservation of certain articles for exclusive production on handlooms ; and
- (ix) A network of Institutes of handloom Technology and Weavers' Service Centres have been set up in order to undertake research in increasing productivity and provide services for improving the quality, designs and finish of handloom products.

#### Reduction in I.D.A. Assistance to India

\*910. **SHRI BRAJAMOHAN MOHANTY** : Will the Minister of **FINANCE** be pleased to state :

(a) whether assistance to India from the International Development Association has been reduced during last three years ;

(b) whether China's entry into IDA has resulted in substantial reduction of assistance to India ;

(c) whether USA and other developed countries are pleading before IDA and international financial institutions to reduce the aid as India has thrust forward its economy in comparison with other developing countries ;

(d) whether India is urging upon IMF for re-scheduling the repayment schedule of developing countries of IMF accommodation and for more SDR to accommodate them to meet the liquidity position ;

(e) whether IMF has made any structural reform to remove the imbalance between developed and developing countries and if so, the details ; and

(f) the reaction of Government in this regard ?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY)** : (a) Yes, Sir. Commitment to IDA credits to India which was approximately 40% of total credits to all countries upto the World Bank's fiscal year 1981 has gradually come down to 33.5% in fiscal year 1982 to 31.8% in fiscal year 1983 and to 28% in fiscal year 1984.

(b) Yes, Sir.

(c) Country allocations of IDA funds and other international financial institutions are made by the Executive Board/Management Committees of the agencies. As the proceedings of the Board/Committees are not public, it is not appropriate to comment on the stand taken by developed countries individually or as a group.

(d) Yes, Sir. The meeting of the G-24 (developing countries Ministers held on 16th April, 1985 (just prior to spring meetings of the Interim and Development Committee) in which India participated appealed that the policy of

multi-year re-scheduling of debts of developing countries should be followed. The Committee also supported the need for a substantial issue of SDRs in the Fourth Basic Period. The Interim Committee (which is a Committee of the Governor of IMF) which met on 17th April, 1985 welcomed the intention of the Paris Club to consider multi-year rescheduling, if appropriate, but could not reach an agreement on allocation of SDRs in the Fourth Basic Period. The Interim Committee, therefore, agreed to consider this matter at its next meeting in October, 1985.

(e) The Interim Committee of the IMF on April 19, 1985 noted that improvements of the international monetary system were currently under study and it was agreed that the Committee would review these issues at its next meeting in Seoul in October, 1985.

(f) Our reaction can be formulated only after the proposals are made known.

[*Translation*]

**Decline in Export of Cotton Textiles**

\*911. DR. B. L. SHAILESH : Will the Minister of SUPPLY AND TEXTILES be pleased to state :

(a) whether there has been some decline in the export of cotton textiles to western countries during the last two years ; and

(b) if so, the major reasons therefor and remedial measures proposed in this regard ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEX-

TILES (SHRI CHANDRASEKHAR SINGH) : (a) No, Sir.

(b) Does not arise.

[*English*]

**Pending Appeals and Revision Applications for Customs Disputes**

\*912. SHRI BHOLA NATH SEN : Will the Minister of FINANCE be pleased to state :

(a) whether Government have taken steps to speed up disposal of appeals and revision applications in respect of Customs disputes ;

(b) if so, the details of the steps taken and the results thereof ;

(c) the total number of appeals and revision applications in respect of Customs disputes pending as on 31st day of March 1985, 1984 and 1983 ; and

(d) the number of such appeals/revision applications pending for more than six months/one year on the dates mentioned above ?

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) and (b). Steps have been taken to expedite disposal of Customs appeals and Revision Applications by Collectors of Customs (Appeals) and Central Government respectively, by appropriate deployment of the available man-power and maintaining watch over disposal of cases. This has resulted in significant reduction in the number of pending cases.

(c) and (d). The required information is given in the attached statement.

**Statement**

(To reply to Lok Sabha Question No. 912 for 17.5.1985)

	Date	Total No. of pending cases.	No. of cases pending between 6 and 12 months	No. of cases pending for over 1 year
1	2	3	4	5
Revision	(i) 31.3.83	2688	2262	426

1	2	3	4	5
Applications before Central Government.	(i) 31.3.84 (ii) 31.3.85	2056 856	— 86	2056 681
Appeals before Collectors of Customs (Appeals)	(i) 31.3.83 (ii) 31.3.84 (iii) 31.3.85	8784 9610 5126	1844 1973 1097	1873 2284 1096

### Loans to Weaker Sections

\*913. SHRI MOHANBHAI PATEL : Will the Minister of FINANCE be pleased to state :

(a) whether weaker sections of the society are not getting loans from the nationalised banks in the country and particularly in Gujarat under the 20 Point Programme ;

(b) whether Government have received any complaints in this regard ;

(c) if so, the details thereof ; and

(d) whether any instructions have been issued to the nationalised banks to liberalise the sanction of loans to the weaker sections of the society for implementation of the 20-Point Programme ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (d). The Reserve Bank of India have issued guidelines to all scheduled commercial banks about the identification of beneficiaries for the 20-Point Programme belonging to the weaker sections of the community and have advised them to increase the flow of credit to weaker sections so that the share of advances to weaker sections reaches the level of 25% of the total priority sector advances by the end of March, 1985. According to the provisional date of Reserve Bank of India available for the period ending December 84, the outstanding advances to weaker sections in all States and

Union Territories, including Gujarat, were of the order of Rs. 3704 crores involving 151 lakh borrowal accounts. Complaints are received from time to time regarding difficulties faced by individual borrowers on account of delays in section of proposals in various States, including Gujarat. The banks have been directed to expedite the disposal of loan applications and also to ensure that majority of applications are disposed of at the branch level itself.

### Exploitation of Coal Deposits in Jammu and Kashmir

\*914. PROF. SAIFUDDIN SOZ : Will the Minister of STEEL, MINES & COAL be pleased to state :

(a) whether coal deposit in Jammu and Kashmir have been exploited fully ; and

(b) if so, the details thereof ?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) : (a) and (b). In Jammu and Kashmir, the coal deposits occur in Kalakot area. These deposits are worked by M/s J and K Minerals Ltd., on Enterprise of the State Government of J and K. As the coal seam here occurs in the form of discontinuous and inconsistent lenticular patches and there is no pattern in the shape and size of these lenses, it has not been possible to have an accurate assessment of the extent of deposits. The present estimates by J and K Mines and Directorate of Geology and Mining of the State

Government indicate proved coal reserves in the area at only 0.65 m.t. The production of coal by M/s J and K Minerals during 1982-83 has been of the order of around 20,000 tonnes.

*राष्ट्र* State Trading Corporation Earns High Profit—Despite Low Exports.

7027. SHRI P. APPALANARASIMHAM : Will the Minister of COMMERCE be pleased to state :

(a) whether the State Trading Corporation have earned high profits despite low volume of exports ;

(b) if so, full details as to how it was achieved ;

(c) the total turnover of State Trading Corporation since inception and total profits earned by it so far ; and

(d) the public funds advanced to the State Trading Corporation since its formation and at what interest and return therefrom ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) : (a) and (b). The STC's profit before tax during 1984-85 is estimated to be Rs. 62.09 crores as compared to the profit before tax of Rs. 59.83 crores during 1983-84. The increase in profit is not exclusively on exports. It is the total of exports, imports and domestic trade. This year the profit is more due to increased imports, special trading arrangement and domestic trade. The total turnover of the Corporation has gone up from Rs. 2215 crores in 1983-84 to Rs. 2798 crores (estimates) in 1984-85.

(b) The total turnover of the Corporation since inception is Rs. 19,316.38 crores. The profit before tax upto 1984-85 is Rs. 622.82 crores.

(c) Paid up capital of STC is Rs. 15 crores including Rs. 13 crores in account of issue of bonus shares. No loans have

been taken from Govt. during last ten years and no Govt. loan is outstanding on date.

**New Policy of Time Scale Promotion for STC Cadre in S.T.C.**

7028. SHRI M. ARUNACHALAM : Will the Minister of COMMERCE be pleased to state :

(a) whether the Management of the State Trading Corporation has introduced a new policy of time scale promotion for staff cadre by signing an agreement with the STC Employees Federation on 16th February, 1985 ;

(b) if so, whether the new promotion policy which came into effect on 1st April, 1985 has violated the Home Ministry's directives which provides the reservation for SC/ST @ 22 1/2 per cent as per 40 Point Roster ;

(c) whether STC management and the Employees Federation of STC are competent to frame any promotion policy contrary to Home Ministry's directives with regard to reservation in promotion for SC/ST @ 22-1/2 per cent as per 40 Point Roster ; and

(d) in case if the STC Management is competent, how the STC Management propose to maintain the reservation in promotions for SC/ST in STC while maintaining the 40 Point Roster as directed by the Union Government ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) : (a). Yes, Sir.

(b) to (d). Prima facie the Home Ministry's directives prescribing reservations for SC/ST categories, according to a roster system, were formulated keeping in view the conventional vacancy oriented system of promotions. The new system of promotions introduced by STC involves giving of higher grades based primarily on prescribed length of service. This would mean that the employees covered including SC/ST categories

would automatically get promotion after the prescribed length of service at each stage. The Scheduled Castes and Scheduled Tribes employees have been given a special concession in terms of reducing the prescribed length of service by one year. S.T.C., while considering the question of introducing time-bound system of promotions, also had consultations with STC's SC/ST Employees Association.

[*Translation*]

**Closure of Bihar Cotton Mills, Patna.**

**7029. SHRI VIJAY KUMAR YADAV:** Will the Minister of SUPPLY AND TEXTILES be pleased to state :

(a) whether the Bihar Cotton Mills situated near Patna has been lying closed since 1982 as a result of which more than 100 workers were rendered unemployment ;

(b) if so, whether the Government of Bihar have submitted any scheme to the Union Government in this regard ?

(c) if so, the details thereof ; and

(d) the reaction of Government thereto ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) : (a) M/s Bihar Cotton Mills, Phulwari-sharif is lying closed since July, 1982. The number of workers employed in the unit at the time of closure was about 750, which includes badli and daily wage workers.

(b) and (c). Government of Bihar had requested the Central Government in 1983, to consider the possibility of take over of the unit by National Textile Corporation.

(d) State Government has been requested to explore the possibility of handing over the unit to a Workers' Cooperative.

[*English*]

**Settlement of Wages in Public Sector Undertakings**

**7030. SHRI RAMSHRAY PRASAD SINGH :** Will the Minister of FINANCE be pleased to state :

(a) the names of public sector undertakings where settlement on wages have been concluded during the last three years;

(b) in what manner the linkage of productivity has been built into each settlement so arrived at with the consent of the workers in each such organisation;

(c) the names of public enterprises whose scales of pay and allowances of which were last revised mostly as per Third Pay Commission's recommendation;

(d) whether the employees of these undertakings are now being denied the payment of interim relief as recommended by the Fourth Pay Commission to Government employees;

(e) if so, the justification thereof;

(f) in what manner the employees of public enterprises mentioned above are being paid higher wages than the Central Government employees; and

(g) the reasons why Government are asking the above employees to switch-over the industrial D. A. system ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Wage settlements with the workers have been concluded in 109 public enterprises during the last 3 years as per Statement-I

(b) There is no direct linkage of basic wage with productivity in these wage settlements.

(c) to (g). At present there are about 70 public enterprises Statement II in case of executives and 41 Statement III

in case of workers whose scales of pay were mostly regulated as per Third Pay Commission's recommendations. Interim Relief was sanctioned by the Government to the Central Government employees pending receipt of the Fourth Pay Commission Report. Government had advised these public enterprises not to pay similar interim relief to their employees because employees of these public enterprises are not under the purview of the Fourth Pay Commission and the question of grant of interim relief to their employees merely on the basis of the orders issued for payment of interim relief to the Government servants does not arise. Moreover, the employees of these public enterprises receive some allowances like House Rent Allowance at higher rates. The policy of the Government is that all public enterprises should switch over to the industrial DA pattern in the interest of uniformity. The enterprises following the Central Government DA pattern are expected to submit their proposals for revision of scales of pay along with adoption of the industrial DA formula. Government is also prepared to consider fairly and objectively any proposal for interim relief payments pending revision of scales of pay for switching over to the industrial DA on a time bound basis on the merits of each case. Such interim payments have already been authorised by the Government in respect of the non-executives cadres of some of the public enterprises like Central Warehousing Corporation and National Hydro-electric Power Corporation. The executives in Hindustan Latex, Hindustan Prefab, Hindustan Paper Corporation and Artificial Limbs Manufacturing Co. Ltd. have also agreed to switch over to the industrial DA pattern. Similarly, the non-executives of Tea Trading Corporation, Manganese Ore India Ltd. and Hindustan Paper Corporation have switched over to industrial D.A.

#### Statement-I

*List of Workers Wage Settlements concluded during Financial Years 1982-83, 1983-84 and 1984-85*

1. Richardson and Cruddas (Workers and Clerical Staff) Madras Unit.

2. Indo-Burma Petroleum Co. Ltd. (Clerical Staff) Madras.
3. The Andhra Scientific Ltd.
4. IISCO Stanton Pipe and Foundry Co. Ltd. (Ujjain)
5. Lagan Jute Machinery Co. Ltd. (Clerical Staff).
6. Madras Refineries Ltd.
7. Hindustan Organic Chemicals Ltd.
8. Hindustan Petroleum Corporation Ltd. (Delhi).
9. Bridge and Roof Co. Ltd.
10. Cochin Refineries Ltd.
11. Modern Food Industries (India) Ltd.
12. Lagan Jute Machinery Ltd. (Head Office Based Sub-Staff)
13. Lagan Jute Machinery Ltd. (Erection Personnel)
14. Pyrites Phosphates and Chemicals Ltd.
15. National Building Construction Corporation Ltd.
16. Richardson and Cruddas (1972) Ltd. (Nagpur Unit)
17. Balmer Lawrie and Co. Ltd, (Containers Division) Calcutta.
18. Oil India Ltd. (Duliajan Oil Fields)
19. Central Electronics Ltd.
20. Indo-Burma Petroleum Co. Ltd. (Delhi Region)

21. Hindustan Shipyard Ltd.
22. Bharat Petroleum Corporation Ltd. (Calcutta).
23. Richardson and Cruddas (1972) Ltd. (Mulund Unit)
24. Heavy Engineering Corporation Ltd.
25. Praga Tools Ltd.
26. Bharat Aluminium Co. Ltd.
27. Smith Stanistreet Pharmaceuticals Ltd.
28. Hindustan Petroleum Corporation Ltd. (Bombay Refinery)
29. Bharat Petroleum Corporation Ltd. (Madras)
30. Garden Reach Shipbuilders and Engineers Ltd. (Road Roller Unit, Nagpur)
31. Steel Authority of India Ltd.
32. International Airports Authority of India.
33. Balmer Lawrie and Co. Ltd. (Bombay Container Division)
34. Indian Oil Corporation.
35. Bengal Immunity Co. Ltd.
36. Bharat Heavy Electricals Ltd.
37. National Thermal Power Corpn. Ltd.
38. Marine Diesel Engineering Plant.
39. Metal Scrap Trade Corporation Ltd.
40. Balmer Lawrie and Co. Ltd. (Freight Container Division, Cochin)
41. Bengal Chemicals and Pharmaceuticals Ltd.
42. Bharat Heavy Plate and Vessels Ltd.
43. Nepa Mills.
44. Electronics Trade and Technology Dev. Corpn. Ltd.
45. Hindustan Zinc Limited.
46. Cotton Corpn. of India Ltd.
47. Neyveli Lignite Corporation Ltd.
48. Hindustan Teleprinters Ltd.
49. Hindustan Insecticides Ltd. (Delhi and Udyogmandal Units)
50. Oil and Natural Gas Commission.
51. Coal India Limited.
52. Hindustan Aeronautics Ltd.
53. Bharat Electronics Ltd.
54. Bharat Earth Movers Ltd.
55. Hindustan Machine Tools Limited.
56. Indian Telephone Industries.
57. Maruti Udyog Limited.
58. Andrew Yule and Co. (Clerical and Subordinate Staff)
59. Fertilizer Corporation of India Ltd.
60. Rashtriya Chemicals and Fertilizers Ltd.
61. National Fertilizers Ltd.
62. Hindustan Fertilizer Corporation Ltd.
63. Project and Development India Ltd.

64. Oil India Ltd. (Delhi Office)
65. Indian Petro-Chemicals Corporation Ltd.
66. Bharat Dynamics Ltd.
67. Mishra Dhatu Nigam.
68. Tea Trading Corporation of India Ltd.
69. Maharashtra Antibiotics Ltd. (Nagpur)
70. Scooters India Ltd.
71. Bharat Pumps and Compressors Ltd. (Allahabad)
72. India Tourism Development Corpn. Ltd.
73. Triveni Structural Ltd. (Allahabad)
74. Hindustan Photo Films Ltd.
75. Mandya National Paper Mills.
76. Indian Airlines. (Air Corpn. Employees Union)
77. Hindustan Cables, (Hyderabad)
78. Indo-Burma Petroleum Co. Ltd. (Oil Division, Bombay)
79. Indo-Burma Petroleum Co. Ltd. (Engineering Division, Sewri)
80. Air India. (Air Corpn. Employees Union and Air India Employees Guild non-technical categories)
81. Jessop and Co. Ltd.
82. Hotel Corporation of India Ltd. (Centaur Hotel)
83. Fertilizer and Chemicals (Trevancore) Ltd.
84. Electronics Corpn. of India Ltd.
85. Hindustan Paper Corporation.
86. Engineers India Ltd.
87. Balmer Lawrie and Co. Ltd. (Grease Division and Branch Office, Bombay)
88. Manganese Ores India Ltd.
89. Lagan Jute Machinery Co. (Factory based clerical and subordinate staff)
90. Lubrizol India Ltd.
91. Mineral and Metals Trading Corporation.
92. National Aluminium Co.
93. Semi-Conductors (India) Ltd.
94. Bharat Petroleum Corpn. Ltd. (Ernakulam)
95. Kudremukh Iron Ore Co. Ltd.
96. Hindustan Cables Ltd. (Rupnarainpur Unit)
97. State Trading Corpn. of India Ltd.
98. Uttar Pradesh Drugs and Pharmaceuticals Ltd.
99. Pradeep Phosphates Ltd.
100. Gardenreach Shipbuilders and Engineers Ltd. (Workers covered by Engg. Wage Settlement, West Bengal)
101. Petrofils Co-operative Ltd.
102. Hindustan Copper Ltd.
103. Goa Antibiotion Ltd.
104. Mineral Exploration Corpn. Ltd. (Nagpur)
105. Projects and Equipment Corpn. of India Ltd.
106. Andaman and Nicobar Islands Forest and Plantation Development Corporation.)
107. Bharat Ophthalmic Glass Ltd. (Covered by Engg. Wage Settlement, West Bengal)
108. Indo-Burma Petroleum (Chemical Division) Delhi, Korbha, Kudremukh and Sangrauli.
109. Madras Fertilizers Ltd.



**Statement II**

*List of enterprises following central Pay and D. A. pattern.*

1. Manganese Ore (I) Limited.
2. Uranium Corporation of India.
3. Bongaigon Refinery and Petrochemicals Ltd.
4. Hindustan Salt Limited/Sambhar Salt Limited.
5. Mining and Allied Machinery Corporation.
6. National Instruments Limited.
7. Central Inland Water Transport Corporation Ltd.
8. Modera Food Industries (I) Ltd.
9. Hindustan Cables Limited.
10. Nagaland Pulp and Paper Mills.
11. Bharat Ophthalmic Glass Ltd.
12. Hindustan Photo Films Ltd.
- \*13. Artificial Limbs Manufacturing Corpn. of India Ltd.
14. Rehabilitation Industries Corporation Ltd.
- \*15. Hindustan Latex Ltd.
16. Andaman and Nicobar Islands Forest and Plantation Devl. Corpn. Ltd.
17. National Seeds Corporation Ltd.
18. State Farms Corporation of India Ltd.
19. National Textile Corporation and its subsidiaries 1 plus 9 = 10 enterprises.
20. Cotton Corporation of India.
21. Jute Corporation of India.
22. North Eastern Handicrafts and Handloom Dev. Corpn.
23. Tea Trading Corporation.
24. Bharat Leather Corporation.
25. Delhi Transport Corporation.
26. Vayudoot Ltd.
27. Indian Road Construction Corporation.
28. National Projects Construction Corpn. Ltd.
29. Hindustan Steel Works Construction Corporation.
- \*30. Hindustan Prefab Ltd.
31. National Building Construction Corporation Ltd.
32. Indian Railway Construction Co. Ltd.
33. Engineering Projects (I) Ltd.
34. National Industrial Development Corporation.
35. Water and Power Consultancy Services (I) Ltd.
36. Education Consultants India Ltd.
37. Rural Electrification Corporation.
38. National Films Development Corporation of India.
39. Indian Dairy Corporation.
40. Trade Fair Authority of India.
41. National Research Development Corporation of India,
42. National Hydroelectric Power Corporation.
43. North Eastern Electric Power Corporation (I) Ltd.
44. Bharat Aluminium Co. Ltd.
45. Bharat Gold Mines Ltd.
46. National Mineral Development Corporation.

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\*Has agreed to switch over to Industrial DA pattern.

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| <p>47. National Aluminium Co. Ltd.</p> <p>48. Cement Corporation of India Ltd.</p> <p>49. Indian Drugs and Pharmaceuticals Ltd.</p> <p>50. Mazagon Docks Ltd.</p> <p>*51. Hindustan Paper Corporation.</p> <p>52. Central Warehousing Corporation.</p> <p>53. Food Corporation of India Ltd.</p> <p>54. Telecommunication Consultants India Ltd.</p> <p>55. Engineers India Ltd.</p> <p>56. Rail India Technical and Economic Services Ltd.</p> <p>57. India Tourism Development Corporation.</p> <p>58. Housing and Urban Development Corporation.</p> <p>59. National Small Industries Corporation.</p> <p>60. Mineral Exploration Corporation Ltd.</p> <p>61. Heavy Engineering Corporation Ltd. (Medical Officers only)<br/>61+9 Subsidiaries of National Textile Corporation.</p> | <p>7. Central Warehousing Corporation.</p> <p>8. Delhi Transport Corporation.</p> <p>9. Educational Consultant of India Limited.</p> <p>10. Engineering Projects (I) Limited.</p> <p>11. Food Corporation of India Ltd.</p> <p>12. Hindustan Prefab Limited.</p> <p>13. Hindustan Salts Limited.</p> <p>14. Hindustan Steel Works Construction Corp. Limited.</p> <p>15. Housing and Urban Development Corporation.</p> <p>16. Hospital Services Consultancy Corporation Ltd.</p> <p>17. India Tourism Development Corporation Ltd. (non-HCE employees) HCE-Hotel Catering Establishment.</p> <p>18. Indian Dairy Corporation.</p> <p>19. Indian Railway Construction Corporation Ltd.</p> <p>20. Indian Road Construction Corporation Ltd.</p> <p>21. Jute Corporation of India Ltd.</p> <p>22. National Building Construction Corporation.</p> <p>23. National Film Development Corporation.</p> <p>24. National Hydroelectric Power Corporation.</p> <p>25. National Industrial Development Corporation.</p> <p>26. National Projects Construction Corporation Ltd.</p> <p>27. National Research Development Corporation Ltd.</p> <p>28. National Seeds Corporation.</p> <p>29. National Small Industries Corporation.</p> <p>30. National Textile Corporation. (Nine subsidiaries)</p> |
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**Statement-III**

*Enterprises who are on Central Pay and Dearness Allowance.*

- |  |  |
|--|--|
| <p>1. Andaman Nicobar Islands Forest and Plantation Dev. Corp. Ltd.</p> <p>2. Artificial Limbs Manufacturing Corporation.</p> <p>3. Bharat Leather Corporation Ltd.</p> <p>4. Bongaigaon Refinery and Petrochemicals Limited.</p> <p>5. Cement Corporation of India.</p> <p>6. Central Inland Water Transport Corporation.</p> | <p>25. National Industrial Development Corporation.</p> <p>26. National Projects Construction Corporation Ltd.</p> <p>27. National Research Development Corporation Ltd.</p> <p>28. National Seeds Corporation.</p> <p>29. National Small Industries Corporation.</p> <p>30. National Textile Corporation. (Nine subsidiaries)</p> |
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\*Has agreed to switch over to Industrial DA pattern.

31. North Eastern Electric Power Corporation.
32. North Eastern Handicrafts and Handloom Development Corpn.
33. North Eastern Regional Agricultural Marketing Corpn. Ltd.
34. Rail India Technical and Economic Services Limited.
35. Rehabilitation Industries Corporation Ltd.
36. Rural Electrification Corporation Limited.
37. State Farms Corporation India Ltd.
38. Telecommunication Consultants (I) Limited.
39. Trade Fair Authority of India Limited.
40. Water and Power Consultancy Services (I) Limited.
41. Vayudoot Limited.

**Implementation of 40 Point Roster  
in Recruitment and Promotion of  
SC/STs**

7031. SHRI HARIHAR SOREN :  
Will the Minister of COMMERCE be  
pleased to state :

(a) whether the Minerals and Metals Trading Corporation of India Limited is implementing 40 point roster in recruitment and promotion of Scheduled Castes/Scheduled Tribes;

(b) if so, the region-wise and cadre-wise particulars containing the total number of recruitment and promotion for general and SC/STs for the calendar years 1982 to 1984; and

(c) whether back-log still exists in SC/STs posts and particulars thereof for the calendar years 1982—1984 in respect of each cadres ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRA SHEKHAR SINGH) : (a) Yes, Sir.

(b) A statement I is attached.

(c) A statement II is attached.

**Statement-I**  
**Region-wise and Cadre-wise Particulars Containing Total Number of Recruitments and Promotions during 1982, 1983 and 1984**  
**for Scheduled Castes/Scheauled Tribes and General Candidates :**

Regions	1982										1983										1984									
	Direct recruitment					Promotion					Direct recruitment					Promotion					Direct recruitment					Promotion				
	SC	ST	G	ST	G	SC	ST	G	SC	ST	G	SC	ST	G	SC	ST	G	SC	ST	G	SC	ST	G	SC	ST	G	SC	ST	G	
<b>1</b>	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20												
<b>(1) DELHI</b>				3	1	21				1		16	1		8	1		71												
<b>II</b>			10	7		41				7		12	1		11	25	8	525												
<b>III</b>				5		16	7		2	4	1	3	5	1	16	6	5	28												
<b>IV</b>	2		3				2		8				1		3															
<b>(2) BOMBAY</b>	6		42				2		15	1		112			12			10												
<b>IV</b>	21	1	4						4				1		5															
<b>(3) GOA</b>																														
<b>III</b>			3						4			1			1			43												
<b>IV</b>			3			1							1																	
<b>(4) NALDA</b>	3	3	24	3	2	10	3	3	24	3	2	100				1	5													
<b>IV</b>													2	2	5															
<b>(5) CUTTACK</b>	1																													
<b>III</b>																														
<b>IV</b>																														

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
(6) VISHAKHA-																				
PATNAM III		2	—	4	—	—	—	6	—	—	—	—	—	—	—	—	—	—	—	—
IV		—	—	—	—	—	—	—	1	1	3	—	—	—	—	—	—	2	1	1
(7) CALCUTTA III		—	—	6	—	—	—	—	2	—	2	—	—	5	—	—	—	1	—	5
IV		1	—	—	—	—	—	6	—	—	8	—	—	—	—	—	2	—	—	—
(8) MADRAS III		17	—	11	2	4	5	10	10	—	4	—	—	4	—	—	1	3	1	35
IV		2	—	7	—	—	—	—	3	—	4	—	—	—	1	—	1	—	—	—
TOTAL :	36	4	122	15	85	110	30	4	78	16	3	63	13	6	65	39	20	678		

GROUP I : DDM and above

GROUP II : OM and ADM

GROUP III : Assistance/Jr. Assistant and equivalent

GROUP IV : Peons and equivalent

Appointments by promotion and direct recruitment under Group I and II are made by Head Quarters, and prescribed rosters also maintained at Head Quarters.

## Statement-II

Region/post	1982						1983						1984					
	R		P		R		P		R		P		R		P			
	SC	ST	SC	ST	SC	ST	SC	ST	SC	ST	SC	ST	SC	ST	SC	ST		
1	2	3	4	5	6	7	8	9	10	11	12	13						
<b>BOMBAY :</b>																		
Peon	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Jr. Asstt.	—	4	—	—	1	3	—	—	1	3	2	2	—	1	3	2	2	
Assistant	—	—	3	2	—	—	2	2	—	—	4	3	—	—	4	3	3	
Supervisor	1	1	—	—	1	1	—	—	1	1	—	—	—	1	1	—	—	
Inspector	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Steno	2	2	—	—	2	2	—	—	2	2	—	—	—	2	1	—	—	
<b>GOA :</b>																		
Peon	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Jr. Assistant	—	1	—	—	—	1	—	—	—	—	—	—	—	—	—	—	—	
Assistant	—	1	1	1	—	1	1	1	—	1	1	1	—	—	1	1	1	
Supervisor	—	1	—	—	—	1	—	—	—	1	—	—	—	—	1	—	—	
Inspector	—	—	1	1	—	—	1	1	—	—	1	1	—	—	—	1	1	
Steno	1	1	—	—	1	1	—	—	1	1	—	—	—	1	1	—	—	

	1	2	3	4	5	6	7	8	9	10	11	12	13
<b>MADRAS :</b>													
Peon	—	—	3	—	—	—	1	—	—	—	1	—	—
Jr. Assistant	—	—	4	—	—	—	4	—	—	—	4	—	—
Assistant	—	—	—	5	4	—	—	5	4	—	—	4	4
Driver/Tele. OP/Supervisor	5	5	7	—	—	—	7	—	—	2	5	—	—
Inspector	—	—	—	3	2	—	—	4	2	—	—	8	5
Steno	2	2	2	—	—	2	2	—	—	2	2	—	—
<b>DELHI (H.O.) :</b>													
Peon	1	—	1	—	—	—	—	—	—	—	—	—	—
Jr. Assistant	—	—	—	1	1	2	—	1	1	—	—	1	1
Assistant	2	2	1	3	2	2	1	—	1	2	1	—	—
Supervisor	2	2	1	—	—	—	—	—	—	2	1	—	—
Inspector	—	—	—	—	—	—	—	1	—	—	—	—	1
Steno	8	8	5	—	—	1	3	—	—	1	2	—	—
P.O.	—	—	—	1	—	—	—	—	1	—	—	16	7
O.M. (A/Cs)	—	—	1	7	3	—	1	4	3	—	—	9	3
O.M.	1	1	1	9	8	1	1	6	5	—	1	35	19
A.A.M.	—	—	1	—	1	—	—	—	—	—	1	2	1
A.D.M.	—	—	1	—	—	—	—	—	1	1	1	9	11
D.A.M.	—	—	—	—	—	—	—	1	—	—	—	3	1
D.D.M.	1	1	—	—	—	1	—	1	—	1	—	8	4
F.A.M.	1	1	—	—	—	1	—	—	—	1	—	—	—
J.D.M.	1	1	—	—	—	1	—	—	—	1	—	—	—

1 2 3 4 5 6 7 8 9 10 11 12 13

## C.F.M./CIA

D.M.

## CUTTACK :

Peon

Jr. Assistant

Assistant

Supervisor

Inspector

Steno

## VIZAG :

Peon

Jr. Assistance

Assistant

Supervisor

Inspector

Steno

## CALCUTTA :

Peon

Jr. Assistant

Assistant

Supervisor

C.F.M./CIA	—	—	—	—	—	—	—	—	—	—	—	—	—
D.M.	—	—	—	—	—	—	—	—	—	1	—	—	—
CUTTACK :													
Peon	—	—	—	—	—	—	—	—	—	1	—	—	—
Jr. Assistant	2	2	—	—	—	1	—	—	—	1	—	—	—
Assistant	—	—	1	—	—	—	2	2	—	—	2	1	—
Supervisor	2	4	—	—	2	4	—	—	2	4	—	—	—
Inspector	—	—	3	1	—	—	3	5	—	—	3	5	—
Steno	—	2	—	—	1	1	—	—	2	1	—	—	—
VIZAG :													
Peon	—	2	—	—	1	1	—	—	1	1	—	—	—
Jr. Assistance	—	1	—	—	—	1	—	—	—	1	—	—	—
Assistant	—	—	2	1	—	—	—	2	—	—	1	1	—
Supervisor	1	1	—	—	—	1	—	—	—	1	—	—	—
Inspector	—	—	2	2	—	—	—	2	—	—	2	2	—
Steno	1	1	—	—	1	1	—	—	1	1	—	—	—
CALCUTTA :													
Peon	—	1	—	—	—	—	—	—	—	—	—	—	—
Jr. Assistant	2	2	—	—	2	2	—	—	2	2	1	—	—
Assistant	—	—	4	2	—	—	3	—	—	—	2	1	—
Supervisor	1	—	1	—	—	1	—	—	—	1	—	1	—



1	2	3	4	5	6	7	8	9	10	11	12	13
Inspector	—	—	—	2	—	—	1	1	—	—	—	—
Steno	1	1	1	—	1	1	—	—	—	—	—	—
NALDA :												
Peon	1	—	—	—	1	—	—	—	—	—	—	—
Jr. Assistant	—	5	—	—	—	5	—	—	5	5	—	—
Assistant	—	—	2	—	—	—	—	—	—	—	—	—
Supervisor	—	1	—	—	—	1	—	—	1	1	—	—
Inspector	—	—	—	—	—	—	—	—	—	—	—	—
Steno	1	1	—	—	1	1	—	—	1	1	—	—

R : RECRUITMENT

P : PROMOTION

### S.T.C. Branches in India

7032. SHRI N. DENNIS : Will the Minister of COMMERCE be pleased to state :

(a) whether the State Trading Corporation has any branches in India;

(b) if so, the details in this regard;

(c) whether the State Trading Corporation of India has earned any profit during the last three years; and

(d) if so, the details thereof, year-wise ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) : (a) Yes, Sir.

(b) STC has 17 branches in India. They are located in the following places :

- |                      |                |
|----------------------|----------------|
| (1) Bombay           | (2) Calcutta   |
| (3) Madras           | (4) Hyderabad  |
| (5) Agra             | (6) Kandla     |
| (7) Bangalore        | (8) Ahemdabad  |
| (9) Cochin           | (10) Delhi     |
| (11) Gauhati         | (12) Guntur    |
| (13) Jnipur          | (14) Lucknow   |
| (15) Patna           | (16) Tuticorin |
| (17) Vishakhapatnam. |                |

(c) Yes, Sir.

(d) The profits of STC during the last three years are given below :

Year	Profit before Tax	Profit after Tax
1982-83	62.66	24.51
1983-84	59.83	28.83
1984-85		
(Prov.)	62.09	28.55

### Saving of Banks as a Result of Ban on Publicity and Public Relation Expenditures

7033. SHRI MOOL CHAND DAGA : Will the Minister of FINANCE be pleased to state :

(a) whether there is a ban on publicity and public relation expenditures of public sector banks;

(b) if so, the saving of these banks during 1984-85 on this account showing the details of expenditure during 1983-84 and 1984-85; and

(c) whether Government contemplate to ban this expenditure in all the banks, insurance companies and non profit oriented public sector units ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) As a part of Government's economy drive, instructions were issued in March, 1984 to all the public sector banks to stop expenditure on publicity and advertisements except where statutorily required or otherwise considered necessary. These instructions are still in force.

(b) According to the information readily available, expenditure on publicity, public relations, etc. for all public sector banks in the year 1984 was Rs. 3.13 crores as against Rs.8.79 crores in the previous year.

(c) Government has advised the public sector undertakings to be very careful in incurring expenditure relating to publicity, advertisements, etc. unless it relates to sales promotion or is otherwise obligatory.

### Reform of I.M.F., World Bank And GATT

7034. SHRI BRAJAMOHAN MOHANTY : Will the Minister of FINANCE be pleased to state :

(a) whether any attempt has been made at the international level and any initiative taken by India along with other developing countries to reform International Monetary Fund, World Bank and GATT ;

(b) if so, the details thereof ;

(c) whether the IMF and World Bank are not considering the financial difficulties of the developing countries sympathetically ;

(d) whether by weightage of voting of some of the developed countries is influencing policies of these organisations ; and

(e) if so, the reaction of Government thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). Yes, Sir. The views of the developing countries about the need to restructure the International Monetary system, were given expression during the call given in the Meetings of NAM Heads of State held in New Delhi in March 1983 for convening an International Conference on Money and Finance for Development with universal participation. A high level Group of Experts appointed by the late Prime Minister in her capacity as Chair person of the NAM has since examined the substantive and procedural issues of the proposed conference and recommended measures to overcome the deficiencies and omissions in the existing international monetary and financial system. Copies of the report of the Expert Group were sent by the late Prime Minister to the heads of State or Government of all developed and developing countries. Efforts are being made to enlist wide support in favour of the proposed conference in various international fora.

(c) These institutions have been operating within their charters and are trying to promote international economic cooperation to the extent feasible in the present global environment.

(d) and (e). The voting right patterns in the IBRD and IMF are proportionate to the subscriptions to the capital stock/ quota of the members. So countries with higher subscriptions/quotas have higher voting power. This is built into the structure of these organisations through their Articles of Agreement.

#### Retrenchment in N.T.C

7035. SHRI BASUDEB ACHARIA : Will the Minister of SUPPLY AND TEXTILES be pleased to state :

(a) whether Government have decided in favour of retrenchment in the industry ;

(b) if so, how the retrenched workers and their families will maintain their existence.

(c) whether the said decision is in accordance with the preambles of the 20-Point Programme ; and

(d) if not, the reasons Government has made a provision for Rs. 76 crores only for National Textile Corporation to retrench its over 38,000 workers ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) : (a) to (d). Retrenchment in an industrial establishment is governed by the provisions of the Industrial Dispute Act. National Textile Corporation has proposed provision of funds during the VII Plan period since rationalisation of labour is an ongoing process depending upon several factors e.g. implementation of modernisation programmes, change in product mix, change in capacities and revision of work norms.

#### Promotion of Clerks to JMG Scale I Officers Grade in State Bank of India

7036. SHRI SIDHALAL MURMU : SHRI GANGA RAM :

DR. V. VENKATESH :

Will the Minister of FINANCE be pleased to state :

(a) the total number of clerks promoted to the post of J.M.G. Scale—I officer grade in State Bank of India, New Delhi on the basis of the results of written examination and interview in 1982 and the number of SC/ST among them separately ;

(b) the total number of those transferred out of Delhi indicating SC/ST persons separately as per the transfer policy of the Bank ;

(c) the number of those who have been transferred back to Delhi including those belonging to SC/ST separately ; and

(d) the reasons for not transferring back to Delhi the SC/ST J.M.G. Scale-I officers ?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a). 440 clerks including 39 belonging to SC/ST community were promoted to J.M.G. Scale-I in the year 1982.

(b) 235 officers including 31 belonging to Scheduled Castes/Scheduled Tribes were transferred out of Delhi.

(c) 42 officers including 4 belonging Scheduled Castes/Scheduled Tribes have been transferred by the bank back to Delhi.

(d) The normal stay of officers outside Delhi is three years for plains and two years for hills/difficult areas. The cases of officers who requested for transfer on compassionate grounds have been acceded to by the bank on merits of each case. Other officers belonging to Scheduled Castes/Scheduled Tribes, will be transferred to Delhi on completion of their full term outside Delhi.

#### Violations of Ferra Regulations by Soft Drink Companies

7037. SHRI PRIYA RANJAN DAS MUNSI : Will the Minister of FINANCE be pleased to state :

(a) the particulars of those soft drink companies which have violated 'FERRA' regulations during the last three years ;

(b) the steps taken against them ;

(c) whether the Pure Drinks Company and Parle Groups are trying for import of foreign substitutes in their drinks ; and

(d) if so, the steps Government purpose to take in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). During the last three years, no case has been registered against any soft drink company for violation of the provisions of the Foreign Exchange Regulation Act, 1973.

(c) and (d). The information is being collected and will be laid on the Table of the House.

#### Investment by American and Japanese Companies

7038. SHRI PIYUS TIRAKY : Will the Minister of COMMERCE be pleased to state :

(a) the number of American and Japanese companies permitted so far to invest capital or to set up their units in India ;

(b) the details of the agreements signed with foreign companies since November, 1984 to date ; and

(c) the details of foreign technique imported in India particularly in the fields in which foreign technology is being invested ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) : (a) A statement showing year-wise break-up of American and Japanese companies permitted by the Government to invest capital in

India during the period 1980-84 is attached the Table of the House.

(b) and (c). Details of all approved foreign Collaborations (FC) showing the names of Indian and foreign firms ; items of manufacture and nature of collaboration are published on a quarterly basis by the Indian Investment Centre as a supplement to its monthly News Letter. Copies of this publication are sent regularly to the Parliament Library. The list of FC approvals pertaining to Jan-March, 1985 is yet to be established.

#### Statement

1. Statement showing the year-wise break-up of American firms during 1980-1984 in whose favour foreign investment has been Approved.

Year	No. of foreign investment proposals approved in favour of American firms.
1980	19
1981	15
1982	24
1983	32
1984	37

2. Statement showing the year-wise break-up of Japanese firms during 1980-1984 in whose favour Foreign Investment has been approved.

Year	No. of foreign investment proposals approved in favour of Japanese firms.
1980	5
1981	4
1982	5
1983	7
1984	5

#### Termination of Workers in Coal India Limited

7039. KUMARI MAMTA BANERJEE : Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) the reasons for terminating services of 90 workers of Dock under C and F Department of Coal India Limited and

(b) the reasons for terminating services of four employees of Sales and Marketing Organisation of CIL ?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) :

(a) There was no employee-employer relationship between the said 90 workers and Coal India Limited. Therefore, there was no question of termination of their services.

(b) The Regional Sales Office, West Bengal Cell, Coal India Limited, Calcutta terminated the services of two casual workers because their services were no longer required. Two other casual workers of the Cell left service of their own.

#### Role of Deposit Insurance and Guarantee Corporation in Writing off Loans

7040. SHRI V. SOBHANADREESWARA RAO : Will the Minister of FINANCE be pleased to state :

(a) the amount involved and number of cases in which the nationalised banks have written off dues as bad debts in the years 1982-83 and 1983-84 ;

(b) the role of deposit Insurance and Guarantee Corporation in writing off the loans ; and

(c) the amounts written off year-wise by this Corporation ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a). According to the forms of Balance Sheet

and Profit and Loss Account prescribed under the Banking Regulation Act, 1949 banks are given statutory protection from disclosing the particulars and quantum of bad and doubtful debts for which provision is made to the satisfaction of auditors. The required information therefore cannot be made available.

(b) and (c). Under the Deposit Insurance and Credit Guarantee Corporation's Credit Guarantee Scheme banks can invoke guarantee after an eligible credit facility has been treated as bad debt/doubtful of recovery and has been provided for as such in the books of financing banks. In such cases the net

amount in default is shared by Deposit Insurance and Credit Guarantee Corporation with the financing bank. It cases where the banks effect recovery from the borrowers after the settlement with the Deposit Insurance and Credit Guarantee Corporation, such recoveries are shared by the bank and the Corporation in the same proportion.

Information from Deposit Insurance and Credit Guarantee Corporation is available in aggregative terms in regard to the claims received and claim disposed off. This information for the years 1982, 1983 and 1984 is set out below :

(Amount in crores of Rs.)

During the year	Claims received		Claims disposed off	
	Number	Amount	Number	Amount
1982	1,50,926	24.71	1,05,513	14.50
1983	1,47,474	27.84	1,27,714	19.64
1984	2,54,692	61.71	2,36,625	32.09

**Expansion of Spinning Units of Cannanore Spinning Mill in Cannanore Under NTC**

7041. SHRI MULLAPPALLY RAMACHANDRAN : Will the Minister of SUPPLY AND TEXTILES be pleased to state :

(a) whether there is any proposal to expand Spinning Units of Cannanore and Mahe which are under the National Textile Corporation;

(b) whether there is any proposal to convert the working days in these units from 6 days to 7 days a week with a view to increasing the output thereof; and

(c) whether there are any trade unions in the above units which oppose the introduction of Sunday shift that promote job opportunities for more labourers ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) : (a) National Textile Corporation has prepared a proposal to expand the spinning capacity of Cannanore Spinning and Weaving Mills, Cannanore during the Seventh Plan Period (1985-90).

(b) 7 working days a week has already been introduced in the Cannanore Spinning and Weaving Mills, Mahe. Introduction of this proposal in Cannanore Spinning and Weaving Mills, Cannanore is being discussed with the Labour Unions concerned.

(c) 7 days working was introduced in the Mahe unit after discussions with the trade unions concerned. Discussions with the trade unions, regarding the Cannanore unit, have still not concluded.

**Opening of Urban Cooperative Banks  
in Orissa**

7042. SHRI JAGANNATH PATNAIK : Will the Minister of FINANCE be pleased to state :

(a) whether there are some proposals pending with Government for opening urban cooperative banks in Orissa;

(b) whether these proposals are pending for a very long time;

(c) if so the details in this regard; and

(d) whether these are likely to be cleared in the near future ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (d). The Reserve Bank of India had received only two proposals for organisation of new urban cooperative banks during 1984 and both the proposals have been cleared by the RBI. Presently there is no proposal for opening a new urban cooperative bank in Orissa is pending with the RBI.

**Private Practice by the Retired Senior  
Officers of Indian Revenue Service**

7043. SHRI SANAT KUMAR MANDAL : Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware of the rearing private practice which the retired senior officers of the Indian Revenue Service like the Income-Tax, Customs and Central Excise are having;

(b) whether the retired Members and Vice-President of the Appellate Tribunal of Gold Control and Central Excise and Customs are practising before the same bench which they used to sit or preside sometime back;

(c) whether the Public Accounts Committee of Parliament adversely

commented on such unethical practices some time back; and

(d) if so, the action Government propose to take to remove such unhealthy practices by these retired senior officers ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Government are aware that some retired officers of the Indian Revenue Service are doing private practice in the matters of Central Revenue laws like Income-tax, Customs, Central Excise, etc.

(b) One retired Member and one retired Vice-President of the Customs, Excise and Gold (Control) Appellate Tribunal are practising before the Tribunal.

(c) and (d). No adverse comments of P.A.C. in the recent past have come to the notice of the Government. Further, under the rules, retired I.R.S. officers can act as authorised representatives and set up practice in Revenue Laws only after 2 years of their retirement. However, in some cases retired officers have been permitted to tender advice only in the Chambers, even before completion of two years of their retirement.

**Purchase of Stationery by Nationalised  
Banks**

7044. SHRI KAMLA PRASAD SINGH : Will the Minister of FINANCE be pleased to state :

(a) the source of purchase of items of stationery by the nationalised banks in Delhi; and

(b) whether there is any proposal to ask them to take their requirements from the Central Government Employees Consumer Cooperative Society Ltd., New Delhi from whom Government offices buy their requirements with a view to check any misuse ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a)

Reserve Bank of India had issued certain guidelines which envisage purchase of items of stationery by public sector banks through invitation of tenders/quotations from such agencies which in their judgement are considered competent, capable and experienced to render the service. Public sector banks have, by and large, been following these guidelines in Delhi and elsewhere.

(b) The instructions for purchase of their stationery requirements by the Government Ministries/Departments from the Central Government Employees Consumer Cooperative Society Limited, New Delhi, were issued by the Department of Personnel and Administrative Reforms in 1981. These instructions do not cover public sector banks.

#### Import of Raw Rubber, Cocoa and Coconut Oil

7045. SHRI CHINTAMANI JENA : Will the Minister of COMMERCE be pleased to state :

(a) whether Government propose to import large quantity of raw rubber and cocoa and coconut oil during the year 1985-86;

(b) the quantity of these items likely to be imported during the year and from which countries;

(c) whether any agreement has been made in this regard and if so, the details thereof;

(d) the reasons for importing these items and the steps being taken to increase the production in the country;

(e) whether any study has been made regarding its impact on the indigenous growers;

(f) if so, the details thereof; and

(g) the steps taken to safeguard the growers interest ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND

TEXTILES (SHRI CHANDRASHEKHAR SINGH) : (a) to (c). Import of rubber during 1985-86 will be restricted to the actual demand and supply gap in the country. No decision has been taken on the quantum of import of coconut oil and cocoa.

(d) Imports are made to meet the demand and supply gap. The following steps have been taken to increase the production of rubber in the country :

- (i) Extension advisory services.
- (ii) Replanting and new planting schemes; and
- (iii) Research and development schemes.

The following steps have been taken for increasing of coconut oil :

- (i) Production and distribution of disease free seedlings of hybrid and other high yielding varieties.
- (ii) Demonstrations to popularise improved cultivation practices;
- (iii) Rejuvenation of diseased and unproductive coconut holdings; and
- (iv) Financial assistance for replacement of diseased and unproductive palms.

The following measures have been taken to augment the cocoa production :

- (i) A central sector scheme for the development of cocoa is in operation in the states of Kerala and Karnataka from 1978-79.
- (ii) A Central Sector Scheme for laying out demonstration plot and training of cocoa growers is under operation to educate farmers on the scientific methods of cultivation and on-



farm processing of cocoa beans.

(e) to (g). Government takes care to protect the interest of growers as well as consumers by way of importing bare minimum quantities to bridge the gap between demand and supply, and its release is made at prices which help to control the internal market price at levels remunerative to the growers.

#### Export of Equipments to Nicaragua

7046. SHRIMATI JAYANTI PATNAIK : Will the Minister of COMMERCE be pleased to state :

(a) whether Nicaragua has expressed its desire to import some equipments from India;

(b) if so, which category of equipment does Nicaragua intend to import from India; and

(c) the details thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) : (a) to (c). Government of Nicaragua have recently indicated interest in import of equipment and machinery for a Textile plant as well as farm implements and hand-tools.

#### Export of Additional Items for Canalisation Through Certain Agencies

7047. SHRI LAKSHMAN MALLICK : Will the Minister of COMMERCE be pleased to state :

(a) whether recently Government have permitted export of some additional items for canalisation through certain agencies; and

(b) if so, the details thereof, along with the names of the agencies as well as the items ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND

TEXTILES (SHRI CHANDRASHEKHAR SINGH) : (a) No, Sir. No new item has been added to the list of items canalised for export in the Export Policy for April 1985—March, 1988 announced on April 12, 1985.

(b) Does not arise.

#### Operation of Fake Currency Rackets

7048. SHRIMATI PHULRENU GUHA : SHRI MAHENDRA SINGH :

Will the Minister of FINANCE be pleased to state :

(a) whether Government have information about fake currency rackets operating in some parts of the country ;

(b) if so, the details thereof ;

(c) the modus operandi of this racket ; and

(d) the steps taken/proposed in the matter ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a), (b), (c) and (d). The Economic Offences Wing of the Calcutta Branch of the Central Bureau of Investigation, on 15th April, 1985, arrested on Azizure Rehman at North Bengal State Transport Compound, State Bus Stand, Calcutta and recovered 9 pieces of counterfeit notes of Rs. 100 denomination and 2 metal blocks used for printing counterfeit notes of Rs. 100 denomination. A regular case has been registered in this regard and the investigation is in progress.

Similarly, on 22.4.85, a search party of the U. P. State Police raided a hut in the Locknow City area and recovered four blocks—2 for printing Rs. 100 denomination note, 1 for printing Rs. 10 denomination note and 1 for printing Re 1 denomination note and a knife. Three persons, viz., S/Shri Dhiraj Ram Yadav, Vijay and Kamraj, have been arrested on the spot while the fourth

person, viz, Shri Vanshraj, a resident of Nakhas, Thana Pukhta Sarai, Distt. Jonpur, managed to escape on the appearance of police party. A regular case in this regard has also been registered by the Locknow City Police and a search party led by a senior police officer has been sent to Calcutta in search of the fourth accused.

**Restriction on Imports for Processed Foods and Flavouring Essences**

7049. SHRI DILEEP SINGH BHURIA : Will the Minister of COMMERCE be pleased to refer to the new Import policy and state :

(a) the reason why the imports are restricted to 10 per cent of F. O. B. value of exports for processed foods ;

(b) the reasons why there is a further restriction of 10 per cent of the import licence value for flavouring essence and ;

(c) the reasons why the exporter cannot utilise 100 per cent of his import entitlement for importing flavouring essences ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) : (a) Under the Import Policy for Registered Exporters, rate of import replenishment is fixed keeping in view the value of the relevant item (s) used in the export product vis-a-vis F. O. B. value of export product.

(b) Further restriction on the import of particular item (s) within overall import entitlement is also imposed keeping in view the criterion of extent of utilisation of the relevant item (s) in the export product.

(c) Does not arise in view of (a) and (b) above.

**Decline in Performance of STC**

7050. SHRI MURLIDHAR MANE : Will the Minister of COMMERCE be pleased to state :

(a) whether there have been a decline in the performance of State Trading Corporation in recent years ;

(b) if so, the reasons thereof ; and

(c) the measures Government have taken to improve and streamline the Corporation ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASEKHAR SINGH) : (a) No, Sir.

(b) Does not arise.

(c) The Government continuously monitors the functioning of STC. In order to enable STC to discharge its role as a premier trading organisation, STC has been directed to evolve a procedure for monitoring imports to ensure that these are at internationally competitive prices and are supplied to consumers at lowest possible price. With regard to exports, STC has been asked to take up the challenge in developing new markets and products, as well as to set itself a time frame in which it would penetrate identified thrust markets with carefully chosen commodities.

**Licences for Opening of New Branches of Gramin Banks to NABARD**

7051. PROF. NARAIN CHAND PARASHAR : Will the Minister of FINANCE be pleased to state :

(a) whether consequent upon the transfer of the functions of supervision of the Gramin Banks to the National Bank of Agriculture and Rural Development, the opening of the branches and issues of licences for them has also been transferred to this bank by delinking from Reserve Bank of India ;

(b) if so, the date with effect from which this has been done ;

(c) whether there is any proposal to transfer from Reserve Bank the function of issuing of licences for opening

of new branches of the Gramin Banks to NABARD, so as to avoid the duality of control and authority ; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARY) : (a) and (b). No, Sir. Reserve Bank of India continues to issue licences to Regional Rural Banks in consultation with National Bank for Agriculture and Rural Development under section 23 of the Banking Regulation Act, 1949.

(c) No, Sir.

(d) Question does not arise.

**Validity of Alumina-Aluminium Complex, Orissa**

7052. SHRI GIRIDHAR GOMANGO: Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) the initial estimated cost of the Alumina-Aluminium complex, Orissa, component-wise ;

(b) whether the present cost of the Alumina-Aluminium Complex, has been increased substantially ;

(c) if so, the reason for such high increase thereof, component-wise ;

(d) the interest paid for the loan from the French Company so far and whether the interest is also included in the increased expenditure ; and

(e) keeping in view the low demands of the aluminium, high project cost, the action his Ministry propose to take to make the project viable and profitable ?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) :

(a) to (c). The original estimated cost (at first Quarter 1980 price level) and the Revised Cost Estimates (under consideration) component-wise, for Alumina-Aluminium Complex are as follows :

(Rupees in crores)

	Original estimated cost (at first quarter 1980 price level)	Revised estimated cost
Mines	69.60	82.9
Alumina	336.60	676.5
Aluminium Smelter	410.40	480.2
Captive Power Plant	408.80	747.5
Port Facilities	17.00	29.4
	1242.40	2226.5

The capital cost estimates of the project have been updated, taking into account the progress of implementation of the project and the actual commitments so far made. The reasons for increase in the cost are escalation in prices,

scope change, quantity variation and taxes and duties.

(d) The interest payable on Euro-dollar loan and French credit during the

construction period is included in the capital cost of the project.

(e) The current system of controlled price of aluminium would cover the likely cost of production of aluminium by NALCO. As per estimates of demand and availability of aluminium metal within the country, adequate demand for aluminium is forecast during the 7th plan period. The surplus situation in aluminium after NALCO goes into production is expected to be temporary and short lived.

**Per Capita Assistance Given by Public Sector Banks**

7053. SHRI R.M. BHOYE : Will the Minister of FINANCE be pleased to state :

(a) the details regarding the amount of deposits with various branches of the public sector banks during the last two years, State-wise ; and

(b) the per capita assistance given by these banks till March, 1985, State-wise ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARY) : (a) and (b). Date on State-wise deposits for March 1983 and March 1984 and per capita advances for March 1984 of public sector banks (S.B.I. Group + 20 nationalised banks) are set out in the attached statement.

**Statement**

Sl. No.	State/Union Territory	Deposits (Rs. lakhs)		Per Capita Advances*
		March 1983	March 1984	(Rs.) March 1984
	2	3	4	5
1.	Haryana	88430	105665	619
2.	Himachal Pradesh	30156	36270	392
3.	Jammu and Kashmir	24063	29133	194
4.	Punjab	265428	312520	877
5.	Rajasthan	108679	133655	276
6.	Chandigerh	35458	41076	1328
7.	Delhi	445836	517542	5409
8.	Assam	53320	57583	144
9.	Meghalya	6710	9709	172
10.	Manipur	1813	2254	87
11.	Nagaland	3084	4407	262
12.	Tripura	4407	5365	1566
13.	Arunachal Pradesh	1928	4594	85

1	2	3	4	5
14.	Mizoram	1442	2098	82
15.	Sikkim	1410	2517	106
16.	Bihar	215586	25917	146
17.	Orissa	58147	65270	208
18.	West Bengal	506814	595763	619
19.	A. and N. Islands	1186	2521	251
20.	Madhya Pradesh	167312	206721	230
21.	Uttar Pradesh	47782	556312	252
22.	Gujarat	346689	403841	625
23.	Maharashtra	827766	984181	1498
24.	Goa, Daman and Diu	42809	52848	1556
25.	Dadra and Nagar Haveli	225	360	289
26.	Andhra Pradesh	263171	328042	466
27.	Karnataka	231127	270808	620
28.	Kerala	146516	177486	482
29.	Tamil Nadu	287515	329453	666
30.	Pondicherry	7430	8446	842
31.	Lakshadveep	154	231	82
TOTAL :		4652393	5506688	552

\*Based upon 1981 Census.

Note :—Totals may not add up due to rounding difference.

#### Expansion of Steel Plants

7054. SHRI ANANTA PRASAD SETHI : Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) the names of those steel plants which have been brought under the expansion scheme ;

(b) the names of those steel plants whose expansion programme has already been started ; and

(c) the names of those steel plants schemes are examination ?

THE MINISTER OF STATE IN THE DEPARTMENT OF STEEL (SHRI K.

**NATWAR SINGH :** (a) and (b). Expansion schemes are being implemented in the following steel plants :

(i) Bokaro Steel

Plant — 1.7 to 4 MT stage

(ii) Bhilai Steel

Plant — 2.5 to 4 MT stage

(iii) Alloy Steels

Plant, Durgapur — from  
160,000

tonnes to 260,000 tonnes of crude alloy steels.

(c) The proposal to expand the Salem Steel Plant from its present capacity for rolling of 32,000 tonnes of stainless steel cold rolled products to 65,000 tonnes is under examination.

#### Scheme to Set up Units in Export Processing Zones

7055. **SHRI N. DENNIS :** Will the Minister of COMMERCE be pleased to state :

(a) whether Government have initiated any scheme to induce entrepreneurs in high technology areas to set up units in the export processing zones;

(b) if so, the names of such zones which are proposed to be formed;

(c) the details regarding the incentives; and

(d) when the incentives are likely to be provided ?

**THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) :** (a) to (d). The promotion of high tech industries is one of major objectives under the Export Processing Zone Scheme. The incentives available to the units also aim to promote such industries. In addition to the Santacruz Electronics Export Processing Zone, Bombay and Kandla Free Trade Zone, Gandhidham the Govern-

ment have recently sanctioned establishment of four new export processing zones at Madras, Falta (West Bengal), Cochin, and NOIDA (U.P.). The units operating in the export processing zones are already enjoying a package of incentives including the following :

(i) 5 years tax holiday

(ii) Total waiver of licensing for import of capital goods and other/production materials.

(iii) Duty-free import of capital goods and other production materials.

(iv) Exemption from levy of Central excise duties and other levies on products manufactured within the zones;

(v) Grant of 'deemed export' benefits to supplies made from the domestic tariff area to the zone units.

(vi) Foreign equity participation permitted even upto the extent of 100 per cent.

(vii) 25% of the manufactured goods can be sold into the domestic tariff area against valid import licenses.

(viii) Grant of facility to employ foreign technicians the enterprises.

The Board of approvals for the export processing zones encourage establishment of industries in high technology areas.

Working Hours of Canara Bank, R. K. Puram, New Delhi

7056. **SHRI HAFIZ MOHD. SIDDIQ :** Will the Minister of FINANCE be pleased to state :

(a) whether the Canara Bank, R. K. Puram, New Delhi after having started working from 8.30 a. m., has again reverted to its old timing viz. 9 a. m.

thus causing considerable inconvenience to the office-goers;

(b) whether the Indian Bank, Shantiniketan DDA Market, New Delhi which is close by works from 8.30 a. m. onwards; and

(c) if so, the practical difficulties which lie in the way of this Branch of Canara Bank is not opening at 8.30 a.m. whether he proposes to have the matter looked into at the Bank's Head Office level and get its previous timing of 8.30 a. m. restored ?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY :** (a), (b) and (c). Indian Bank's branch at DDA market Shantiniketan opens at 8.30 A.M. on Mondays and Wednesdays to Saturdays and at 9.00 A.M. on Sundays; Tuesdays being observed as weekly holidays.

Canara Bank has, however, reported that its R. K. Puram branch has changed its opening time to 9.00 AM keeping in view the convenience of the customers. It does not propose to revert back to the old timing of 8.30 AM because there is negligible business between 8.30 AM and 9.00 AM.

**Loans Given to M/S. HINDALCO by Public Sector Agencies**

7057. **SHRI ANAND SINGH :** Will the Minister of FINANCE be pleased to state :

(a) the details of loans given to M/s HINDALCO by various public sector agencies which still remain to be repaid on 31st March, 1985;

(b) the total interest that stands due from the said firm as on that dates and how much of it is overdue for repayment; and

(c) the steps being taken to recover the dues expeditiously ?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI**

**JANARDHANA POOJARY) :** (a), (b) and (c). In terms of provisions of the statutes governing public sector financial institutions and the Public Financial Institutions (Obligation as to Fidelity and Secrecy) Act, 1983 information relating to individual constituents assisted by the institutions cannot be disclosed.

**Growth of Synthetic Units.**

7058. **SHRIMATI INDUMATI BHATTACHARYYA :** Will the Minister of SUPPLY AND TEXTILES be pleased to state :

(a) whether the crisis in the jute industry has resulted in spurt in the growth of synthetic units in the country during the past few years; and

(b) the details of the growth of synthetic units in the country since 1980?

**THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) :** (a) There has been growth of synthetic units in the country.

(b) Till the end of 1979, there were only 120 units out of which 119 were in the small scale sector with a total capacity of 16,000 MTs, per annum. The capacity available at that time in the small scale sector was 14,400 Mts. per annum and 1600 MTs. per annum in medium scale sector. Since then, large number of entrepreneurs have shown interest for this item both in small scale and organised sector. It is estimated that the total installed capacity in the small scale sector as well as in the organised sector at present is around 35,000 MTs. per annum. The total capacity so far registered under DGTD registration/Letters of Intent is about 5 lakh tonnes.

**Geological Survey in Datia District (Madhya Pradesh)**

7059. **SHRI KRISHNA SINGH :** Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether a detailed geological survey has been conducted in Datia District of Madhya Pradesh;

(b) if so, whether any major minerals like lead, mica etc. have been found and if so, the total estimated deposits of these minerals in the areas;

(c) whether there is a proposal to start mining operations in the area; and

(d) if so, the steps taken in this direction ?

**THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) :**  
(a) The Directorate of Geology and Mining of Madhya Pradesh Government has carried out Geological Survey in parts of Datia District.

(b) No, Sir. Only insignificant occurrences of lead have been found.

(c) and (d). Clay and Ochre are already being exploited in the District on a small scale.

**Appointment of Labour in Satna Parliamentary Constituency (Madhya Pradesh) in the Units of Ministry of Steel, Mines and Coal**

7060. **SHRI AZIZ QURESHI :** Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether any unit of his Ministry or any of its undertakings is working in Vijayaraghgarh or any other assembly segment of Satna Parliamentary constituency of Madhya Pradesh;

(b) if so, the procedure of appointment of labour/workers in this unit;

(c) whether any labour/workers are being supplied by some contractors, on commission basis in addition to those who are directly appointed by the management;

(d) if so, whether both these classes of labour/workers are being paid equal

and same wages for the same nature of job they are doing;

(e) if not, the reasons for such a discrimination; and

(f) the steps proposed to be taken to remove this disparity ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF STEEL (SHRI K. NATWAR SINGH) :** (a) Yes, Sir, Ispat Limestone Quarry at Babupur of Rourkela Steel Plant falls in the Satna Parliamentary Constituency. Bokaro Steel Plant has a Limestone Mine in Kuteshwar near Earhi within the Vijayaraghgarh Vidhan Sabha area which also falls in the Satna Parliamentary Constituency.

(b) The recruitment of labourers for Ispat Limestone Quarry at Babupur-Satna (of Rourkela Steel Plant) is made through the Employment Exchange as in the case of all other mines under the management of Rourkela Steel Plant.

For its Limestone Mine in Kuteshwar, Bokaro Steel Plant employs regular workers through Katni Employment Exchange and by open advertisement in the event of non-availability of suitable candidates.

(c) No Labour/workers are being supplied to the undertaking by contractors on commission basis. But certain works of a seasonal/fluctuating/temporary nature, like construction of houses, loading and transportation of limestone etc., where it is not feasible to engage labour on permanent basis, are awarded for execution by contractors through a system of job contract. The contractors employ their own labour for execution of these jobs.

The contractual value is not fixed on commission basis but is on the basis of quotation by the contractors against tenders floated, taking into account the considerations like quantum of job involved statutory payments, supervision charges etc.



(d) and (e). The labour/workers engaged by the Rourkela Steel Plant and Bokaro Steel Plant Mines directly, and those engaged by the contractors, are employed on different type of jobs. They are not engaged on the same type of job and, as such, there is no discrimination.

The contract labour at both the Mines are paid wages at the rate not less than the rates notified by the Central Government from time to time for Limestone Mines, while the departmental employees are paid wages in accordance with the wage structures of these Plants.

(f) The wage rates of the contract labour and departmental workers are different as clarified. The parity in wage rates for contract labour and departmental labour is not possible because the two are engaged on different kinds of jobs and are governed by different terms and conditions of their employment.

**Subsidence in Raniganj Coalfields Area  
Due to Faulty Alignment of Oil Pipeline  
from Haldia to Barauni**

7061. SHRI INDRAJIT GUPTA :  
Will the Minister of STEEL, MINES  
AND COAL be pleased to state :

(a) whether Government had decided several years ago to re-align the oil pipeline from Haldia to Barauni in order to avoid dangers of subsidence in the Raniganj Coalfield area;

(b) if so, the action taken in this respect;

(c) whether the faulty alignment of the pipeline was caused by the foreign consultants, M/S. Bechtel of USA disregarding consideration of hazard and security; and

(d) if so, whether Bechtel was put on the black list of foreign firms.

THE MINISTER OF STEEL, MINES  
AND COAL (SHRI VASANT SATHE) :  
(.) No. Sir.

(b) Does not arise.

(c) The alignment of the pipeline including preparation of the feasibility reports were carried out by a different agency. M/S. Bechtel had functioned as Technical and Managerial Consultants for implementation of the above project.

(d) Does not arise in view of (c) above.

**Proposal to Bifurcate Coal India  
Limited**

7062. SHRI RAJKARAN SINGH :  
Will the Minister of STEEL, MINES  
AND COAL be pleased to state :

(a) whether Government propose to set up to new subsidiary companies of Coal India Limited viz. One Singrauli division of Northern Coalfields and the other Bilaspur division of South Eastern Coalfields;

(b) if so, whether any final decision has since been taken in the matter; and

(c) if not, the stage at which the matter stands at present ?

THE MINISTER OF STEEL, MINES  
AND COAL (SHRI VASANT SATHE) :  
(a) to (c). No. decision has been taken to set up two new coal companies under Coal India Limited.

**Fall in Demand for N.T.C. Products**

7063. SHRI H.N. NANJE GOWDA :  
SHRI V. SREENIVASA  
PRASAD :

Will the Minister of SUPPLY AND  
TEXTILES be pleased to state :

(a) whether attention of Government has been drawn to the news item captioned "Substantial fall in Demand for NTC Products" appeared in the 'Statesman', Calcutta of 18 February, 1985;

(b) if so, the details thereof;

(c) whether the sales of the products have substantially fallen down due to very low standard production; and

(d) if so, the facts thereof and the action proposed to be taken against the bad management and its poor performance?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) : (a) Yes, Sir.

(b) The news item refers to NTC (Eastern Region), i.e., NTC (WBABO) Ltd., Calcutta. The following are the highlights of the this news item :

(i) substantial fall in demand for NTC products in the Calcutta cloth market;

(ii) monthly sales of controlled, non-controlled cloth and yarn during December, 1984 and January, 1985 had been around Rs. 50 lakhs Rs. 10 lakhs and Rs. 10 lakhs respectively as compared to Rs. 2 crores, Rs. 1 crore and Rs. 1.2 crores respectively in the corresponding period of 1983-84.

(iii) Fall in demand was due to inferior quality cotton.

(c) The total of actual sales during December 1984 and January, 1985 were Rs. 512 lakhs and not Rs. 70 lakhs as reported in the said news item. The said sales were not below the corresponding period of 1983-84 as there was an increase from Rs. 500 lakhs to Rs. 512 lakhs.

(d) Does not arise.

#### Raids in the Premises of NTC Limited

7064. SHRI RAM BHAGAT PASWAN : Will the Minister of FINANCE be pleased to state :

(a) whether Government raided the premises of M/s NTC Limited under

the management of Modi Group in 1985; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) If the Hon'ble Member is referring to M/s National Tobacco Co. Limited, Calcutta, their premises were not raided in 1985.

(b) In view of (a) above, the question does not arise.

#### Lapsing/De-Reserving of Posts Reserved for SC/ST in Delhi Circle of State Bank of India

7065. DR. V. VENKATESH : Will the Minister of FINANCE be pleased to state :

(a) whether 157 posts of J.M.G. Scale-I Officers and Cash Officers reserved for Scheduled Castes/Scheduled Tribes communities have either been lapsed or de-reserved by the management of State Bank of India, Delhi Circle;

(b) the reasons why these posts have been lapsed/de-reserved;

(c) whether the management and Government have received certain representations from State Bank of India SC/ST Employees Welfare Association (Regd.) against the above said measure taken by the management of the bank; and

(d) if so, the action taken in regard thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a), (b), (c) and (d). State Bank of India has reported that 157 vacancies in J.M.G. Scale-I, reserved for Scheduled Castes/Scheduled Tribe communities have lapsed. The reserved vacancies were carried forward for three consecutive years in terms of

the Government orders of the subject but due to non-availability of suitable candidates they had eventually to be allowed to lapse. State Bank of India Scheduled Caste and Scheduled Tribe Welfare Association has made a representation in the matter to the management. The SC/ST Staff Union has filed a Special Leave Petition in the Supreme Court against this and the matter is sub-judice.

**Orders Issued by Coal India Limited  
for installation and Purchase of  
Machineries**

7066. SHRI MANORANJAN BHAKTA : Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) the number of orders issued by the Coal India Ltd., for installation and purchase of machineries for its subsidiaries throughout the country along with the value of each contract/purchase during the last three years;

(b) whether public sector undertakings competed in the said tenders and how many of them have been awarded such contract;

(c) whether it is a fact that in Eastern Coal field area preference is given to Usha Brecho overriding the claims of renowned public sector undertakings like Burn, Standard etc.; and

(d) If so, the reasons therefor ?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) : (a), (b), (c) and (d). The information is being collected and will be laid on the Table of the House.

**Representation Regarding Payment of  
Award Money for Furnishing  
Information**

7067. SHRI RAMSWAROOP RAM : Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No. 5347 on the 27th March, 1981 regarding information about income-tax evaders and black money hoarders and state :

(a) whether Government have received representations dated the 14th April, 1982, 11th May, 1982, 20th July, 1982, 31st July, 1982, 30th November, 1982, 7th January, 1983, 9th September, 1983 and 29th October, 1983 regarding payment of award money for furnishing information about concealed income;

(b) if so, the details of these representations; and

(c) the action taken thereon ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The Government have received representations dated the 14th April, 1982, 20th July, 1982, 30th November, 1982, 9th September, 1983 and the 29th October, 1983 regarding payment of reward money for furnishing information about concealed income. The written communications dated the 11th May, 1982, 31st July, 1982 and the 7th January, 1983 are the replies sent by the Government.

(b) These representations mainly pertain to the grievance of the person claiming reward, that the reward due to him has not been paid to him. A request was also made for a hearing in the presence of the person claiming reward.

(c) The matter was examined and it was found that the person claiming reward was not entitled to any reward. Suitable replies were sent to the Hon'ble Member of Parliament who had written to the Government in this regard in the past.

**Trade in Contraband Goods**

7068. SHRIMATI KISHORI SINHA : Will the Minister of COMMERCE be pleased to state :

(a) whether the danger of growing trade in contraband goods was discussed at the International Chambers of Commerce Conference at Seoul in March, 1985;

(b) if so, whether Government are aware of the imports of these goods to India also;

(c) if so, the steps taken to prevent this; and

(d) whether customs inspecting staff will be strengthened to ensure that no contraband goods flow out of India also ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) : (a) It is understood from the International Chamber of Commerce New Delhi that there was no discussion about the danger of growing trade in contraband goods in the Annual Conference held in March at Seoul. It is further understood that the Meeting held was on counterfeiting in International Trade and the discussion related to Trade in spurious goods involving infringement of Trade Mark Rights.

(b) to (d). Reports received from the Collectors of Customs reveal that no instance of counterfeiting in international trade in spurious goods has come to their notice.

Machinery already exists to detect and prevent smuggling of contraband goods and to deal, in the normal course, with imports effected in contravention of other laws and enactments. As and when the need arises, proposals for augmentation of the staff are made having regard to the overall anti-smuggling requirements.

#### Strike by Diamond Traders of Bombay

7069. SHRI B.K. GADHAVI : Will the Minister of FINANCE be pleased to state :

(a) whether the diamond traders of Bombay have gone on strike as a protest against raids by Income-Tax authorities;

(b) whether they called on the Prime Minister to stop such raids;

(c) the total quantity and value of diamonds seized during the raids since 1 January, 1985;

(d) whether during such raids any cash including cash in the form of bearers bonds, fixed deposit receipts were found; and

(e) if so, the total amount thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Government have been informed that the trade stopped import of rough diamonds and export of polished diamonds from 14-2-1985 to 2-3-1985.

(b) No delegation of diamond traders of Bombay seems to have called on the Prime Minister.

(c) Searches conducted by Income-tax Department in Bombay resulted in seizure of diamonds weighing 2900.71 CTS valued at Rs. 66.47 lakhs approximately.

(d) and (e). Diamond studded jewellery valued at Rs. 19.51 lakhs, other jewellery valued at Rs. 1.84 lakhs and cash of Rs. 1.59 lakhs was found at various premises. No note of Bearer Bonds is taken. Hence question of giving the figure of Bearer Bonds found, if any, does not arise.

#### Evasion of Excise Duty and Income-Tax by M/s Delhi Bottling Company (P) Ltd. and Its Directors

7070. SHRI KALI PRASAD PANDEY : Will the Minister of FINANCE be pleased to state :

(a) the total amount of excise duty paid by M/s Delhi Bottling Company (Private) Limited during the last three years ending 31st March, 1985;

(b) whether it has come to the notice of Government that this Company and its directors are indulging in evasion of excise duty and income tax; and

(c) whether some check has also been made on their production to find out whether the total production has been taken into account while assessing the excise duty ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The total amount of Excise duty paid by M/s Delhi Bottling Company (P) Ltd. during the last three years ending 31st March, 1985 is as under :

Year	Amount of duty
1982-83	Rs. 106.01 lakhs
1983-84	Rs. 94.01 lakhs
1984-85	Rs. 85.61 lakhs

(b) No instance has come to the notice about this Company and its directors indulging in the evasion of excise duty. As regards evasion of Income Tax at the Company is not assessed to Income Tax a Delhi, and hence this information is not readily available.

(c) Prescribed checks are being conducted regularly.

#### Pre-Takeover Liabilities of Sick Industries

7071. SHRI SAIFUDDIN CHOWDHURY :

SHRI AJIT KUMAR SAHA :  
SHRIMATI BIBHA GHOSH  
GOSWAMI :

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that according to the new decision of Union Government, the State Governments will have to pay all the pre-takeover dues of a industrial units to the nationalised banks and financial instructions if it decides to takeover the unit which has fallen sick causing unemployment and hardships to the workers;

(b) the earlier position in this regard; and

(c) whether Union Government have received representations from the State Governments to reconsider their new decision of paying all pre-takeover dues to nationalised banks and financial institutions ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a). It was decided by the Central Government in December, 1984 that in the event of nationalisation of industrial units either by Central Government or by State Governments, entire pre take over and post take over dues of banks and financial institutions should be fully protected. This decision has been communicated to various Central Government Departments and State Governments for their information and compliance.

(b) Prior to the policy adopted in December, 1984 protection was being provided to the entire post take over dues and such of the pre take over dues as were given at the behest of the Central/State Governments.

(c) Some representations have been received requesting reconsideration of the policy on protection of dues of banks and financial institutions as formulated by Government in December, 1984.

#### Promotion to the Post of Income Tax Officers (Group-B)

7072. SHRI SOMJIBHAI DAMOR : Will the Minister of FINANCE be pleased to state the total number of persons qualified in Departmental Examinations who are still awaiting promotion to the post of Income Tax Officers (Group-B) upto three years, 3-5 years, 5-7 years and 7-10 years and more than ten years, charge-wise ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : The information is being collected and will be laid on the Table of the House.

**Investigation of forged SC/ T Employees of Calcutta Customs**

7073. SHRI ANANDI CHARAN DAS : Will the Minister of FINANCE be pleased to state :

(a) whether Government have initiated any action for investigating into some specific cases of allegedly forged Scheduled Caste and Scheduled Tribe employees of the Calcutta Customs ;

(b) whether the matter was originally taken up on a reference from the then Minister of State for Home Affairs, arising out of a representation made sometime in 1976;

(c) whether the list of such forged Scheduled Caste and Scheduled Tribe employees swelled up from eight to twenty-one till February, 1976 when a second representation was made and has since then gone up further ;

(d) if so, the present position of the Departmental enquiries made so far ;

(e) whether there is any proposal to handover all the cases to C.B.I. for speedy enquiry and appropriate punishment and

(f) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Yes, Sir.

(b) The matter was taken up on receipt of an anonymous complaint.

(c) 22 such cases have been brought to the notice of the Department so far.

(d) In some cases, the allegations have been found to be baseless. The remaining cases are under investigation.

(e) and (f). It is not considered necessary to refer these cases to C.B.I. at this stage as investigations by the concerned authorities are in progress.

**Raids in Premises and Offices of Garment Exporters of Delhi by Customs Department.**

7074. SHRI BANWARI LAL PUROHIT : Will the Minister of FINANCE be pleased to state :

(a) whether the Customs (Preventive) Department, Delhi has recently raided more than 20 premises and offices of exporters and cargo agents who made a futile bid to export garments to the United States in a clandestine manner ;

(b) if so, the details of the exporters of garments whose premises were raided ;

(c) whether the cases have been handed over to CBI for investigation ; and

(d) if so, the action taken by Government against the garment exporters ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) ; (a). Yes, Sir.

(b) Since the cases are still under investigation, it is not in public interest to disclose details at this stage.

(c) Request has been made to C.B.I. for taking over the investigation of this case.

(d) After the investigations are completed, appropriate action will be taken against those found guilty.

**Forging and Unlawful Dealings in Bank Guarantees in Kanpur**

7075. SHRI G. G. SWELL : Will the Minister of FINANCE be pleased to state :

(a) whether a number of persons were arrested by police in Kanpur for forging and dealing in bank guarantees, solvency certificates, import licences etc. ;

(b) whether confessions of the arrested persons claimed the collusion of a number of officers of the Commerce Ministry ; and

(c) the financial implications and dimensions of the fraud ?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :**

(a) As per available information 3 persons have been arrested by Kanpur Police in connection with the alleged forging of bank guarantees, etc.

(b) and (c). The Kanpur Police has registered a criminal case and is investigating the matter.

**Completion of Pending Income Tax and Excise Matters Against M/S Coca Cola**

**7076. SHRI THAMPAN THOMAS :**  
Will the Minister of FINANCE be pleased to state :

(a) whether any progress has been made by M/s Coca Cola Export Corporation in India in closing their establishment since August, 1983 ;

(b) whether the income-tax and excise matters pending in High Courts or Appellate Tribunal have been completed ; and

(c) whether the Company has been permitted to dispose off its assets like plant, machinery, furniture, fixtures, etc. even before the sizeable revenues are collected from the company ?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :** (a) M/s Coca Cola has not filed any application with the concerned Registrar of Companies as required under the Companies Act, for cessation of its place of business in India.

(b) As regards Central Excise matters the appeal filed by the company before the Customs, Excise and Gold (Control)

Appellate Tribunal and writ filed in the Delhi High Court against the orders of Collector of Central Excise, Delhi demanding a duty of Rs. 68,39,033 and a penalty of Rs. 25,00,000 are pending. As regards Income Tax, the assessments have been completed upto the assessment year 1982-83. Against the re-opening of Income Tax assesment for the assessment years 1967-68 to 1973-74 under section 147 of the Income-tax Act, 1961 on the ground that the assessee Company had not disclosed the change its accounting system and claimed loss due to foreign exchange fluctuations, the Company filed a writ petition in the High Court, Delhi, which has also since been disposed of by the hon'ble High Court on 18. 12.1984.

(c) The company was granted permission to sell its fruit processing plant located at Bulsar. However, no remittance has been allowed so far as any remittance of the net sale proceeds of the plant after payment of all taxes is to be considered along with surplus assets, if any, in accordance with the provisions of exchange control after winding up. For sale of movable properties like furniture and fixtures, no permission of the Reserve Bank of India is required.

**Craft Centres in Jammu and Kashmir**

**7077. PROF. SAIFUDDIN SOZ :**  
Will the Minister of SUPPLY AND TEXTILES be pleased to state :

(a) whether the schemes relating to provision of skills were mooted by the Ministry over a period of time ; and

(b) what craft centres etc. were established in Jammu and Kashmir State and at what places ?

**THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASEKHAR SINGH) :** (a) A massive Training Programme in Carpet Weaving was launched in 1976. At present advanced and ordinary training centres in Carpet weaving are being run in the State. In addition, training is being given in crafts like embroidery, wood carving, papier

machia etc. under the apprenticeship training scheme.

(b) No craft centres have been set up. 6 Marketing and Service Extension Centres for handicrafts have been set up at Srinagar, Baramulla, Anantnag, Jammu, Udhampur and Leh.

**Grant of Letter of Intent to APIDC**

7078. SHRI N. VENKATA RATNAM : Will the Minister of FINANCE be pleased to state :

(a) whether the Andhra Pradesh Industrial Development Corporation (APIDC) on the advice of the Ministry of Industry, wrote on 6 October, 1983 to Industrial Credit and Investment Corporation of India and Industrial Development Bank of India regarding its letter of intent for manufacture of Dextrose Monohydrates and Hyfructose Syrup ;

(b) the reasons for delay in replying to APIDC ; and

(c) whether his Ministry has replied to APIDC to enable them to request the Ministry of Industry for early grant of Letter of Intent ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). Information is being collected and to the extent available and permissible under the rules will be laid on the Table of the House.

**Proposal for Setting up "Institute for Traditional Crafts" in Kerala**

7079. SHRI T. BASHEER : Will the Minister of SUPPLY AND TEXTILES be pleased to state :

(a) whether Government of Kerala have made a proposal to Union Government for setting up an institute for Traditional Crafts in Kerala and requested central assistance for the same institute;

(b) if so, the details thereof; and

(c) Government's reaction thereto ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILE (SHRI CHANDRASHEKHAR SINGH) : (a) to (c). The information is being collected.

**World Bank Assistance for Irrigation/ Power Projects**

7080. SHRI D. B. PATIL : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the World Bank has sanctioned dollar 798 million for power, irrigation and coal mining projects in India;

(b) if so, for which project (State-wise) loan has been sanctioned; and

(c) the amount of loan that has been earmarked for each such projects;

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). During the World Bank fiscal year (1st July, 1984 to 30th June, 1985) the Bank Group has so far approved loans/credits to India for the following power, irrigation and coal mining projects :

Amount in US dollar million

Sl. No.	Name of the Project	State	Amount of assistance	
			IBRD	IDA
1	2	3	4	5
1.	Sardar Sarovar Dam and Power Project.	Maharashtra, Gujarat and Madhya Pradesh.	200	100



Sl. No.	1	2	3	4	5
2.	Narmada	Gujarat	Gujarat	—	150
	Water Delivery and Drainage Project.				
3.	Jharia Coking Coal		Central Sector	248	—
	Project.				
Total :				448	250

Grand Total

(3)+(4) 698

SC/ST Member in the Departmental Promotional Committee in the N.T.C (Delhi, Punjab and Rajasthan)

7081. SHRI GANGA RAM : Will the Minister of SUPPLY AND TEXTILES be pleased to state :

(a) whether it is a fact that there is neither a Scheduled Caste nor a Scheduled Tribe member in the Departmental Promotion Committees/Recruitment Boards so far as the appointment/promotions in the National Textiles Corporation (D.P.R.) and its mills are concerned;

(b) whether there is no liaison officer to look after the appointment/promotions of above category in the above organisations; and

(c) if so, the reasons for not complying with the orders of Government regarding reservation for S.C./S.T. candidates in various posts ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) : (a) Scheduled Caste nominee is being associated with various Selection Committees, where the competing candidates belong to Scheduled Caste/Scheduled Tribe Community.

(b) Liaison Officers have been appointed in all the units, in the above organisations.

(c) Does not arise.

Plastic Raw Material Unearthed by Income Tax Authorities

7082. SHRI DHARAMPAL SINGH MALIK : Will the Minister of FINANCE be pleased to state :

(a) whether attention of Government has been drawn to the news item appeared in the 'Hindustan Times' on 7 April, 1985 wherein it has been stated that in West Bengal unaccounted plastic raw materials worth Rs. 20 lakhs were unearthed by Income Tax authorities after raids on the factory and residential premises of a group of businessmen dealing in imported plastic granules;

(b) if so, the details thereof; and

(c) the action Government have taken against the defaulters ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Yes, Sir.

(b) Searches were conducted in M/s. Citizen Plastic Stores group of cases on 2nd April, and 3rd April 1985 by Income Tax Department at Calcutta. During the search operations, C.A.B. Moulding powder worth about Rs. 16 lakhs was found and inventorised. Books of accounts and other incriminating documents were seized.

(c) Appropriate action is being taken under Direct Taxes Acts after making necessary enquiries.

#### Cotton Purchased by CCI

7083. SHRIMATI BASAVA RAJESWARI : Will the Minister of SUPPLY AND TEXTILES be pleased to state :

(a) the total quantity of cotton purchased by the Cotton Corporation of India during the last year and also the current season; State-wise break up thereof;

(b) whether it has come to the notice of Government that the Cotton Corporation of India is purchasing at the prevailing rate which is much lower than the support price fixed by Government; and

(c) if so, the action Government propose to take in this regard ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) : (a) The State-wise purchases of the Cotton Corporation of India during 1983-84 and 1984-85 cotton seasons are as follows :—

State	1983-84	1984-85
	(Sept 83-Aug. 84) Quantity in bales)	(Sept. 84 to 14th May, 1985) (Quantity in bales)
Gujarat	94,531	1,05,052
Andhra Pradesh	123,600	94,511
Haryana	49,570	64,630
Karnataka	47,901	36,775
Madhya Pradesh	70,849	1,08,328
Punjab	55,605	93,873
Rajasthan	58,476	88,964
Tamil Nadu	24,291	11,939
Assam (Meghalaya)	41	328
Total	5,24,864	6,04,400

(b) and (c). When prices go above the support price the Cotton Corporation of India purchases cotton at the prevailing market price in open competition with other buyers. The CCI also makes purchases at the minimum support prices when the market prices of kapas fall below the support level announced by the Government. However, the full support price is for standard quality and appropriate deductions are made if necessary on account

#### Capacity Utilisation of Mine-Steel Plant at Sikki in Birbhum, West Bengal

7084. SHRI GADADHAR SAHA : Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) the production capacity of Mini-steel Plant at Sikki in Birbhum, West Bengal and utilisation of this capacity;

(b) the requirement of steel for

of steel per month/per year, year-wise, during 1982 to 1984 for this plant; and

(c) the profit or loss year-wise, during the period 1982 to 1984 and the reasons therefor ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF STEEL (SHRI K. NATWAR SINGH) :** (a) to (c). The information is being collected and will be laid on the Table of the House.

**Manufacture of Electrolytic Manganese Dioxide in Orissa**

**7085. DR. KRUPASINDHU BHOI :** Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether manufacture of electrolytic manganese dioxide in Orissa has been delayed for want of clearance of entering into foreign collaboration ;

(b) if so, the steps proposed to be taken for expediting the same ; and

(c) the time by which it is likely to commence manufacturing ?

**THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) :** (a) to (c). M/s. Electro-Chem Limited, Orissa were issued a letter of intent on 8.2.74 for the manufacture of 3000 TPA of Electrolytic Manganese Dioxide which was subsequently converted into an Industrial Licence on 26.4.1980 subject to the condition that no foreign collaboration would be permitted and it would be based on indigenous technology. In March 1984, the

company submitted an application for amendment of the industrial licence to permit them to have foreign collaboration for the above project since the indigenous technology was not viable on a commercial scale. The application of the company has been examined by Government in detail and a decision on it is likely to be taken shortly.

**Expenditure on Lunch/Dinner Hosted by Central Silk Board**

**7086. SHRI MAHABIR PRASAD YADAV :** Will the Minister of SUPPLY AND TEXTILES be pleased to state :

(a) whether it is a fact that Central Silk Board hosted a lunch and dinner at Malda and in that the amount of Rs. 74,000 were spent ;

(b) whether it is permissible under rules ; and

(c) the details of lunch and dinner hosted by Central Silk Board in 5-star hotels in Delhi and elsewhere during the last three years ?

**THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) :** (a) and (b). No, Sir. In fact a sum of Rs. 71,592.50 was spent by the Central Silk Board for organising a function at the site of Board's Research Sub-section at Mothabari (Malda) when an exhibition was arranged for demonstrating improved techniques of rearing, improved varieties of Mulberry and Silk-worm races to the rearers.

(c) A statement is attached.

**Statement**

Date	Particulars	Expenditure
1	2	3
1982-83		
24.8.82	Lunch hosted for members of the Board and invitees for the 57th General Body meeting of the	Rs. 2860.00

1	2	3
	Board at Ashok Mayur, New Delhi.	
19-83-84		
23.7.83	Lunch hosted for members of the Board and invitees for the 59th General Body meeting of the Board at Hotel Kalinga Ashok, Bhubaneswar.	Rs. 3277.40
12.9.83	Lunch hosted for the participants in the meeting held to discuss sericulture development, incl., chairman, vice-chairman Maharashtra State Khadi Board (Bombay).	Rs. 987.00
28.1.84	Dinner for the award winners and other 200 invitees and exporters in connection with the Annual Award Function for outstanding export performance of natural silk in Hotel Ashoka, New Delhi	Rs. 16860.10
1984-85		
10.5.84 and 11.5.84	Lunches hosted for the members of the Board and invitees for 61st General Body meeting of the Board (Srinagar).	Rs. 6,903.70
1984-85		
21.5.84	Lunch for about 200 participants and VIP invitees incl., 50 foreign delegates in connection with International Sericultural Commission Conference held at Hotel Ashok, Bangalore.	Rs 14,412.00
25.5.84	—do—	Rs. 10,140.40
25.5.84	Dinner for about 200 participants and VIP invitees incl., 50 Foreign delegates in connection with International Sericultural Commission Conference at Hotel Ashok, Bangalore.	Rs. 20,170.00
18.6.84	Lunch for the participants of Swiss Development Cooperation and officials of CSB for discussing	Rs. 12,278.00

1	2	3
	Inter-state Tasar Project at New Delhi.	
19.12.84	Lunch for Mr. A. Felcke, Representative of World Bank and other participants at the Wrap up meeting of World Bank at Ashok Hotel New Delhi.	Rs. 3292.10
13.9.84	Lunch for members of the Board and invitees for 62nd General Body meeting of Board in Ashok Hotel, New Delhi.	Rs. 5,741.60
17.1.85	Meeting taken by Chairman CSB with Directors of Sericulture and Chief Conservator of forests in Hotel Kalinga Ashok, Bhubaneswar.	Rs. 2,195.00
16.3.85	Lunch for members of the Board and invitees for 63rd General Body meeting of the Board in Ashok Hotel, New Delhi.	Rs. 7,295.00

*[Translation]***Export of Horses**

7087. MR. CHANDRA SHEKHAR TRIPATHI : Will the Minister of COMMERCE be pleased to state :

(a) whether Government are given permission for the export of horses ;

(b) if so, from which date and the terms and conditions thereof :

(c) the names of the countries to which horses are being exported at present and are likely to be exported after this policy comes into force along with the number of horses likely to be exported to each country ; and

(d) the terms and conditions under which the horses will be exported ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) : (a) and (b) Yes, Sir, as per the Export Policy for April 1985-March

1988, announced on 12th April, 1985, export of Horses other than Kathiwari, Marawari and Manipuri breeds is permitted "On Merits" in each case.

(c) in terms of the current policy, nonrequests have been received so far for export of horses. It is not possible to envisage the likely exports of Horses as each request is considered On Merits.

(d) Each request for export of permissible breeds of Horses is considered "On Merits".

*[English]*

**Restaurants Run by Indian Tea and  
Restaurants Limited Facing  
Financial Problems**

7088. PROF. RAMKRISHNA MORE: Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that two restaurants run by the Indian Tea and Restaurants Limited, a public sector under-

taking in London and Sydney, are facing acute financial and other problems ;

(b) if so, the details thereof; and

(c) the steps contemplated by Government in this period ?

**THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRA-SHEKHAR SINGH)** (a) to (c) : Mayur Restaurant, Sydney owned by Indian Tea and Restaurants Ltd. has made trading profits for the period April, 1984 to February, 1985, while London Restaurant of the company which has been started recently has faced tea thing problems. There has been an increase in the capital cost in response to which equity capital has been increased and an additional loan is being negotiated with Bank of Baroda.

**Reduction in Import Duty on Shoemaking Machinery**

**7089. SHRIMATI MANORAMA SINGH** : Will the Minister of COMMERCE be pleased to state :

(a) whether Government have received requests from the leather industry for reduction of import duty on certain items of machinery particularly required for shoe-making so that export earnings from this sector can be maximised in the coming years ; and

(b) if so, the action taken thereon ?

**THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRA-SHEKHAR SINGH)** : (a) Yes, Sir.

(b) Government has reduced customs duty on the import of 100 items of machinery required by the leather industry, particularly for shoe-making.

**Proposal to Create Central Project Division within S.A.I.L.**

**7090. SHRI S.M. BHATTAM** . Will the Minister of STEEL, MINES AND COAL be pleased to State :

(a) whether the Association of the Bokaro Project Engineers suggested certain measures for proper utilisation of their skills in the larger interest of the steel sector ;

(b) the number of project engineers in Bokaro Steel Plant ;

(c) whether Government propose to create a central project division within the Steel Authority of India Limited to take up expansion and modernisation programmes ; and

(d) whether there are any proposals to utilise the experienced project engineers in such programmes ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF STEEL (SHRI K. NATWAR SINGH)** (a) Yes, Sir.

(b) As on April 26, 1985, there were 921 Engineers working in the project division of Bokaro Steel Plant.

(c) Work relating to the expansion of Bokaro and Bhilai Steel Plants is tapering off and the modernisation schemes of different steel plants are still under different stages of consideration by the Government. It is, therefore, not an opportune time to consider formation of a Central Project Division within SAIL to take up the modernisation programmes.

(d) When the modernisation programmes are approved by the Government, the services of these experienced Project Engineers may be utilised according to the requirement of the plants and the suitability of these engineers.

**Sick Units Financed by Banks in Fishery Sector**

**7091. SHRI D.P. JADEJA** : Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No. 3794 on 19 April, 1985 regarding finance from nationalised banks to fishery sector and state :

(a) condition to be fulfilled by sick units in fishery sector to obtain assistance under rehabilitation programme ;

(b) the appropriate authority to which sick fishery units should address their representations for rehabilitation and concessions required ;

(c) the maximum interest concession that can be granted by nationalised banks to units having fishing trawlers, financed by banks ;

(d) whether any unit with fishing trawlers or boats has so far been assisted under rehabilitation programme by nationalised banks since 1982 ;

(e) if so, details thereof mentioning the concessions offered ; and

(f) if not, whether any rehabilitation programme has ever been implemented for any fishing unit by nationalised banks with particular reference to State Bank of India ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The nationalised banks provide relief and rehabilitation assistance to units where the default is due to genuine reasons like poor catch, natural calamities, etc. In the case of borrowers who have lost their boats, nets and other equipment, rephasing of payment is allowed on merits and are also considered for fresh loans. A unit is eligible for rehabilitation assistance only when it is basically sound and has requisite technical and managerial competence and which can start generating surplus for servicing debts within a reasonable period.

(b) The unit requiring rehabilitation assistance can approach the concerned branch office of the bank with which it was having banking operations. In case the concerned branch declines to assist, an appeal can be made to the concerned region/controlling office.

(c) The rescheduling of loans involves waiver of penal interest. While formu-

lating rehabilitation programme for nursing sick units, banks are expected to decide concessional rates of interest on merits of the each case.

(d) to (f). The information regarding rehabilitation assistance provided by banks to fishing trawlers and boats is available only in respect of Gujarat State where Bank of India has rescheduled repayment programme in 59 cases. No rehabilitation assistance has been extended to any fish unit by State Bank of India under Commerce and Industry segment as none of the defaulting units has furnished the requisite data for the purpose.

**Passing of Diluted Equity to Financial and Public Sector Institutions by Foreign Companies Manufacturing Drugs**

7092. SHRI MAHENDRA SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether the drug policy formulated by Government has stipulated that foreign companies engaged only in the manufacture of formulations or bulk drugs should be directed to pass on 66 per cent of the diluted equity to financial and public sector institutions ;

(b) whether these companies have offered only a token 2-3 per cent of diluted equity to financial institutions ; and

(c) if so, the steps Government have taken or propose to take in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). The drug policy formulated by Government for dilution of foreign equity in drug companies as indicated in paras 15 and 19 of the Statement on Drug policy, 1978 is reproduced below :

“15. Government have further decided that so far as foreign companies engaged only in the manufacture of formulation or bulk drugs not involving high technology or both are concerned

they should be directed to bring down their foreign equity forthwith to 40%, so that 66% of the balance equity currently in the hands of the foreign shareholders is disinvested in favour of Government financial or public sector institutions and the rest in favour of Indian investors, preference in the latter case being given to Indian employees of such companies."

"19. Government have also decided that, in respect of foreign drug companies other than those featured in para 15, as a result of reduction of foreign shareholding under FERA guidelines or on expansion, Government financial and public sector institutions should aim to acquire, to the extent possible, 66% of the balance equity the rest being disinvested in favour of Indian investors, preference in the latter case being given to Indian employees of such companies."

In accordance with the above policy Government have directed the foreign companies engaged in the manufacture of formulations or bulk drugs to bring down their foreign equity and offer shares to the financial institutions and these companies have complied with the directions.

[Translation]

**Marketing of Woollen Goods Manufactured by Weavers of Pethoragarh Distt. of U.P.**

7093. SHRI HARISH RAWAT : Will the Minister of SUPPLY AND TEXTILES be pleased to state :

(a) whether Government are aware that in some parts of Pithoragarh district of Uttar Pradesh, weavers of woollen goods are engaged in production of exportable items on large scale ;

(b) if so, whether there is any proposal to make proper marketing

arrangements by purchasing these goods from these weavers ; and

(c) if not, the alternative arrangements proposed to be made by Government for encouraging the weavers of the area ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASEKHAR SINGH) : (a) to (c). Information is being collected and will be laid on the Table of the House.

[English]

**Profit Earned by Mica Trading Corporation**

7094. SHRI SOMNATH RATH : Will the Minister of COMMERCE be pleased to state :

(a) whether the Mica Trading Corporation has earned more profit in 1984-85 as compared to the preceding years ;

(b) if so, the profit earned by the Mica Trading Corporation in 1982-83, 1983-84 and 1984-85 ; and

(c) the different mica mines in the country from which the Mica Trading Corporation has been procuring mica for export purposes ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASEKHAR SINGH) : (a) Yes, Sir.

(b) The profits earned by MITCO in 1982-83, 1983-84 and 1984-85 are as follows :

Year	Net Profit before Tax
1982-83	Rs. 46.25 lakhs
1983-84	Rs. 52.25 lakhs
1984-85	Rs. 55.00 lakhs (Provisional)



(c) MITCO mainly purchases its requirement of mica for export from processors/dealers registered with it who are licenced to deal in mica by the State Governments.

**CIL Supplied Coal to Public Sector Undertakings at Prices Lower than Costs**

7095. SHRI SATYENDRA NARAYAN SINHA : Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether Coal India Ltd. has earned a profit in 1984-85 as reported in the 'Economic Times' of April 25, 1985 ;

(b) whether the profit has been entirely due to economy measures ;

(c) whether CIL supplies coal to several public sector undertakings like Steel Authority of India Ltd. at prices lower than the cost ; and

(d) if so, whether coal prices for these undertaking are proposed to be raised ?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) : (a) and (b). The accounts of Coal India Ltd., and its subsidiaries for year the 1984-85 have not yet been finalised. However, Coal India Ltd. is expected to earn profit which is mainly due to the increase in coal production and improvement in productivity. Economy measures also contributed for this profit.

(c) and (d). Coal India Ltd. supplies coal to Public Sector Undertakings at prices notified by the Government and as such the question of supplying coal by CIL to public sector undertakings at prices lower than the cost or over the cost, does not arise.

**Compensation to Unskilled Class of Society Against Rising Prices**

7096. SHRI JITENDRA PRASHAD : Will the Minister of FINANCE be pleased to state ;

(a) whether Government have been compensating salaried class of the society against prices by sanctioning dearness allowances from time to time ;

(b) whether Government have so far thought of compensating the unskilled class consisting of farmers and particularly part of the population living below the poverty line, which suffers more from the rising prices ;

(c) if so, the ways and means contemplated by Government to compensate the unskilled class also against the price rise in future ;

(d) if not, the reasons for discriminating the majority class against the minority one ? and

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a), (b) (c) and (d). There are schemes for payment of dearness allowance for Government servants as well as public sector and private sector employees ; the cost however, is borne by the employer and not by the Government (except of course, in the case of Government employees). The workers in the unorganised sector are protected through Minimum Wages Act and minimum wages are periodically revised. Among the non-salaried classes, the farmers are paid remunerative prices for their products. Government makes revisions in minimum support/procurement prices of agricultural products from time to time on the basis of the recommendation of the Commission for Agricultural Costs and prices.

Government has also launched a number of specially designed schemes for enlargement of employment opportunities and alleviation of poverty. These include National Rural Employment Programme (NREP), Integrated Rural Development Programme (IRDP), Rural Landless Employment Guarantee Programme (RLEGP) and scheme for providing self-employment to the educated unemployed. In addition, essential commodities such as foodgrains, sugar,

edible oils and controlled cloth are being supplied at subsidised rates through the country-wide network of public distribution system.

**Losses Suffered by Public Enterprises**

7097. Dr. G. S. RAJHANS : Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether a large number of public enterprises under his Ministry are suffering losses day by day ;

(b) the details of the public enterprises which suffered losses during the last three years ;

(c) whether he has recently instructed the Chief Executives of these public enterprises to boost production in their respective enterprises and bring down the losses ; and

(d) if so, further steps Government have taken or propose to take to bring down to the losses of such public enterprises in the country ?

THE MINISTER OF STATE IN THE DEPARTMENT OF STEEL (SHRI K. NATWAR SINGH) : (a) and (b). The information is being collected and will be laid on the Table of the House,

(c) Yes, Sir.

**Systematic Geological Mapping of Madhya Pradesh**

7098. KUMARI PUSHPA DEVI : Will the Minister of STEEL, MINES AND COAL be pleased to state .

(a) whether Government have made any systematic geological mapping of Madhya Pradesh;

(b) if so, the total areas in Madhya Pradesh covered under the systematic geological mapping; and

(c) the year by which the systematic geological mapping of the Madhya Pradesh is expected to be completed ?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) : (a) and (b). Yes, Sir. Out of the total area of 4,44,674 square kilometres of Madhya Pradesh, Geological Survey of India has so far covered nearly 2,52,330 square kilometres by systematic geological mapping.

(c) Geological Mapping and other related activities are a continuous process and therefore, no date for completing the work can be set. However, Geological Survey of India plans to complete the systematic geological mapping of the remaining area of Madhya Pradesh on 1 inch and 50,000 Scales by 1990.

**Strike by Workers of Bokaro Steel Plant**

7099. SHRI GURUDAS KAMAT : SHRI CHITTA MAHATA :

Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether workers of the Bokaro Steel Plant are on strike;

(b) if so, the demands of the workers' Union; and

(c) the efforts made by Government to reach a settlement with the Unions ?

THE MINISTER OF STATE IN THE DEPARTMENT OF STEEL ( SHRI K. NATWAR SINGH) : (a) About 1800 workers of the Blast Furnace Department of the Bokaro Steel Plant had gone on strike on 5-4-1985. The strike has been called off from 13-5 -1985.

(b) A charter of demands was received separately from three trade unions namely, Bokaro Steel Workers Union (INTUC), Bokaro Ispat Kamgar Union (AITUC) and Bokaro Steel Rashtriya Mazdoor Sangh (BMS). The main demands were revision of incentive scheme, review of man-power, upgrada-

tion of posts, payment of heat and dust allowances and time bound promotion after completion of three years.

(c) On receipt of the charters of demands from the Bokaro Steel Workers Union (affiliated to INTUC), and Bokaro Kamgar Union (affiliated to AITUC) tripartite discussions were held before the Conciliation Officer, Bokaro Steel City. Bipartite discussions were also held with these unions on a number of times. While negotiations with these unions were in progress, another union namely, Bokaro Steel Rashtriya Mazdoor Sangh (BSRMS) affiliated to BMS, gave a notice of strike alongwith a charter of demands. The Labour Superintendent-cum-Conciliation Officer, Bokaro Steel City initiated conciliation proceedings and invited representatives of the management and the union for discussions on 2-4-1985. The representatives of the union raised certain objections and did not participate in the discussions and thus forced the Conciliation Officer to close the conciliation proceedings. The Workers of the Blast Furnace Department under the leadership of this Union had gone on strike with effect from 5-4-1985 inspite of the advice of the Conciliation Officer not to go on strike as it would be illegal. On 8-4-1985, the Government of Bihar while declaring the strike illegal, directed the union to call off the strike immediately. The union, however, did not accept the directive of the Government of Bihar. On 18-4-1985 with the efforts of the Labour Commissioner, Government of Bihar, a tripartite settlement was reached in which it was agreed that certain demands would be referred for arbitration and that no indicative action would be taken by the management against the workmen for participating in the strike and that the strike would be called off immediately. The strike has since been called off from 13-5-1985.

#### Discovery of Mica Deposits in Orissa

7100. SHRI RADHA KANTA DIGAL : Will the Minister of STEEL,

MINES AND COAL be pleased to state :

(a) whether Government have discovered mica deposits in Phulabani and other districts in Orissa;

(b) whether survey has also been conducted and deposits of mica found in the adjoining districts of Phulabani;

(c) if so the quantity of mica deposits estimated in these parts of Orissa; and

(d) the steps taken by Government for proper exploitation of mica in Phulabani and other districts of Orissa ?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) :  
(a) to (d). No deposits of mica have been discovered recently in Phulabani or other districts of Orissa. However, minor occurrences of mica have been reported from some parts of Orissa and a small quantity was mined in 1981.

#### Import of Natural Rubber Copra and Coconut Oil

7101. SHRI K.P. UNNIKRISHNAN : Will the Minister of COMMERCE be pleased to state :

(a) whether imports of natural rubber, copra and coconut oil are envisaged in the new import policy;

(b) if so, the reasons underlying this policy;

(c) whether Government have received any representation against this from Government of Kerala and other organisations in Kerala;

(d) the quantity envisaged to be imported during the next three years of the import policy; and

(e) the categories and entitlement policy for these licences ?

**THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH):** (a) to (e). The position with regard to import of natural rubber, copra and coconut oil in the import policy is as follows:

*Natural Rubber:* Import of natural rubber is canalised through STC.

*Coconut Oil and Copra:* Import of copra and coconut oil is canalised through State Trading Corporation of India/Hindustan vegetable Oil Corporation. Direct Import of Copra and coconut oil is also permissible to a limited extent under the import policy for registered exporters against valid REP licences issued on certain exports as well as against flexibility allowed in the use of REP licences to manufacturers exporters.

This policy is with a view to protect the interests of growers as well as consumers by way of importing bare minimum quantity to bridge the gap between demand and supply and its release is made at prices which help to control the internal market prices at levels remunerative to the growers.

Representations have been received from Rubber, growers Association of Kerala against import of natural rubber.

The quantity of rubber, coconut oil and copra to be imported in the next three years period as a whole has not been decided.

#### **Building for Rubber Board, Kottayam**

7102. **SHRI GEORGE JOSEPH MUNDACKAL:** Will the Minister of COMMERCE be pleased to state:

(a) how many of the Commodity Boards under his Ministry own buildings of their own to house the head offices;

(b) whether the Rubber Board, Kottayam has submitted a proposal to build its own head office;

(c) when the proposal was given in this regard.

(d) whether the foundation stone for the building has been laid, if so, when it was laid and by whom;

(e) the reason for the delay in executing the proposal;

(f) when Government propose to give the tender for the construction of the building; and

(g) whether Government are aware that delay in executing the project will increase the cost of construction and thereby causing further delay?

**THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH):** (a) Excepting Tea Board and Coffee Board, no other Commodity Board under the Ministry of Commerce is owning building of its own to house the Head Office.

(b) and (c). Yes, Sir. Rubber Board submitted the proposal in June, 1984 and subsequent clarifications were given in February, 1985.

(d) Foundation stone for the Head Office building was laid on 4th February, 1984 by the Union Minister of Commerce.

(e) to (g). Details of estimated costs of construction based on requirement of space are being examined and construction will be taken up after the proposal is approved by the E.F.C.

#### **Closure/Lockouts of Industrial Units in West Bengal Financed by IRBI**

7103. **SHRI DEBI GHOSAL:** Will the Minister of FINANCE be pleased to state:

(a) whether some of the industrial units financed/managed by the Industrial Reconstruction Bank of India (IRBI) in West Bengal have declared closure/lockouts;

(b) if so, the number of such units;

(c) the number of workers affected by such lock-outs/closures;

(d) the total investment of IRBI in such units; and

(e) the steps taken/proposed for rehabilitation/revival of such units ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :

(a) to (c) Industrial Reconstruction Bank of India (IRBI) has reported that 13 units located in the State of West Bengal and in the assistance portfolio of IRBI have declared closure/lockouts/total lay-off. The number of workers employed by these units is about 33,500. The total amount disbursed by IRBI to these units is Rs. 1210.62 lakhs. In regard to these units TRBI is taking suitable steps on a case to case basis. The steps may include assessment of viability, working out of suitable rehabilitation packages in consultation with banks and other financial institutions, efforts to locate suitable entrepreneurs/Industrial Houses to purchase the unit and invest funds, provision of working capital funds, etc.

**Advancing of Loans to Backward and Poor Sections in Gujarat**

7104. SHRI NARSINGH MAKWANA : Will the Minister of FINANCE be pleased to state :

(a) the names of the banks which have been entrusted the responsibility of advancing loan to districts in Gujarat indicating the name of the district

of the State placed under each Bank and the details thereof;

(b) whether it has been suggested that action should be taken against the banks which are not discharging their responsibility of advancing loan to backward and poor sections of society under the 20-Point Programme.

(c) whether programmes under the rural banks and nationalised banks are the same; and

(d) if so, how the distribution of work has been decided between them ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) All bank branches operating in various districts of Gujarat advance loans for various economic activities. Districts placed under each Lead Bank are given in the attached statement.

(b) Performance of banks is reviewed in the State level and District level Consultative Committee meetings. The banks whose performance is not found to be satisfactory are advised to improve upon it.

(c) and (d). Poverty alleviation programmes are being implemented both by Public Sector Banks as well as Regional Rural Banks and bank-wise allocation of credit disbursement is done at the time of finalising the Annual Action Plan for the district.

**Statement**

*Lead Banks in Gujarat*

Name of the Lead Bank		Districts allotted
S. No. 1	2	3
1.	State Bank of Saurashtra	1. Amreli 2. Bhavnagar 3. Jamnagar 4. Junagadh 5. Rajkot 6. Surendranagar.

1	2	3
	2. Bank of Baroda	1. Baroda 2. Baroach 3. Bulsar 4. Danga 5. Kaira 6. Panchmahal 7. Surat.
	3. Dena Bank	1. Ahmedabad 2. Banaskantha 3. Gandhinagar 4. Kutch 5. Mehsana 6. Sabarkantha.

#### Illegal Mining of Red Sand on Delhi-Haryana Border

7105. SHRI MUKUL WASNIK : Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether the reported illegal mining of red sand on both sides of the border of Delhi and Haryana State still continues;

(b) whether illegal mining on a large scale on both sides of the border has inflicted enormous losses to the exchequer; and

(c) if so, the steps taken by Government in this matter ?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) : (a), (b) and (c). Instances of illegal mining of Red Sand in the Union Territory of Delhi have been reported. 155 cases of illegal mining have been detected in the Union Territory of Delhi since 1st Jan., 1983. Penalty to the tune of Rs. 31, 08, 545/-has so far been imposed in 40 cases.

As a step towards checking illegal mining, mining operations in Delhi were departmentalised by Delhi State Industrial Development Corporation with effect from June, 1983 in Bhatti Mines

area and departmentalisation of mining operations is further proposed to be extended in the areas of village Dera and Asola. Raids for checking illegal mining are also being further intensified.

#### Distribution of Coins at R.B.I. Counter

7106. SHRI SUBHASH YADAV :  
PROF: NIRMALA KUMARI  
SHAKTAWAT :

Will the Minister of FINANCE be pleased to state :

(a) the procedure for distribution of coins of 5 P, 10P, 25P, 50P and 1 rupee and currency notes of small denominations by Reserve Bank of India to public, sarafs, Government Departments, staff and for Members of Parliament;

(b) whether there are complaints of bungling in distribution system which tends to create artificial shortage and some people have made it a profession; and

(c) if so, action Government propose to take to regulate the distribution of coins to end shortage ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The distribution of coins and currency notes

of small denomination is done by Reserve Bank of India through its Issue Offices and a net work of currency chests/small coin depots, established with agency banks all over the country. Since there is a gap in demand and supply due to capacity constraints of Mints and Presses, the supply of coins and currency notes to individuals is restricted. Larger quotas are allowed to banks, Government departments and institutions. The raitailers, hotels/restaurants, pharmacies, Government transports undertakings etc. who require small change in bulk for their business are also sanctioned periodical quotas consistent with stocks. Special arrangements are made for supply of coins and small denomination notes to MPs and other VIPs whenever any request is received from them. Shoroffs are not distinguished from other members of public. As regards staff members, a packet of one rupee notes is generally issued only on and around salary day on requests. No other special or standing arrangement exist for issue of coins/small denomination notes to staff members. But on occasions like marriage, religious ceremonies etc., staff members and others are given a reasonable supply for personal use after establishing the bona fides.

(b) and (c). In conditions of shortage, the possibility of certain unscrupulous elements indulging in malpractices for personal advantage cannot be ruled out. However, RBI has asked its offices to exercise strict vigilance over the issue of coins and small denomination notes over their consumers and if any malpractice in distribution involving staff members or the public is brought to light, appropriate action is taken against them. The complaints received against the banks/Government Departments are forwarded to their Head Offices/Controlling Officers for suitable action. The solution to the problem however, is to step up the production of the coins and notes of small denomination for which Government is taking various steps.

#### Moratorium of Bank of Cochin

7107. SHRI P. A. ANTONY : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the Bank of Cochin has been placed under moratorium;

(b) if so, the reasons therefor; and

(c) the details of the recommendation of the Reserve Bank of India in this matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Yes, Sir.

(b) and (c). According to Reserve Bank of India (RBI) the Bank of Cochin Limited had defaulted in maintenance of Cash Reserve Ratio and Statutory Liquidity Ratio. The Bank's Board was not functioning in a cohesive manner and had not bestowed adequate attention to the various important aspects of the Bank's working. Besides, the working of the bank had jeopardised the interests of its depositors. The financial position of the bank had been impaired irretrievably, and it was apprehended that the publication of its annual accounts with negative working results might lead to an adverse impact on the depositors' confidence and there could be the possibility of a run on the Bank. This would have had adverse repercussion on the economy in general and the banking industry in particular. The RBI, therefore, came to the conclusion that the Bank of Cochin Ltd. could no longer function as a viable independent unit.

#### Representation from Plastic Industry Against Hike in Excise Duty etc.

7108. SHRI V. S. VIJAYARAGHAVAN : Will the Minister of FINANCE be pleased to state :

(a) whether the plastic industry had made a representation against the hike in excise duty, etc;

(b) if so, their main grievances; and

(c) the reaction of Government thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI

JANARADHANA POOJARY) : (a) and (b). There has been no increase recently in the excise duty on plastic materials. Some associations of plastic processors and plastic manufacturers have, represented to the Government requesting for reduction of customs and excise duties on plastic raw materials. In their representation, they have referred to the increase in the price of naphtha used by the petro-chemical industries. Reference has also been made to the various budgetary changes, which may have the effect of pushing upward the cost of plastic raw materials.

(c) The question of general reduction in import duty on plastic materials was considered by the Government. Having regard to various aspects, particularly the fact that articles of plastics in general are completely exempted from excise duty, it was decided that there is no case for reduction in import duty or excise duty on plastic materials.

**Exemption of Income Tax to M/s  
Naruttom Cooperative Industries  
Ltd. Desmali Arunachal Pradesh**

7109. SHRI WANGHPHALOWANG : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that M/s. Naruttom Cooperative Industries Ltd., Desmali, a plywood industry in Arunachal Pradesh, cooperative venture whose share holders are cent per cent tribals have not been exempted from payment of income tax; and

(b) whether Government propose to exempt the cooperative society from income-tax in view of the fact that all the tribal share holders of this cooperative are individually exempted from payment of income-tax ?

**THE MINISTER OF STATE IN THE  
MINISTRY OF FINANCE (SHRI  
JANARDHANA POOJARY) :** (a) Yes, Sir.

(b) There is no proposal under consideration to exempt M/s. Naruttom

Cooperative Industries Ltd., Desmali, Arunachal Pradesh from payment of income-tax.

#### **Decline in Exports of Major Products**

7110. SHRI DINESH SINGH : Will the Minister of COMMERCE be pleased to state :

(a) the names of major products whose exports declined weigh-wise/volume-wise during 1984-85 as compared to the preceding year;

(b) the regions to which the exports of these products recorded a decline;

(c) which of the commodities referred to in (a) above are canalised through the State Trading Corporation; and

(d) which of the commodities referred to in (a) above are subject to minimum export price ?

**THE MINISTER OF STATE OF THE  
MINISTRY OF SUPPLY AND  
TEXTILES (SHRI CHANDRASEKHAR  
SINGH) :** (a) and (b). Based on the provisional data which is available for the first half of 1984-85 only the principal commodities whose exports declined in volume terms during April-September, 1984 as compared to April-September, 1983 included cashew kernels, coffee, oil cakes, raw cotton, iron ore, manganese ore, and shellac/seedlac. It may, however, be stated that in the case of chashew kernels, oil cakes and shellac/seedlac the value of exports have increased even though in terms of volume they have declined.

The region-wise figures of exports in respect of these items for above mentioned period are not available.

(c) Of the items mentioned in part (a), export of shellac/seedlac was canalised through STC prior to 1984-85 but decanalised during 1984-85.

(d) Of the items mentioned in part (a) export of Goan iron ore is subject to minimum export price.



**Promotion of SC/ST from Clerical to Officer Grade in State Bank of India**

7111. SHRI VIJAYA KUMAR RAJU : Will the Minister of FINANCE be pleased to state :

(a) the time limit fixed for promotion of SC/ST candidates from clerical grade to officers grade in State Bank of India branches all over the country;

(b) whether SC/ST candidates who have completed more than ten years of service in State Bank of India, LHO, New Delhi are stagnating in the same grade; and

(c) if so, the steps Government propose to take to improve the conditions of SC/ST candidates in SBI branches ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) State Bank of India has reported that there is no fixed time limit either for Scheduled Caste/Scheduled Tribe or general category employees for promotion from clerical to officers grade in the bank. The number of persons eligible to take the test is calculated on the basis of a minimum of three times the number of vacancies in a particular year. The relaxation in service is allowed to the SC/ST candidates having regard to the length of service of the general category candidate figuring at the end of the list of eligible general category candidates. Such relaxation is of two years if the last candidate on the general category list has 8 years' service or more and one year if he has less than 8 years service.

(b) and (c). No, Sir. All Scheduled Castes/Scheduled Tribes employees in the clerical cadre of the Bank at its New Delhi LHO, who had been confirmed upto 30th June, 1978, were called for written test for promotion held on 14th October, 1984 and all those who qualified in the test and interview have been promoted. The bank is also imparting pre-test coaching to all eligible Scheduled Castes/Scheduled Tribes employees before the promotion test.

[*Translation*]

**Export of Basmati Rice**

7112 SHRI PIYUSH TIRAKY : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that India exports basmati rice ;

(b) if so, the quantity and value of basmati rice exported during the past three years, year-wise and country-wise ; and

(c) the names of the major basmati rice exporting companies in the country and the quantity and value of basmati rice exported by each of these companies during the past three years, year-wise and country-wise ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRA-SHEKHAR SINGH) : (a) Yes, Sir.

(b) A statement is enclosed.

(c) Export of basmati rice is allowed under Open General Licence. Exporter-wise date is, therefore, not available.

## Statement

## Destination wise Exports of Basmati Rice

Quantity : M. Tonnes  
Value : Rs. in Lakhs

Destination	1982-83 Provisional		1983-84 Provisional		1984-85 Estimated	
	Qty.	Value	Qty.	Value	Qty.	Value
1	2	3	4	5	6	7
<i>Middle East</i>						
Bahrain	788	58	937	65	3298	220
Kuwait	24,485	1,467	9,221	677	15,098	1,039
Oman	4,778	319	2,098	148	6,359	511
Qatar	122	8	384	27	985	65
Saudi Arabia	26,293	1,740	23,134	1,577	70,365	4,696
United Arab Emirates	7,012	474	5,836	406	17,216	1,193
Yemen Arab Republic	824	58	180	12	17	Neg.
<i>Western Europe</i>						
Belgium	178	12	60	4	—	—
France	69	6	68	6	45	3
Federal Republic of Germany	—	—	87	7	244	21
Netherlands	60	4	126	9	102	10
Norway	60	—	119	9	70	5
U.K.	4,727	311	8,879	584	14,060	864
<i>North America</i>						
U.S.A.	1,855	153	3,098	265	4,869	395
Canada	718	58	1,097	95	1,764	151
<i>ESCAP</i>						
Hongkong	58	3	52	4	44	4
Singapore	46	4	111	10	955	68
Sri Lanka	95	7	96	7	731	46
Bangla Desh	—	—	10,856	716	—	—
Malaysia	—	—	9,733	642	—	—
Australia	93	7	—	—	182	15

	1	2	3	4	5	6	7
<i>Eastern Europe</i>							
USSR	105,089		5,779	53,876	4,211	101,505	6,727
<i>Africa</i>							
Maputo (MOZ)	36		3	64	6	122	10
Reunion	312		19	137	11	—	—
Seychelles	132		9	70	6	122	10
Mauritius	308		23	—	—	237	16
Others	—		—	1,349	108	3,395	234
<b>Total</b>	<b>178,078</b>		<b>10,522</b>	<b>141,664</b>	<b>9,612</b>	<b>241,785</b>	<b>16,303</b>

**[English]****Evasion of Income Tax by Transporters**

7113. SHRI RAM SAMUJHAWAN : Will the Minister of FINANCE be pleased to state :

(a) whether he is aware of the large scale evasion of Income-tax by the transporters who hold inter-State permits and operate their trucks through different States' registration numbers ;

(b) if so, how he proposes to mop up the Income-tax being evaded by these transporters and bring them to book ;

(c) whether as one of the measures to check such evasion, he proposes to make it obligatory on the truck selling agents to intimate to the Income-tax Officer concerned about the name of the party purchasing the chassis ; and

(d) if not, the other measures proposed to check such evasion'

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (d) There is no evidence to show that there is large scale evasion of Income-tax by the transporters holding inter-State permits. The legislative measures to check the evasion of tax are constantly under study and Government's action on it gets reflected in the legislation introduced in Parliament.

**Exporters Involved in Racket at Palam Airport**

7114. SHRI ANANDA PATHAK : Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No. 3664 on 19th April, 1985 regarding seizure of export garments at Palam Airport and state :

(a) the particulars of the 25 garments exporters involved in the racket at the Palam Airport and the names of their proprietors/Directors/Partners ;

(b) whether any action has been taken against such exporters under the Export Trade Order ;

(c) if so, the details thereof; and

(d) if not, the action has been taken and reasons thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (d) Following seizure of export consignments of garments at Delhi Airport during April, 1985, initially 25 exporters were suspected to be involved ; on detailed scrutiny of documents only 22 exporters have been found prima facie involved in the attempt to unauthorised exports of garments. Since the case against these exporters are still under investigation, it is not in public interest to disclose further details at this stage. Appropriate action will be taken against those found guilty.

**Chit Fund Companies in Kerala**

7115. **SHRI MULLAPPALLY RAMACHANDRAN** : Will the Minister of FINANCE be pleased to state :

(a) whether his Ministry has assessed the evil impact of the innumerable chit funds in the socio-economic development of commonman in Kerala ;

(b) the names of chit fund companies which have been declared insolvent in Kerala over the past three years ;

(c) whether his Ministry propose to take stringent steps to curb the mushrooming growth of such chit fund companies ; and

(d) whether legislation will be brought forward to effectively control the functioning of the existing chit fund companies ?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY** : (a) to (d) The activities of chit funds in the State of Kerala are governed by the Kerala Chitties Act, 1975.

However, with a view to regulating the activities of the chit fund companies and matters connected therewith, the Chit Funds Act, 1982 (Central Act 40 of 1982) has been enacted. The enforcement of this Act in the State of Kerala is being vigorously pursued by the Reserve Bank of India with the State Government.

**Export of Carpets and Durries**

7116. **SHRI CHINTAMANI JENA** : Will the Minister of SUPPLY AND TEXTILES be pleased to state :

(a) the value of the carpets and durries exported during the year 1983-84 and 1984-85 ;

(b) the names of the country/countries to which the export has been made ;

(c) the special steps taken by Government to accelerated the production of carpets and durries in the country ;

(d) whether Government provide any incentives to the manufactures of carpets and durries manufactured at the village level ; and

(e) if so, the details thereof ?

**THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH)** : (a) The provisional figures of exports of Carpets and durries from India are as under :—

(Rs. in crore)

Year	Value
1983-84	166.00
1984-1985 (April-Jan.)	149.11

(b) The names of important countries of which exports have been made are Belgium, France, West Germany, Italy, Netherlands, Denmark, Sweden, Switzerland, U.K., USSR, Australia, Hong Kong, Japan, Singapore, Kuwait, Saudi Arabia, USA, Canada.

(c) The following steps have been taken :

(i) Massive training in Carpet Weaving has been taken up in various States such as U.P., Bihar, J and K, Punjab, Rajasthan, Haryana, Andhra Pradesh etc. Advanced training in carpet weaving has been introduced in J and K for upgrading the skill of the carpet weavers.

(ii) Import of wool has been allowed under duty free scheme against REP licence.

(iii) An Institute for Carpet Technology is in the process of being set up.

(d) No, Sir.

(e) Does not arise.

#### Impact of Import of Jute

7117. SHRI CHINTAMANI JENA : Will the Minister of SUPPLY AND TEXTILES be pleased to state :

(a) whether Government propose to import large quantity of Jute to meet the demand ;

(b) if so, the quantity likely to be imported and the name of country from which the import is likely to be made ;

(c) whether Government has made any study regarding its impact on the indigenous growers ; and

(d) if so, the steps taken for the safeguard of the growers ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) : (a) and (b). In order to improve the supply position of raw Jute and to arrest undue rise in jute prices, the Government authorised Jute Corporation of India to import raw jute from abroad during the current jute season 1984-85 (July-June). The Jute Corporation of India was able to contract for about 2.98 lakhs bales of raw jute including cuttings of Bangladesh origin through London merchants. A quantity of about 1.60 lakh bales of raw jute including cuttings from Bangladesh has arrived upto 31st March, 1985.

(c) and (d). As import of a small quantity of raw jute has been made in order to supplement domestic supplies, it has no adverse impact on growers in India.

#### Trade Between India and Finland

7118. SHRIMATI JAYANTI PATNAIK : Will the Minister of COMMERCE be pleased to state :

(a) whether Government have devised an institutional mechanism for increasing bilateral trade with Finland ;

(b) if so, the specific items and commodities identified to bridge the trade gap between these two countries; and

(c) the details of the steps taken to identify new avenue to establish better trade relationship between India and Finland ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) (a) Yes, Sir. An Indo-Finish Joint Commission has been functioning.

(b) and (c). At the fifth session of the Indo-Finish Joint Commission held at New Delhi on April 22-23, 1985 items like edible nuts, tea and Coffee, tobacco, castor oil, leather goods, engineering goods and electronic components were identified for export from India to Finland. The two sides expressed desire to cooperate in industrial and technical fields besides third country projects.

#### Import of Rubber

7119. SHRI AMARSING RATHAWA: Will the Minister of COMMERCE be pleased to state.

(a) the quantity and value of rubber imported during the year 1984-85 and likely to be imported during the year 1985-86 ;

(b) the agency through which the rubber is being imported and from which countries ;

(c) the manner in which the imported rubber is allocated to the consumers ;

(d) the steps taken to increase its production in the country ?

(e) whether Government have since evolved a new rubber pricing formula ; and

(f) if so, its broad outlines and how does it compare with the landed cost of imported rubber vis-a-vis locally produced rubber ?

**THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH)** (a) During 1984-85, State Trading Corporation imported 26,650 tonnes of natural rubber valued at Rs. 2731.06 lakhs (c and f), excluding 8,500 tonnes valued at Rs. 1039.47 lakhs which arrived in the financial year 1983-84 but could only be cleared during the year 1984-85 due to Port and Dock workers, strike. The quantity to be imported during 1985-86 would depend on the actual supply demand gap.

(b) State Trading Corporation, as the canalizing agency has been importing natural rubber from Malaysia, Thailand, Singapore and Sri Lanka.

(c) Imported rubber is allotted to the consumers on the basis of quantities registered by them under the prescribed procedure, enforced from time to time.

(d) In order to increase production of natural rubber, the Rubber Board is implementing extension advisory schemes replantation new plantation schemes, research and development schemes.

(e) and (f) Government has taken a decision that imported rubber would be issued at a fixed price of Rs 16,500 per tonne. This has been done in the interests of consumers as well as growers so that domestic price of natural rubber may be stabilised.

#### Export of Textile Cloth to the USSR

**7120. SHRI AMARSINH RATHWA :** Will the Minister of SUPPLY AND TEXTILES be pleased to state :

(a) the quantity and value of textile cloth/exported to USSR during the last three years, year-wise;

(b) whether there is a decline in regard to export of textile cloth to the USSR;

(c) if so, the details thereof and the reasons therefor; and

(d) the steps taken by Government to catch market in regard to increase our export of textile cloth ?

**THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) :** (a) The quantity and value of cotton textiles cloth exported to USSR during the last three years is indicated below :

(Figures in Million)

Year	Quantity (Sq. Mtrs)	Value (Rs.)
1982	133.13	960.95
1983	154.31	1074.28
1984	191.10	1384.95

(b) No, Sir.

(c) Does not arise.

(d) The following main steps have been taken by the Government for increasing exports of textile cloth :

(i) Soft loan scheme is available for modernisation of the textile industry.

(ii) Sophisticated textile machine not manufactured indigenously are allowed to be imported on O.G.L.

(iii) Wide width shuttleless looms and rotor spinning machines are allowed to be imported at con-

cessional import duty with export obligation.

- (iv) With effect from 1st January, 1984 rates of CCS have been revised upwards for many categories of textile items.
- v) Entitlement under REP licences for import of essential inputs is permitted. Essential inputs are also permitted to be imported under the Advance Licensing Scheme for export production.
- (vi) Government has been sponsoring and funding promotional activities such as Buyer-Seller-Meets/Participation in Fairs/Exhibitions.

#### Cotton Testing Laboratories

**7121. SHRI AMARSINH RATHWA :** Will the Minister of SUPPLY AND TEXTILES be pleased to state :

- (a) the details of the cotton testing laboratories functioning in the country, their location and functions;
- (b) how far these have been helpful in regard to the cultivation of cotton;
- (c) whether there is any proposal under the consideration of Government to set up more cotton testing laboratories in the country; and
- (d) if so, the details thereof ?

**THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRA-SHEKHAR SINGH) :** (a) The main cotton testing laboratory is situated at Cotton Technological Research Laboratory (CTRL), Bombay. CTRL has 12 regional units having fibre testing facilities at various Agricultural Universities. The units are located at Hissar, Ludhiana, Sriganaganagar, Surat, Indore, Nagpur, Nanded, Akola, Rahuri, Guntur, Dharwad, and Coimbatore. The main

functions of these are to actively participate in improvement of cotton production and quality by evaluating the quality of new strains evolved by Agricultural scientists and giving them necessary technological guidance.

Apart from the above, CICR Nagpur has cotton testing facilities at its regional stations at Coimbatore.

(b) The development of new strains of cotton is based on apart from agricultural consideration, fibre and spinning tests carried out by CTRL and new strains are released after qualifying norms/criteria laid down for such purpose. Hence these cotton testing centres are extremely useful and essential in cotton development work. As a result, the present production of cotton has crossed 80 lakhs bales. Quality has improved substantially. India is the second largest producer of extra long staple cottons in the cottons in the world (next to Egypt). Release of superior cottons like Suvin, Sujata, Varalxmi, Hybrid 4, MCU 5, etc. were done due to close coordination between CTRL and Agricultural scientists under A'CCIP.

(c) and (d). There is no such proposal at present. But CTRL has plans for expansion and modernisation of its existing facilities at regional units.

#### Time Limit for Issuing of Fire Insurance Policy After Payment of Premia

**7122. SHRI RAM SAMUJHAWAN :** Will the Minister of FINANCE be pleased to state :

(a) whether there exists any time limit within which the Oriental Insurance Company Limited, New Delhi, is required to issue a formal Fire Insurance Policy after the payment of premia; if so, the details therefor;

(b) if not the reasons therefor;

(c) whether the Oriental Insurance Company Limited Branch Office 21143, United India Life Building, Connaught

Place, New Delhi takes more than five months to issue such a policy;

(d) if so, the reasons for taking such an inordinately long time;

(e) the number of cases in which fire and riot insurance covers were tendered at the above Branch Office in the later half of November, 1984 and insurance policies in respect of which have not so far been issued; and

(f) the steps his Ministry propose to take to get matters expedited and lay down a time-limit in such cases?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :**

(a) and (b). Although no time limit has been prescribed for issue of an insurance policy by the insurance companies, they are expected to do so immediately after acceptance of proposal and collection of related premium. Pending issue of policy, a provisional cover note is issued to the insured. However, cases do arise where the description of risk is found incorrect/incomplete and/or the premium is inadequate; these deficiencies delay issue of the insurance policies.

(c) and (d). No, Sir. However, issue of policy may get delayed at times on account of reasons referred to above.

(e) 57 proposals for fire and riot insurance were received during second half of November, 1984. In no case the insurance policy remains to be issued.

(f) Cases of inordinate delays, if any, in issue of policy etc. are brought to the notice of the GIC/Company concerned for remedial action. Insurance Companies have been asked to pay greater attention towards customer satisfaction and expeditious issue of policy documents.

**Issues of Debentures by Lohia Machines**

7123. SHRI RAM SAMUJHAWAN : Will the Minister of FINANCE be pleased to state :

(a) whether the Lohia Machines Ltd., Kanpur has been authorised to issue debentures;

(b) if so, the amount authorised to be raised and the number of debentures to be issued;

(c) whether the issue of debentures is restricted to their issue to the existing debenture-holders only; if so, the manner in which these will be allotted them; and

(d) the reasons for not throwing open the issue to the public and restricting it to previous debenture holders only?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :** (a) to (d).

M/s Lohia Machines Ltd. Kanpur have applied to the Controller of Capital Issues for permission to issue 13.5% secured, redeemable partially convertible 8,00,000 debentures of the face value of Rs. 125/-each totalling Rs. 10 crores for cash at par on right basis to existing equity shareholders of the company. The debenture issue on right basis is proposed to be made in accordance with the resolution passed by the shareholders at an extraordinary general meeting of the company. The company has so far not been authorised to raise these debentures.

**Committee on Stock Exchange Reforms**

7124. SHRI RAM SAMUJHAWAN : Will the Minister of FINANCE be pleased to state :

(a) whether Government have since received the first and second parts of the Report of the Committee on Stock Exchange Reforms headed by the former UTI Chairman Shri G.S. Patel;

(b) if so, the broad outlines of the recommendations made therein; and

(c) the reaction of Government thereto?



**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY):** (a) Yes Sir. The Government have received **Interim Reports** on the cost of **Public Issues of Industrial Securities** and on the **Listing of Industrial Securities** from the **High Powered Committee on Stock Exchanges** headed by **Shri G.S. Patel**, former Chairman of the **Unit Trust of India**.

(b) The **High Powered Committee on Stock Exchanges** in their **Interim Report on the Cost of Public Issues of Industrial Securities** has made recommendations with a view to achieving both reduction and rationalisation of the cost of public issues of securities. The broad outlines of the main recommendations contained in this Report are the following :

- (i) Whenever a company makes a public issue of securities at a premium of 25% or more no underwriting arrangements should be permitted;
- (ii) rationalisation of rates of underwriting commission, brokerage and managing brokers remuneration;
- (iii) fixing the limit of free supply of application forms and prospectus to the brokers and managers to the issue;
- (iv) inviting applications for securities from the public for a minimum amount of Rs. 1,000 (100 shares of Rs. 10/-each or 10 shares/debentures of Rs. 100/- each.
- (v) reduction in the minimum number of days for keeping open the subscription to public offer of securities from the present requirement of 3 days to 2 days;
- (iv) fixation of overall ceiling on the cost of public issues.

(c) As regards the recommendations contained in the **Interim Report on the Cost of Public Issues of Industrial Securities**, the decisions of the Government have already been taken thereon and suitable instructions have been issued to stock exchanges for implementation of the decisions with which they are concerned. As regards the recommendations contained in the **Interim Report on the Listing of Industrial Securities**, these are under consideration.

**Curtailment in Production Target of Raw Silk During Sixth Five Year Plan Period**

7125. **SHRI JAGANNATH PATTA-NAIK:** Will the Minister of **SUPPLY AND TEXTILES** be pleased to state :

(a) whether there has been any curtailment of production targets fixed for raw silk during the Sixth Five Year Plan period;

(b) if so, to what extent; and

(c) the measures taken by Government to prevent such curtailment of production targets for raw silk in future ?

**THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH):** (a) and (b). After a review of progress achieved in sericultural activities during first three years of VI Five Year Plan by the Planning Commission, the target for production of raw silk for year 1984-85 was reduced from 9005 M. tonnes to 6754 M. tonnes.

(c) For ensuring achievement of targets in future, a comprehensive Plan has been drawn up for development of sericulture during the VII Plan period. In this Plan, emphasis has been laid on activities like production and supply of quality silk worm seed, on growing of mulberry of improved varieties in irrigated lands etc., so that the constraints faced by sericulture industry during the VI Plan are minimised in future.

**Opening of Branches of Nationalised Banks in District Kangra (Himachal Pradesh)**

7126. PROF. NARAIN CHAND PARASAR : Will the Minister of FINANCE be pleased to state :

(a) whether the Punjab National Bank and other nationalised banks have approached the Reserve Bank of India for licences to open their branches at any places in District Kangra of Himachal Pradesh during the last three years after proper survey;

(b) if so, the details thereof bank-wise and the names of places for which the licences have since been sanctioned and the branches opened; and

(c) the likely date by which the licences for the remaining branches would be issued and the reasons for the delay ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). Available information relating to the Public Sector Banks and for the period from 1-4-1982 to 31-3-1985 is set out in Statement I and II respectively.

(c) The question of providing banking facilities at the centres which have not been considered for allotment will be examined by Reserve Bank of India under its new branch expansion policy for 1985-90 which is being finalised.

## Statement-I

*Names of places in Kangra District Himachal Pradesh for which Reserve Bank of India has received applications from Public Sector Banks during the period 1-1-1982 to 31-3-1985 for opening offices*

State Bank of India	State Bank of Patiala	Punjab National Bank	United Commercial Bank	Central Bank of India	Bank of Baroda	Bank of India	Canara Bank
1	2	3	4	5	6	7	8
1. Tiara	1. Nagrota	1. Tiara	1. Rchan	1. Jawalamukhi	1. Sirt	1. Sirt	1. Dhamtal
2. Sansarpur	Bagwan	2. Badukhar	2. Sidwan			2. Palam-	
3. Terrace	2. Sansarpur	3. Mataur	3. Lagru				
4. Damtal	3. Hatwas	4. Dagoh	4. Sapri				
5. Baijnath		5. Dari	5. Gharana				
6. Gupt Ganga		6. Thil	6. Nurpur				
7. Jawalamukhi		7. Katoha	7. Bain				
8. Ghorab		8. Raj	8. Damtal				
		9. Sangholi	9. Rey				
		10. Guler	10. Thakurdwara				
		11. Chamukha	11. Milwan				
		12. Nandpur Bhatoli	12. Ghugar				
		13. Bankhandi	13. Bandla				
			14. Multhan				
			15. Sansai				

1	2	3	4	5	6	7
			16. Maranda			
			17. Paprola			
			18. Bhawaena			
			19. Panchrukhi			

**Statement-II**

*Names of the public sector banks and the centres in Kangra District, Himachal Pradesh allotted to them*

State Bank of India	Punjab National Bank	Central Bank of India
1. Ghorab (opened)	1. Thil (opened)	1. Jawalamukhi (yet to be opened)
2. Damtal (yet to be opened)	2. Kaloha (opened)	

**Recommendations of Task Force to Study Differential Interest Scheme.**

7127. PROF. NARAIN CHAND PARASHAR: Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No. 1917 on the 3rd August, 1984 regarding report of Task Force set up to study DRI Scheme and state :

(a) whether the Task Force constituted to consider the report of the National Institute of Bank Management on Differential Interest Scheme has submitted its recommendations to Government ;

(b) if so, the findings of this report and the decision taken by Government for their implementation ; and

(c) if not, the reasons for delay and the likely date by which the report would be submitted and the action taken thereupon ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). The report of the Task Force on the Differential Rate of Interest Scheme is under examination of the Government.

**Decline in Demand of Aluminium**

7128. SHRI GIRIDHAR GOMANGO: Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether the demand for aluminium in and outside the country is very low at present ;

(b) if so, the reasons for decline in the demand for aluminium in the world market ;

(c) whether his Ministry has contracted the buyers in and outside the country to sell the aluminium which is going to be produced by NALCO during the year 1986-87.

(d) if so, the names of the countries and the Indian buyers that have come forward so far ;

(e) the existing aluminium production per year from different aluminium plants ; and

(f) the steps taken to utilise the same by Government so far ?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) : (a) and (b). The demand for aluminium in the international market is reported to have shown signs of stagnation in the recent past, on account of general economic recession. Domestic demand, however, continues to be in excess of domestic production, and at present there is no decline in the domestic demand.

(c) and (d). It has been estimated, according to current projections, that the demand for aluminium within the country will increase every year. The surplus situation in Aluminium after NALCO goes into production is expected to be temporary and short lived.

(e) The production of aluminium from different aluminium plants for the last two year has been as follows :

Name of the producer	(In tonnes)	
	1983-84	1984-85
Bharat Aluminium Company Ltd.	61,338	87,358
Indian Aluminium Company Ltd.	53,885	48,420
Hindustan Aluminium Corporation Ltd.	98,485	126,017
Madras Aluminium Company Ltd.	6,578	14,697
<b>Total</b>	<b>220,286</b>	<b>276,492</b>

(f) Domestic production is now being supplemented by imports.

#### Opening of Urban Cooperative Banks

7129. SHRI R.M. BHOYE : Will the Minister of FINANCE be pleased to state :

(a) the details regarding the criteria fixed by Government for opening urban cooperative banks in the country ;

(b) the number of urban cooperative banks opened in Maharashtra till date ; and

(c) whether Government of Maharashtra have also approached the Union Government in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a). The proposed banks should truly have a cooperative character, they are expected to operate in a geographically compact area not generally extending beyond the municipal limits of the town/city in which they are registered and they should have prospects of attaining viability within a reasonable period.

(b) and (c). There were 379 Urban Co-operative Banks, having their registered offices located in the Maharashtra-State, as at the end of 30th April, 1985. The policy regarding opening of urban cooperative banks is being implemented by the Reserve Bank of India and eight proposals for organising new urban co-operative banks have since been approved by them.

#### Modernisation and Upgradation of Coal Mines

7130. SHRI ANANTA PRASHAD SETHI : Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether Government have any proposal under their consideration to modernise and upgrade some coal mines in the country during the Seventh Five Year Plan period ;

(b) if so, the names of the coal mines identified for this propose ;

(c) whether Talcher Coal Mines of Orissa have been included under the above modernisation programme ?

#### THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) :

(a) to (c). Reconstruction and modernisation of mines is a continuous process. A number of existing mines will be modernised/reconstructed including some mines of Talcher coalfield during the Seventh Five Year Plan period.

#### Import of Wool-Tops.

7131. SHRI MOHAN BHAI PATEL : Will the Minister of SUPPLY AND TEXTILES be pleased to state :

(a) whether wool tops are being imported ;

(b) if so, the quantity of wool-tops imported during the year 1983-84 and 1984-85 and likely to be imported during the year 1985-86 and the amount involved therein ;

(c) whether it is imported through some agency or direct by the mills ; and

(d) the steps being taken to develop wool-top industry in the country and to put stop its import to save crores of foreign of Rupees of exchange ?

#### THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKAR SINGH) :

(a) and (b). The import of wool top has been banned with effect from 10th August, 1984.

(c) Does not arise.

(d) The import of wool tops was banned with a view to developing the indigenous wool combing industry and saving foreign exchange.

**Expert Committee to Boost Exports by Small Industrial Sector**

7132. SHRI N. DENNIS: Will the Minister of COMMERCE be pleased to state ;

(a) whether there is any proposal under the consideration of Government to set up an expert committee to boost exports by the small scale industrial sector ; and

(b) if so, the details thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES, (SHRI CHANDRASEKHAR SINGH) : (a) No, Sir.

(b) Does not arise.

**Non-Acceptance of Scheduled Castes Certificate by Reserve Bank of India**

7133. SHRI RAM BHAGAT PASWAN : Will the Minister of FINANCE be pleased to state :

(a) whether Reserve Bank of India did not accept the Scheduled Caste certificate issued by the competent authorities like District Magistrates, etc. in case of recruitment to Grade 'B' officers advertised in November, 1982 and appointment of Scheduled Caste candidates was delayed and Scheduled Caste candidates were denied appointment on flimsy grounds ;

(b) if not, the number of Scheduled Caste candidates who were selected and the number out of them who have been allowed to join ;

(c) the reasons relating to those candidates who have not been allowed to join for quite sometime ; and

(d) whether the appointments have been delayed only to affect their seniority and harm the Scheduled Castes thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI

JANARDHANA POOJARY) : (a). No, Sir.

(b) to (d). The Reserve Bank of India has reported that 11 Scheduled Castes candidates were selected for the assignments. Two of them did not report and one other requested for extension of time to join his duties. The appointment in the case of four others was delayed for the purpose of verification of their caste certificates. The seniority of the candidates is, however, not determined by the date of their appointment. It is determined with reference to the date on which the memorandum regarding their empanelment is approved by the Central Board of the Bank. The seniority of these candidates will therefore not be affected.

**Recommendations by Study Group on Wool and Woollen Industry**

7134. SHRI B.V. DESAI : Will the Minister of SUPPLY AND TEXTILES be pleased to state :

(a) whether the empowered committee appointed by Government to process the recommendations made by the Study Group on Wool and the Woollen Industry has submitted its report to Government ;

(b) if so, whether the woollens industry sector was anxiously waiting for the report ;

(c) to what extent Government have already accepted the recommendations ; and

(d) the steps being taken to implement these recommendations ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASEKHAR SINGH) : (a) and (b). The Empowered Committee has been constituted by the Government to take decisions for effective and expeditious implementation of the recommendations made in the said report. Thus, the Empowered Committee does not have to submit any formal report but has to indicate the

decisions on behalf of the Government.

(c) and (d). The Empowered Committee has held two meetings for considering the recommendations. No decisions have yet been announced.

**Amount Passed on to Hotel Maurya by M/S Indian Tobacco Company Ltd.**

7135. SHRI RAM BHAGAT PASWAN: Will the Minister of FINANCE be pleased to state;

(a) whether Government aware that M/S Indian Tobacco Company Limited passed on a huge amount of its income to its hotel group and towards publicity expenditure so as to reduce income;

(b) if so, the total amount passed on to Hotel Maurya group by M/S Indian Tobacco Company Limited and the names of advertising agencies through which publicity work has been done by Indian Tobacco Company; and

(c) whether Government propose to order special enquiry in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) and (b). Since M/S Indian Tobacco Company Limited owns the Welcome Group of Hotels, incurring expenditure on behalf of its hotels is a normal business activity for M/S Indian Tobacco Company Limited, and the question of reducing its income by way of any expenditure on its hotels does not arise. Expenditure laid out wholly and exclusively on advertisement is an allowable deduction, under section 37 of the I.T. Act, 1961, if the conditions laid down therein are satisfied.

Names of the main advertising agents of Indian Tobacco Company Limited, inter, alia, are as under:

- (1) M/S. Clarion Advertising Services Limited, 55, Mirza Ghalib Street, Calcutta-700016.
- (2) M/S. Hindustan Thompson Associates Ltd., 30 Bondel Road. Calcutta-700019.

(c) Allowability or otherwise of expenditure incurred on advertisement will be looked into while completing the relevant assessments of M/S. Indian Tobacco Company Limited.

**Accountability of Nominee Directors in Matters of Fraudulent Transactions**

7136. SHRI INDRAJIT GUPTA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the nominees of the Department of Banking and the Reserve Bank of India serve as Directors on the Boards of Bank of Baroda, Central Bank of India, Punjab National Bank and the Union Bank of India;

(b) whether it is also fact that a number of these Directors have been nominated on the Boards of other nationalised banks also; and

(c) if so, the accountability of these nominee Directors in the matter of fraudulent transactions in these banks reported by the national press in the recent past?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) Yes, Sir.

(b) Yes, Sir. In some cases, Central Government officers have been appointed as Directors on more than one bank.

(c) The nominee Directors of the Reserve Bank of India and the Central Government are not vested with any special powers and do not enjoy any special status on the Boards. Matters coming up before the Boards are decided by consensus, and if necessary by a majority of votes. The responsibility of the Board is collective and in view of this no individual Member can be held accountable or as having any special responsibility for matters pertaining to the day-to-day management of bank, unless he is, in another capacity, expected to shoulder the responsibility.



**Dispute Between Government and Metal Scrap Trade Corporation Limited**

7137. SHRI MOOL CHAND DAGA : Will the Minister of STEEL, MINES AND COAL be pleased to state :

- (a) whether there was a dispute between Government and the Metal Scrap Trade Corporation Limited;
- (b) if so the details thereof;
- (c) since when dispute is continuing and the latest position thereof;
- (d) the number of ships and aircrafts held up, declared unserviceable for breaking into scraps and at which places; and
- (e) the annual income to Government from this trade during the last three years ?

THE MINISTER OF STATE IN THE DEPARTMENT OF STEEL (SHRI K. NATWAR SINGH) : (a) No, Sir.

(b) and (c). Do not arise.

(d) No ship or Aircraft declared unserviceable and purchased by Metal Scrap Trade Corporation is held up for disposal.

(e) In so far as MSTC is concerned, the Annual Income (Profit before Tax and Income Tax paid by MSTC are given below :—

Year	Income (PBT) (Rs. in lakhs)	Income Tax paid (Rs. in lakhs)
1984-85 (Provisional)	368.00	235.00
1984-85	304.09	218.09
1982-83	207.99	145.59

**Vessels Sold by Private Shipping Companies for Breaking Through Private Negotiations**

7138. SHRI K. RAMAMURTHY : Will the Minister of STEEL, MINES AND COAL be pleased to state :

- (a) whether three private shipping companies have sold eight vessels for breaking through private negotiations, denying the opportunity to 100 ship-breakers registered with the State-owned Metal Scrap Trade Corporation;
- (b) whether the imports of foreign vessels for breaking are also being dissuaded; and
- (c) if so, how the ship-breaking industry is going to be helped by Government ?

THE MINISTER OF STATE IN THE DEPARTMENT OF STEEL (SHRI K. NATWAR SINGH) : (a) So far as information is available to the Government, 4 Indian flag vessels namely Jala Tarang Jala Girijava, Vijaya Vaibhav and Vijaya Jiwan have been sold for breaking by private negotiations without complying with the usual procedure of canalisation for Indian flag vessels formulated by MSTC which is the canalising agency according to the import policy of the Government. Apart from this it is understood from reports that 4 other Indian flag vessels namely Indian Triumph, Indian Trust, Indian Security and Indian Tribune are also being privately negotiated for sale without complying with MSTC guidelines.

(b) No, Sir. Foreign vessels for breaking continue to be imported. On the other hand it is proposed to increase the import of foreign flag vessels during the year 1985-86, as compared to the 1984-85.

(c) Ship-breaking units are being helped by the Government by supplying their input material namely old ships for breaking to the extent considered necessary for import after taking into consideration the overall demand and supply of steel re-rolled items in the country.

Apart from this, financial assistance is also being provided by Ferrous Scrap Committee for purchase of necessary equipment by shipbreakers and by MSTC by giving bill discounting facilities.

**Technical Committee on Textiles**

7139. SHRI MOHANBHAI PATEL : Will the Minister of SUPPLY AND TEXTILES be pleased to state :

(a) whether the technical committee on textile has submitted its report;

(b) if so, the details of the recommendations thereof; and

(c) the steps Government have taken to implement those recommendations ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) : (a) The Expert Committee on the Textiles Industry under the Chairmanship of Secretary, Department of Textiles, has submitted its report to the Government on 27th April, 1985.

(b) and (c). Since the report of the Expert Committee is one of the inputs for the textile policy, which is under formulation, it would not be in public interest to furnish the details of the recommendations.

**Arrest of Persons Under COFEPOSA**

7140. SHRI BANWARI LAL PUROHIT :  
DR. G.S. RAJHANS :

Will the Minister of FINANCE be pleased to state :

(a) whether the Directorate of Revenue Intelligence, Bombay has recently arrested some persons who were having alleged link between India and International Smuggling Syndicates under the Conservation of Foreign Exchange and Prevention of Smuggling Act (COFEPOSA);

(b) if so, the details of the persons involved and details of the items seized; and

(c) the steps contemplated by Government in this regard against the involved persons ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDANA POOJARY) : (a) and (b). The officers of the Bombay Zonal Unit of the Directorate of Revenue Intelligence arrested thirteen persons, including one Haji Oomar Ahmed alias Haji Oomer alias Oomer Malbari alias Bhai, Faizand A. G. Parkar and Ibrahim Mohideen in connection with the seizure of textiles and audio cassettes of foreign origin worth Rs. 60.68 lakhs effected on 4-2-1985. In connection with this case, Haji Oomar Ahmed, Farzand A. G. Parkar and Ibrahim Mohideen were also detained under COFEPOSA Act under the orders passed by the Government of Maharashtra.

(c) Apart from departmental proceedings for the confiscation of the contraband goods in question and imposition of penalties on the persons concerned under the Customs Act, 1982, appropriate action as warranted under law will be taken against the persons involved.

**Raids by Income Tax Department on Steel Traders of Delhi and Bombay**

7141. SHRI RAM BHAGAT PASWAN : Will the Minister of FINANCE be pleased to state :

(a) whether the Intelligence wing of the Income Tax Department has recently raided the office and residential premises of some steel traders in Delhi and Bombay;

(b) if so, the details of such traders whose residential premises were raided; and

(c) the action taken or proposed to be taken against the income tax defaulters ?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY :** (a) Income-tax Department has not conducted search in the case of any steel trader in Delhi/Bombay in 1985.

(b) and (c). Does not arise.

**Proposal to Reserve Certain Item of Import-Export for SC/ST Traders**

**7142. SHRI ANANTA PRASAD SETHI :** Will the Minister of **COMMERCE** be pleased to state :

(a) whether there is any proposal under the consideration of Government to reserve certain percentage of items of import/export for Scheduled Caste and Scheduled Tribes persons to enable these weaker sections to improve their standard of living;

(b) whether it is proposed to patronise real workers' firms/associations to export leather and leather goods like, shoes, etc. rather than patronise middlemen; and

(c) if so, the details in this regard ?

**THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) :** (a) No, Sir.

(b) and (c). Bharat Leather Corporation and the various State Leather Development Corporation are assisting small scale units engaged in the manufacture of finished leather and leather products in internal marketing as well as export. State Trading Corporation of India Limited, Trade Development Authority and the National Small Industries Corporation are also assisting these units in exporting their products.

**Revival of Cashew Industry in Kerala**

**7143. PROF. K. V. THOMAS SHRI SURESH KURUP :**

Will the Minister of **COMMERCE** be pleased to state :

(a) whether it has been brought to the attention of Government that cashew industry in Kerala is in a declining trend; and

(b) if so, the steps proposed to revive the industry ?

**THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) :** (a) and (b). The Cashew Industry concentrated mainly in Kerala has been facing problem arising from the fluctuations in International prices and rising cost of production of raw cashew and its processing. A number of schemes including the multi-state cashew development programme are being implemented to increase productivity, reduce cost of cultivation and to increase the availability of raw cashew.

**Reports of Silk Board Officials visit Foreign Countries.**

**7144. SHRI MAHABIR PRASAD YADAV :** Will the Minister of **SUPPLY AND TEXTILES** be pleased to state :

(a) whether it is a fact that officials of Central Silk Board are paying visits abroad on Government expense in the names of development of silk industry ;

(b) if so, whether they have submitted their reports in that regard ; and

(c) the details of the expenditure incurred thereon along with the number of occasions when the officials paid visit abroad and the date of their submission of reports ?

**THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) :** (a) Officers from the Central Silk Board go abroad on official tours as and when necessary in the interest of official work. The expenditure on such visits is met by the Central Silk Board which is a statutory Board fully founded by the Central Government. Such visits have been normally in connection with study of

sericulture industry in other countries, participation in international conference, trade fairs etc.

(b) and (c). This information is being collected from the Central Silk Board and will be laid on the Table of the House.

**Creation of Third World Development Bank of Finance Development Project**

7145. SHRI R.S. GAEKWAD : Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No. 960 on 30th April, 1982 regarding creation of Third World Development to Finance Development projects and state :

(a) whether subsequent meetings of group of 77 were held to consider feasibility after the first meeting of the group of 77 experts on Financial Corporation took place in Kingston, Jamaica from March 26 to 31, 1982 and

(b) if so, the detailed progress thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). Yes Sir. A number of meetings of G-77 were held after the first meeting of Group of experts in Kingston, Jamaica in March, 1982 to consider feasibility of a Bank for developing countries. At these meeting it was decided inter alia, that the size of the capital of the Bank should be based on concrete and practical arrangements that would enable self-sustained and viable operations. It was also decided to hold intensive consultations with all member governments to obtain their views on further steps to be taken for the establishment of the Bank. Extensive studies were also carried out by a number of expert bodies with a view to work out a feasible scheme of action.

[Translation]

**New item Captioned 'Hawai Adde Per Croron Ki Herapheri**

7146. SHRI SARFARAZ AHMED : Will the Minister of FINANCE be pleased to state :

(a) whether attention of Government has been drawn to the news item captioned 'Hawai Adde per Croron Ki Herapheri' (Bungling of crores at airport) appeared in the 'Nav Bharat Times' of 15th January, 1985;

(b) if so, the details thereof;

(c) whether Government are taking suitable measures to keep a watch in the matter; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Yes, Sir.

(b) No case of 'bungling worth crores at Airport' as given in the press report has come to notice. However, on 3-1-85, at Sahar International Airport, police officers seized foreign exchange equivalent of Rs. 43,871/- from Shri Balkrishna Ramchandra Satam, a loader at the Airport. Subsequently 2 more persons were arrested.

(c) and (d). Officers in plain clothes are posted at strategic points in the Arrival Hall and the tarmac to keep general surveillance. Selective checks on percentage basis are also exercised in both Green and Red Channels to detect cases of mis-declaration.

[English]

**Discovery of Tin-Ore in Koraput District**

7147. SHRI K. PRADHANI : Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether Geological Survey of India has discovered sizeable deposits of tin-ore in Koraput district Orissa; and

(b) the steps taken for proper exploitation of tin-ore found in that district ?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) : (a) and (b). Tin deposits have been

found in Koraput District of Orissa. Investigations to assess the potential of these deposits have taken up by Geological Survey of India and other organisations. The Orissa Mining Corporation has raised 82 tonnes of tin-ore till March 1985. However, large scale commercial exploitation of these deposits will depend on their techno-economic viability.

#### Soft Credit by West Germany to India

7148. SHRI K. PRADHANI : Will the Minister of FINANCE be pleased to state :

(a) whether West Germany has agreed to extent soft credit to India;

(b) if so, the amount of soft credit to be given by West Germany to India 1985-86 and the subsequent years;

(c) the terms and conditions laid down by West Germany for paying soft credit to India; and

(d) the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Yes, Federal Republic of Germany has agreed to concessional credit to India.

(b) The amount of concessional credit pledged by FRG to be given to India in 1985-86 is DM 360 Million. An indication has been given that in 1986-87 also India can obtain concessional credit from FRG of around DM 360 Million. No amounts have been negotiated as yet beyond 1986-87.

(c) and (d). This assistance is provided at a 0.75% per annum rate of interest repayable over 50 years with a moratorium of 10 years. Under the non-project portion, it would be used for import of Capital Goods, General Commodity Aid, and for Financial Institutions [ICICI, IFCI]. For the project portion, it would be used to Finance projects like Rural Water Supply in Madhya Pradesh, Farakka Thermal

Power Plant, Heavy Duty Breakdown Cranes for Indian Railways, Expansion of the Yerraguntla Cement Project, Gas Turbine for Uran Power Project, Linepipes for the HBJ pipeline. [Allocations for 1985-86)

#### Gold Seizure in Bombay

7149. SHRI B. V. DESAI : Will the Minister of FINANCE be pleased :—

(a) whether it is a fact that during the month of April, 1985 a biggest second haul of gold in the city of Bombay was seized by the Revenue Intelligence amounting to Rs. 3 crores;

(b) if so, the details thereof;

(c) total number of arrest made in this regard;

(d) whether it is also a fact that in Bombay during the last 3 months a number of raids were conducted and property worth crores was seized by the Revenue Intelligence from the smugglers; and

(e) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a), (b) and (c). On 23-4-1985, the officers of Bombay Zonal Unit of the Directorate of Revenue Intelligence, recovered 12 belts containing 11,96 pieces of foreign-marked gold, each weighing 10 tolas, and 4 pieces of gold each weighing 10 tolas, from a specially-made cavity in an Ambassador car near Roopam cinema, Sion Circle, Bombay. The gold totally weighing 12,000 tolas, valued at Rs. 2.95 crores, was seized under the provisions of the Customs Act, 1962. The car valued at Rs. 50,000 was also seized. There was no occupant in the car. No person was arrested in connection with the seizure.

(d) and (e). During the period February to April, 1985, the officers of the Bombay Zonal Unit of the Directorate of Revenue Intelligence, seized contraband goods valued at Rs. 5.69

crores in 15 cases. The main items seized are : foreign marked gold, wrist watches, Watch parts textiles and electronic goods.

#### Amendment of Guidelines for Listing of Securities on Stock Exchange

7150. SHRI B. V. DESAI : Will the Minister of FINANCE be pleased to state :

(a) whether he has decided to amend the guidelines for listing of securities on stock exchanges to bring more profitable closely-held companies to the stock exchange-hold;

(b) if so, whether the new guidelines which were sent to various stock exchanges will enable private companies to get listed in two stages of public offer;

(c) whether amendment was prompted by Government's keenness to open up closely-held companies and bring more public participation; and

(d) if so, to what extent the new guidelines have helped the companies ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a), (b) and (c). Government have amended the guidelines for listing of securities in relaxation of Rule 19 (2) (b) of the Securities Contracts (Regulation) Rules, 1957 on 18th March, 1985 with a view to further develop the capital market and to have more listed companies. Under these guidelines, existing non-FERA companies which are more than 10 years old or which have been earning profits in at least 4 out of the past five years would be granted listing with a public offer of 40% as against the present requirement of 49% of the issued capital of the company. Further, such companies may at their option make the public offer in two stages, viz the first stage of 20% being offered at the time of listing and the balance being offered within a period of three years from the date of enlistment.

(d) As the amended listing guidelines were issued by the Government only

recently, i. e. on 18th March, 1985 it is too early to make an assessment of the extent to which these guidelines have helped the companies to get listed.

#### Installation of Computer by M.M.T.C.

7151. PROF. MADHU AND DAVATE : Will the Minister of COMMERCE be pleased to state :

(a) whether the Minerals and Metals Trading Corporation Management in spite of repeated protests from the employees of Calcutta region, have decided to go ahead with the programme of installing computer effecting service security of the employees and freeing the employment potential.

(b) whether the decision regarding computer has been taken on the basis of an alleged settlement concluded with some leaders of a section of the employees totally ignoring the opposition to the installation of computer by Calcutta region employees' Union, which is a 'recognised' Union; and

(c) if so, whether the decision of instal the computer is proposed to be revised ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) : (a) and (b). No, Sir. The computer system has been installed in the Minerals and Metals Trading Corporation of India Limited (MMTC) after a settlement dated 15.9.1984 between MMTC and the Federation of MMTC Employees Union. The regional union of the employees of MMTC, Calcutta, is a constituent unit of the above Federation which is an apex body of all regional units of MMTC employees unions. The settlement, inter alia, provides for the following :

(i) Protection of recruitment at the lower cadres of induction level.

(ii) There will be no retrenchment of staff as a result of computerisation.

(iii) Management will not undertake any work study of the sole purpose to declare the staff surplus.

(iv) Subject to possession of requisite professional knowledge and skill and further subject to suitability, preference will be given to willing departmental candidates in selecting computer personnel through administrative procedures and for this purpose, management will try to make suitable arrangements for imparting necessary training.

(c) No, Sir.

**Income-Tax Exemption on Gratuity Received by LIC Agents**

7152. SHRI SHANTI DHARIWAL : Will the Minister of FINANCE be pleased to state :

(a) whether Government have received a representation from agents of the Life Insurance Corporation demanding income-tax exemption on the gratuity amount to be received by them ; and

(b) if so, the action proposed to be taken by Government thereon ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Yes, Sir.

(b) The suggestion is under examination.

[Translation]

**Grant of Loans by Nationalised Banks in Rural Areas**

7153. SHRI SHANTI DHARIWAL : Will the Minister of FINANCE be pleased to state :

(a) whether Government propose to simplify the procedure governing the grant of loan by nationalised/rural banks in rural areas; and

(b) whether it is proposed to authorise one rural or nationalised banks in each block headquarter for sanctioning loans to facilitate the beneficiaries of I.R.D. Programme ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Banks have already been advised to take several steps such as simplification of loan application forms and make these forms available in local languages to the intending borrowers, liberalisation of terms and conditions relating to security, margin and repayment period, delegation of adequate discretionary powers to branch managers for the disposal of maximum number of loan applications at the branch level itself within a stipulated time, period, etc.

(b) All banks branches operating in a block are expected to sanction loans under Integrated Rural Development Programme.

**Objectives in Setting up of N.T.C.**

7154. SHRI SHANTI DHARIWAL : Will the Minister of SUPPLY AND TEXTILES be pleased to state :

(a) the objective with which the National Textile Corporation was set up ;

(b) the returns received by Government from the capital invested in the National Textile Corporation ; and

(c) how Government propose to bring about investments in the working of the mills under the management of the Corporation ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) : (a) National Textile Corporation was set up with the main objective of managing the affairs of the sick textile mills taken over by

Government, for the expeditious rehabilitation of such undertakings so that such rehabilitation may subservise the interests of the production and distribution, at fair prices, of cheaper varieties of cloth.

(b) There have been no directors' returns to the Government from the capital invested in NTC in view of fact that NTC has been incurring losses. However, NTC mills have contributed over Rs. 300 crores to the Exchequer upto now by way of excise duty and other taxes.

(c) The performance of National Textile Corporation is being reviewed by the Government from time to time and steps taken to improve its performance. Some of the important steps taken/being taken to improve the performance of the mills are as under :—

- (i) arrangements are being made for timely procurement of cotton from different available channels;
- (ii) working capital has been replenished to make up for each losses ;
- (iii) to overcome the power shortage, self generating capacity, has been increased.
- (iv) selective modernisation programme strategies have been adopted for result-oriented gains ;
- (v) cost control methods have been introduced for reduction in cost at all levels.
- (vi) efforts are being made for reducing the non-operational administrative expenses; and
- (vii) workers' participation scheme in the management of the mills is being encouraged.

[English]

#### China-clay Mines in Orissa

7155. SHRI HARIHAR SOREN : Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) the number of china-clay mines located in Mayurbhanj and other districts of Orissa ;

(b) the number of china-clay mines under operation by private mine owners, Orissa Mining Corporation and the National Mineral Development Corporation ;

(c) the names of the private mine-owners given lease of china-clay mines ; and

(d) the details thereof ?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) : (a) to (d). The information is being collected and shall be laid on the Table of the House.

#### Iron-Ore Mines in Orissa

7156. SHRI HARIHAR SOREN : Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) the number of iron-ore mines located in Keonjhar, Mayurbhanj, Sundargarh, Cuttack and other districts of Orissa ;

(b) the approximate tonnes of iron-ore deposits available in each of these mines;

(c) the number of mines located in Orissa leased to private mine-owners, Orissa Mining Corporation and the National Mineral Development Corporation ;

(d) the number of iron-ore mines in Orissa which have become sick; and

(e) the steps taken for the revival of those sick mines ?

THE MINISTER OF STATE IN THE DEPARTMENT OF STEEL (SHRI K. NATWAR SINGH) : (a) The number of operating mines in different districts of Orissa in case of iron ore is given below district-wise :—



(1984 figure)	
District	No. of mines
Keonjhar	42
Mayurbhanj	3
Sundargarh	14
Cuttack	—
<b>TOTAL</b>	<b>59</b>

(b) Data on mine-wise reserves of iron and mines in Orissa as on 1.1.1980 is given in the attached statement.

(c) The number of mines in Orissa leased to private mine-owners, Orissa Mining Corporation and National Mineral Development Corporation which reported production in 1984 are given below :—

	No. of mines which reported production.
Private mines-owners	42
Orissa Mining Corporation	12
National Mineral Development Corporation.	—
<i>Other Public Sector mines</i>	
Steel Authority of India Limited	3
Bharat Process and Mechanical Engineers Limited.	2
<b>Total</b>	<b>59</b>

(d) In Cuttack district Tonka mine of Orissa Mining Corporation intimated closure with effect from 1.10.1983 on account of 'no market'. Notices of closure have not been received from any other mine.

(e) Although notices for closure or discontinuance of operations have not been received from the other private iron ore mine owners in Orissa, yet it is known that there is a general problem of low production being experienced by the mine owners on account of low off-

take by MMTC caused by reduced exports. However, the position has since improved. MMTC has been able to enter into higher export commitments of 23 lakh tonnes in 1985-86, from this region, as against 17 lakh tonnes in 1984-85, and the increase in procurement by MMTC is expected to act as a stimulant to an increase in production of iron ore by the private mine owners in this State. Provided quality specifications of iron ore are met, MMTC is prepared to accept ore from any mine in this region.

#### Statement

*Mine-wise reserves of Iron Ore in Orissa as on 1.1.1980.*

Sl. No.	District	Name of mine	Lessee	Total Reserves in million tonnes.
1	2	3	4	5
1.	Keonjhar	Balagunda	Shri A.L. Ladha	0.15
2.	—do—	Balda block	M/s Serajuddin and Co.	5.95

1	2	3	4	5
3.	—do—	Balda-palsa	M/s Orissa Mining Corpn. Ltd.	2.00
4.	—do—	Balita	Dr. Sarojini Pradhan	0.06
5.	—do—	Deojhar	M/s Bijang Minerals (P) Ltd.	0.09
6.	—do—	Belkundi	M/s O.M.D.C. Ltd.	1.00
7.	—do—	Bhadraasi	M/s Orissa Mineral Development Corporation Limited.	4.60
8.	—do—	Banspani	M/s O.M.C. Ltd.	17.86
9.	—do—	Bolani	M/s SAIL	388.00
10.	—do—	Ghumakpur	Shri K.C. Pradhan	0.25
11.	—do—	Inganjharan	M/s Bhanj Minerals (P) Ltd.	0.38
12.	—do—	Daitari	M/s O.M.C. Ltd.	37.72
13.	do—	Thakurani	M/s Burn and Co. Ltd.	42.52
14.	—do—	Thakurani	M/s Serajuddin and Co.	28.32
15.	—do—	Domitra	M/s Shri Narayan Co.	0.88
16.	—do—	Gandhamaradhan	M/s O.M.C. Ltd.	249.51
17.	—do—	Gauli	Shri M.H. Rahman	7.46
18.	—do—	Gurabeda	M/s O.M.C. Ltd.	1.37
19.	—do—	Gurabeda	Shri S.C. Padhee	0.74
20.	—do—	Haitarani	Dr. Sarojini Pradhan	0.45
21.	—do—	Jajang	M/s Pandhya and Others	0.88
22.	—do—	Jajang	M/s Rungta Mines (P) Ltd.	10.31
23.	—do—	Jajang	M/s S. Lal	0.22
24.	—do—	Jalahuri	M/s B. Roy and A. Roy	3.50
25.	—do—	Jaribahal	Shri B.D. Patnaik	1.75
26.	—do—	Jodo East	M/s TISCO	197.53
27.	—do—	Jaruri I & II	M/s Kalinga Mining Corpn.	3.96
28.	—do—	Jhilling — Langalota	M/s S. Lal and Co. Ltd.	22.39
29.	—do—	Kalaparbat	M/s Balasore Mineral Co.	0.23
30.	—do—	Kasia	M/s S. Lal and Co. Ltd.	8.94

1	2	3	4	5
31.	—do—	Kasia—Barpada	Directorate of Geology and Mining, Govt. of Orissa.	11.36
32.	—do—	Noamundi-Katamati Section.	M/s TISCO	9.21
33.	—do—	Khandbandha	M/s O.M.C. Ltd.	15.00
34.	—do—	Khandbandha	M/s TISCO	54.27
35.	—do—	Kalaparbat	Shri B.D. Patnaik	0.69
36.	—do—	Laupada	Shri Radha Shyam Bhanj Deo	0.04
37.	—do—	Murgabera	Shri Niranjana Patnaik	0.83
38.	—do—	Murgabera	Shri B.N. Sarda	297.00
39.	—do—	Noagown	M/s Hindustan General Elect. Corporation.	8.08
40.	—do—	Ramdeo—Juda—Bonaikela	Shri M.K. Chaoda	0.17
41.	—do—	Central Raka	M/s. H-G.E.C.	0.36
42.	—do—	Sekradina	M/s O.M.C. Ltd.	5.00
43.	—do—	Surguturia	M/s Radha Shyam Bhanj Deo	1.01
44.	—do—	Tiringpahar	M/s O.M.C. Ltd.	1.84
45.	—do—	Roida I & II	M/s Khatau Naybheram and Co.	8.34
46.	—do—	Rutlipani	M/s Manilal and Bros.	1.07
47.	Mayurbhanj	Atkisickli-Basalkedu-Jeria.	Shri O.P. Chaudhari	5.00
48.	—do—	Badampahar	M/s Lal Traders and Agencies (P) Ltd.	9.61
49.	—do—	Bhitaramda	M/s Umashankar Gaurishankar Chaubey.	0.09
50.	—do—	Purnapani	M/s R.C. Das	0.06
51.	—do—	Bidharajpahar	Joykishor Chaubey	0.03
52.	—do—	Goramahishani	Shri Ghanshyam Misra	1.00
53.	—do—	Sullipat	B.L. Padia	0.20

1	2	3	4	5
54.	Cuttak	V. Tomka	M/s O.M.C. Ltd.	9.70
55.	Sundergarh (Malangoli) and Keonjhar & F Blocks.	B.G.	National Mineral Development Corporation Limited.	708.00
56.	Sundergarh	Fulihari	M/s O.M.C. Limited.	28.42
57.	—do—	Gonua	Smt. Shukla M.	0.08
58.	—do—	Gunua	M.G. Mohanty	1.50
59.	—do—	Kalta area	M/s SAIL	461.30
60.	—do—	Kasira	M/s O.M.C. Limited	3.00
61.	—do—	Koira	M/s S. Lal	1.73
62.	—do—	Kusmitar	M/s O.M.C. Limited	15.00
63.	—do—	Lodapani	M/s O.M.C. Limited	0.45
64.	—do—	Lusimine	M/s O.M.C. Limited	1.50
65.	—do—	Nididih	M/s Bonai Ind. Co. Ltd.	0.12
66.	—do—	Nididih	M/s Feegrade and Co. Ltd.	3.56
67.	—do—	Rajabasa	M/s O.M.C. Limited	1.00
68.	—do—	Rontha	M/s O.M.C. Limited.	1.60
69.	—do—	Siljora	M/s. O M.C. Limited.	10.34

**Loans to State Governments by L.I.C. for Undertaking Development Programmes**

7,57. SHRI HARIHAR SOREN : Will the Minister of FINANCE be pleased to state :

(a) whether his Ministry has directed the Life Insurance Corporation to give loans to different State Governments to undertake various development programmes;

(b) if so, the names of various State Governments which have taken loans from the L.I.C. during the last three years;

(c) the amount of loans taken by the State Government from L.I.C. during those years; and

(d) the details there of?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) L.I.C. advances loans as per Government policy every year to various State Governments for their development programmes in the socially oriented sector, which includes housing, electricity, road transport and water supply and sewerage schemes.

(b) to (d). Statewise position of loans disbursed by L.I.C. under various schemes in the socially oriented sector during the last three years, is as under :

*L.I.C. loans to various State Governments for socially housing schemes :*

(Rs. in crores)

## A M O U N T

S. No.	State	1982-83	1983-84	1984-85
1.	Andhra Pradesh	3.29	5.46	7.66
2.	Assam	0.31	0.52	0.59
3.	Bihar	1.39	2.99	—
4.	Gujarat	1.90	3.24	3.90
5.	Haryana	0.60	1.16	0.48
6.	Himachal Pradesh	0.42	0.03	0.71
7.	Jammu and Kashmir	0.19	0.85	0.96
8.	Karnataka	3.53	5.86	7.42
9.	Kerala	2.59	4.16	4.28
10.	Madhya Pradesh	1.26	2.04	2.59
11.	Maharashtra	0.61	1.06	1.36
12.	Manipur	0.21	0.37	0.42
13.	Meghalaya	0.40	0.28	0.47
14.	Nagaland	—	—	0.50
15.	Orissa	1.09	1.80	2.16
16.	Punjab	1.77	2.77	2.97
17.	Rajasthan	1.10	1.84	2.20
18.	Sikkim	0.11	0.17	—
19.	Tamil Nadu	2.96	4.85	6.27
20.	Tripura	—	0.42	2.07
21.	Uttar Pradesh	2.20	6.20	7.05
22.	West Bengal	3.34	5.70	5.71
TOTAL :		29.27	52.37	59.77

*L.I.C. loans to State Electricity Boards*

(Rs. in crores)

S. No.	State	A M O U N T		
		1982-83	1983-84	1984-85
1.	Andhra Pradesh	5.87	4.64	5.20
2.	Assam	2.98	2.36	3.74
3.	Bihar	7.76	6.12	7.45
4.	Gujarat	11.29	8.91	9.95
5.	Haryana	10.29	8.65	9.60
6.	Himachal Pra desh	1.20	1.09	1.10
7.	Jammu and Kashmir	1.53	0.99	1.46
8.	Karnataka	6.05	4.95	6.85
9.	Kerala	6.84	5.62	6.30
10.	Madhya Pradesh	6.91	5.46	6.10
11.	Maharashtra	12.45	9.82	11.00
12.	Meghalaya	1.79	3.24	3.70
13.	Orissa	7.58	5.98	6.70
14.	Punjab	6.93	4.47	8.08
15.	Rajasthan	12.85	11.46	12.20
16.	Tamil Nadu	9.47	7.47	8.35
17.	Uttar Pradesh	32.11	31.28	35.50
18.	West Bengal	13.66	7.78	8.70
19.	Loans to North-Eastern Electric Power Corpora- tion*	10.00	10.00	10.00
<b>TOTAL :</b>		<b>167.83</b>	<b>140.29</b>	<b>161.98</b>

\*(beneficiary States/Union Territories are Assam, Manipur, Meghalaya, Nagaland, Tripura, Arunachal Pradesh and Mizoram)

*L.I.C. Loans to State Road Transport Corporation*

(Rs. in crores)

S. No.	State	A M O U N T		
		1982-83	1983-84	1984-85
1.	Andhra Pradesh	1.43	1.93	2.12
2.	Gujarat	1.74	2.33	2.56
3.	Karnataka	1.72	2.00	2.20
4.	Kerala	1.64	2.00	2.20
5.	Madhya Pradesh	2.62	3.51	—
6.	Maharashtra	1.81	2.42	2.06
7.	Orissa	1.97	—	—
8.	Punjab	1.35	—	—
9.	Tamil Nadu	1.79	2.40	2.64
10.	Uttar Pradesh	1.35	1.82	2.00
TOTAL :		17.42	18.41	16.38

*L.I.C. loans to Municipalities and Zilla Parishads for water supply and sewerage schemes*

(Rs. in crores)

S. No.	State	A M O U N T		
		1982-83	1983-84	1984-85
1	2	3	4	5
1.	Andhra Pradesh	0.17	0.50	3.58
2.	Assam	0.19	0.60	—
3.	Gujarat	5.50	6.95	7.57
4.	Haryana	2.34	1.39	1.05
5.	Jammu and Kashmir	0.62	3.00	2.35
6.	Karnataka	7.91	1.00	2.73
7.	Kerala	4.30	4.69	4.71
8.	Madhya Pradesh	4.45	3.45	7.35

1	2	3	4	5
9.	Maharashtra	12.94	14.82	16.07
10.	Manipur	0.43	—	—
11.	Meghalaya	2.50	—	—
12.	Nagaland	0.53	—	1.25
13.	Orissa	2.00	0.90	0.36
14.	Punjab	4.99	5.50	2.53
15.	Rajasthan	1.74	2.23	1.91
16.	Tamil Nadu	7.51	13.02	12.12
17.	Tripura	—	0.42	—
18.	Uttar Pradesh	12.67	0.09	—
19.	West Bengal	—	—	6.58
TOTAL :		70.79	58.56	70.16

#### Import of Woollen Rags

7158. SHRI MOOL CHAND DAGA : Will the Minister of COMMERCE be pleased to state :

(a) the details of import of woollen rags during the last three years showing the amount and country wherefrom imported giving yearly figures;

(b) whether it is a fact that there have been instances when such imports had been misused and there were enquiries by Government, if so, the details thereof;

(c) the safeguards contemplated to avoid misuse of import policy which has been liberalised recently; and

(d) whether the import of old woollen garments used by public does not affect our national image and indigenous industry ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) : (a) Import figures are avail-

able for the period upto December, 1982, only. A statement showing the particulars of import of woollen rags during 1980-81, 1981-82 and 1982-83 upto December, 1982 is annexed.

(b) Collector of Customs, Bombay, where majority of import of rags take place, has reported that several instances of abuse of such imports have come to notice. Bombay Customs had some time in middle of 1984 carried out series of searches resulting in the seizure of huge quantities of unmultiplied woollen rags which had been removed from port premises unauthorisedly.

(c) Under the current Import-Export Policy :

(i) import of woollen rags is permitted in pre-mutilated form only; and

(ii) Actual Users (Industrial) alone are eligible to import.

(d) No, Sir, since only pre-mutilated rags can now be imported.



## Statement

Statement showing country-wise Import of Woolen Rags during 1980-81 to 1983-83  
(Upto December, 1982)

Name of the country	1980-81		1981-82		1982-83 (upto Dec., 1982)	
	Qty.	Value	Qty.	Value	Qty.	Value
	2	3	4	5	6	7
Australia	2110	98.72	2637	150.93	1075	67.33
Belgium	2713	115.58	6201	267.42	6599	306.06
Canada	749	35.65	490	23.71	455	34.58
China Rep.	33	2.91	19	1.76	--	--
China P. Rep.	25	1.07	51	4.82	--	--
France	1101	61.94	346	17.82	210	10.99
German F. Rep.	444	16.23	235	8.13	141	6.38
Hongkong	18	2.23	--	--	--	--
Italy	16	2.31	--	--	--	--

Qty. in Thousand kgs.  
Value in Rs. lakhs

	1	2	3	4	5	6	7
Japan	3008	94.20	3657	122.00	2194	78.22	
Netherlands	3084	121.68	481	24.26	458	19.67	
U.K.	29626	37.02	448	43.96	785	57.45	
U.S.A.	282	10.50	2309	115.09	2476	140.99	
New Zealand	79	3.03	322	14.19	231	18.33	
Afghanistan	8	0.33	—	—	—	—	
Others	—	—	41	1.70	37	3.27	
<b>Total :</b>	<b>43296</b>	<b>603.40</b>	<b>17637</b>	<b>795.79</b>	<b>14661</b>	<b>743.27</b>	

**Low Productivity and Overstaffing in Steel Authority of India Limited**

**7159. SHRI MOOL CHAND DAGA:** Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether low productivity and overstaffing are the twin ills from which Steel Authority of India Limited has been suffering since long; and

(b) if so, the actions taken in the past in this respect and the results achieved ?

THE MINISTER OF STATE IN THE DEPARTMENT OF STEEL (SHRI K. NATWAR SINGH) : (a) No, Sir. SAIL plants have not been able to operate at their rated capacities mainly because of constraints of adequate and the right quality of coking coal, deterioration in other raw materials, inadequate power supply, obsolete technology and aging of the plants.

(b) Efforts have been made to ensure adequate inputs and of the right quality, improvement in raw-materials, better maintenance and technological upgradation of the plants. Due to these efforts, SAIL plants have been able to improve their capacity utilisation as may be seen from the table given below :

*Saleable Steel*

(Million tonnes)

Year	Sail Including IISCO	% Capacity Fulfilment
1983-84	4.77	66
1984-85	5.28	73
1985-86 (Plan)	5.96	79

[Translation]

**Delhi-A Centre of Cow Smuggling**

**7160. DR. CHANDRASHEKHAR TRIPATHI :** Will the Minister of

(a) whether Delhi has turned into a big cow smuggling centre;

(b) whether Government propose to take any measures to put an end to this activity;

(c) if not, the reasons therefor; and

(d) if so, by what time ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Reports received by the Government do not indicate cows being smuggled in, or out of, the country through Delhi.

(b) to (d). Do not arise.

[English]

**Kerala's Contribution to Foreign Exchange Reserves**

**7161. PROF. P.J. KUREIN :** Will the Minister of FINANCE be pleased to state :

(a) the total annual contribution of Kerala towards the foreign exchange reserves, amount-wise and percentage-wise;

(b) how does it compare with other States;

(c) whether Kerala's contribution has gone up over the past years; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Presumably, the Hon'ble Member is referring to the foreign exchange earnings from exports and inward remittances. The statistics relating to earnings from exports and inward remittances are not compiled Statewise and hence it is not possible to assess the contribution of any state in the foreign exchange earnings of the country.

(b) to (d). Do not arise.

[*Translation*]

**Regional Rural Banks in U.P. and Amount Provided to Them by Central Government**

7162. DR. B.L. SHAIKESH : Will the Minister of FINANCE be pleased to state :

(a) the number of Regional Rural Banks in Uttar Pradesh and the amount provided by the Union Government to them ;

(b) whether there is any proposal for expansion of such banks ; and

(c) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) At present there are 38 Regional Rural Banks (RRBs) in Uttar Pradesh. In accordance with the provisions contained in Section 6 (2) of the Regional Rural Banks Act, 1976, the Central Government contributes fifty per cent of the issued capital which in case of each regional rural Bank is Rs. twenty five lakhs. The Central Government have subscribed Rs. 4.75 crores as their share to the equity of 38 Regional Rural Banks in Uttar Pradesh at the rate of Rs. 12.50 lakhs per regional rural bank.

(b) and (c). Expansion of the scheme of regional rural banks in the country is a continual process. Decision in this regard are taken on the basis of recommendations made by the Steering Committee on RRBs functioning in National Bank for agriculture and Rural Development (NABARD).

The Steering Committee has recommended establishment of two regional rural banks, one for two districts of Chamoli and Pauri Garhwal and the other for Saharanpur district. While the proposal for a RRB for Chamoli and Pauri Garhwal has been approved by the Government, the other proposal has yet to receive Government clearance.

[*English*]

**Applications Pending for Sanction of Loan by Nationalised Banks in States**

7163. SHRI MOHAN BHAI PATEL : Will the Minister of FINANCE be pleased to state :

(a) the number of applications pending with the nationalised banks as on 31st December, 1984 for sanctioning loan in each State ;

(b) for how long, these applications are pending ; and

(c) the steps being taken to grant loan to them ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). The data reporting system from banks does not generate data in the manner asked for.

**Import of Polyester Filament Yarn during 1982-83 to 1984-85**

7164. SHRI MOHANBHAI PATEL : Will the Minister of SUPPLY AND TEXTILES be pleased to state :

(a) the quantity of polyester filament yarn imported during the years 1982-83, 1983-84 and 1984-85 and the amount involved ;

(b) the details of import policy in respect of polyester filament yarn for the year 1985-86 ;

(c) through which agency it is being imported and how it is being distributed amongst the users ;

(d) the steps taken to produce polyester filament yarn this year in the country to save foreign exchange ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASEKHAR SINGH) : (a) Statement enclosed.

(b) and (c). The import of polyester Filament Yarn is allowed under OGL

subject to Actual Users conditions and Export Houses/Trading Houses against REP/Additional Licences as per the provisions of the import policy for sale to eligible Actual Users (Industrial) subject to Actual Users conditions. However, import of Polyester Filament Yarn excluding base flat-first quality (fully/partially oriented) is canalised through SIC and in such cases, the imported yarn is to be distributed as per the provisions of the import policy.

(b) Steps have been taken to approve capacity under scheme of re-endorsement of higher capacity on industrial licences on the basis of the best production of units in the preceding five years. The domestic availability of DMT required for the manufacture of Polyester Filament Yarn is expected to improve. Import of PTA, which is an alternative raw material for the manufacture of Polyester Filament Yarn, is allowed on OGL to actual users.

*Imports of Polyester Filament Yarn*

Year	Imports	
	Quantity (in tonnes)	Value (Rs. lakhs)
1982-83 (Provisional)	13,350	3105
1983-84 (Provisional)	6,202	1316
1984-85 (Estimated)	1,406	505

**Customs/Duty Relief Given to Peoples' Relief Committee Over Gifts Packets**

7165. SHRI BRIJAMOHAN MOHANTY : Will the Minister of FINANCE be pleased to state :

(a) the amount involved in customs duty relief given to the Peoples Relief Committee, Delhi over the gift packets received from London and other places to be distributed among the riot victims ;

(b) whether Government have any authentic information about the source of gift and if so, the details thereof ;

(c) whether Peoples' Relief Committee has disclosed the source of the gift and the identity of the authorised agency collecting gifts ; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) The amount of customs duty relief on gifts received by the Peoples' Relief Committee for distribution among the riot victims was to the tune of Rs. 59,500.

(b) The Government do not have any authentic information about the source of gifts received by the Peoples' Relief Committee.

(c) and (d). The Peoples' Relief Committee declared the source of gift as "Indian Committee abroad". The names of the consignors as per available records are : (i) Relief Committee, Middle—Sex U.K. (ii) J.M. Cargo, C/o Meera Chartering Limited, Bld. 521, Room No. 224 LHR, London. (iii) United Link Limited, Unit-6 Trident 1/EST, Black Thorne Road, Collonbrook Road A/c Central Eursora. Heathrow UK and (iv) Indian Community, Tehran (Iran) ; in India the delivery was taken by Shri K. Shreedharan, 7 Jantar Mantar Road, New Delhi, who was specifically authorised by the Committee to do so.

**New Jute Items for Export**

7166. PROF. RAMKRISHANA MORE : Will the Minister of SUPPLY AND TEXTILES be pleased to state :

(a) whether Jute industry has been asked to develop new items for exports ;

(b) if so, the details thereof ;

(c) which countries are likely markets for the export of new items of jute and to what extent these items are likely to earn foreign exchange ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEX-

**TILES (SHRI CHANDRASEKHAR SINGH) :** (a) Yes, Sir.

(b) and (c). Of the new product lines being developed to promote exports of jute goods, most important ones are the following :

1. Bulk pack (1 tonne) meant for West European countries ;
2. Experimental cotton bagging for USA ;
3. LJIRA Box Type Cover for cotton bales for USA ;
4. Light weight carpet backing cloth (5 OZ X 5 OZ) for USA ;
5. Development of lighter as well as PP/Jute blended bags for overseas markets ;
6. Jute decoratives for furnishing and apparel ;
7. Odourless 30 kg. rice bags meant for packing rice in Japan ;
8. Fine quality jute yarn for West European markets ; and
9. Carpet backing with twistless flat yarns.

It is too early to indicate the foreign exchange earnings from export of these non-traditional items as commercial production is dependent upon satisfactory field trials and consumer acceptance.

#### Upgradation of Seafood Quality for Export

7167. **SHRI RAMKRISHNA MORE :** Will the Minister of COMMERCE be pleased to state :

(a) whether a national level committee has been formed to upgrade seafood quality for export ; and

(b) if so, the details thereof ?

**THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) :** (a) and (b). An Expert Committee comprising representatives of Central Institute of Fisheries Technology, National Institute of Cholera and Enteric diseases, Marine Products Export Development Authority, Export Inspection Agency and Trade was constituted to examine the causes of incidence of cholera in shrimps and suggest preventive measures. The Committee has recommended use of chlorinated water for processing operations.

#### Scheme for Coal Transportation

7168. **PROF. RAMKRISHNA MORE :** Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether a scheme for coal transportation has been formulated to minimise dependence on the railways ; and

(b) if so, the details thereof stating the time in coal transportation and the expenditure likely to be reduced as a result thereof ?

**THE MINISTER OF STEEL MINES AND COAL (SHRI VASANT SATHE) :** (a) and (b). The Government has been considering the feasibility of transportation of coal in slurry form through a pipeline for use in power generation for quite some time to minimise dependence on railways. A group has been set up to advise on the preparation of feasibility report for an experimental short distance slurry transportation project and to conduct experiments. The Group has recommended that the demonstration coal slurry pipeline project should be established from New Majri Opencast mine to Chandrapur Thermal Power Station in Maharashtra. The project is in conceptual stage and other details will be available only when the project report is ready.

#### Performance of Indian Steel Plants

7169. **PROF. RAMKRISHNA MORE :** Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether the performance of Indian steel plants had deteriorated in the past decade ;

(b) if so, the reasons therefor ;

(c) whether production cost of steel in the country is much higher than in some other countries ; and

(d) if so, the steps being taken to reduce the production ?

THE MINISTER OF STATE IN THE DEPARTMENT OF STEEL (SHRI K. NATWAR SINGH) : (a) and (b). SAIL recorded a high production of 4.89 million tonnes of saleable steel and profits of Rs. 81.22 crores in 1976-77. In subsequent years, the production and profits showed declining trend till the declining production trend was reversed with a production of 5.16 million tonnes of saleable steel in 1981-82 and the highest ever production of 5.17 million tonnes in 1982-83. The declining trend of production had been on account of market constraints, deterioration in the quality of raw materials and inadequate supply of power.

The financial results, however, did not reflect the high production performance particularly of 1982-83 because during this period, the market was depressed and the main producers were not compensated for the increasing costs of inputs. After incurring losses in 1982-83 and 1983-84, SAIL will again start making profits from 1984-85.

(c) Production costs vary from plant to plant and country to country, cost data of steel plants in other countries is not available as this is classified information and is not published. However, the net realisations of the main producers in India compares favourably with the domestic selling prices in most of the advanced countries.

(d) Steps being taken to reduce the production costs include higher capacity utilisation, improvement in technological processes and better maintenance of economy in expenditure.

### Control of R. B. I. Over Functioning of Foreign Banks

7170. SHRI JAGANNATH PATTNAIK : Will the Minister of FINANCE be pleased to state :

(a) whether Reserve Bank of India exercises its control over the foreign bank functioning in India;

(b) whether there are some international rules of procedure to be followed in this regard; and

(c) if so, the details in this regard ?  
THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA P OJARY) :

(a) Yes, Sir.

(b) and (c). The control by the Reserve Bank of India over the foreign banks operating in India is essentially based on local Indian laws and practices. However, to bring about certain coordination and uniformity in practices of control and supervision of branches of foreign banking establishments by the various Central Banks, the Committee on Banking Regulations and Supervisory Practice, commonly known as BASLE COMMITTEE OF BANKS FOR INTERNATIONAL SETTLEMENT has set out certain principles such as :—

(i) Responsibility of parent monetary authorities with regard to the solvency of branches of foreign banks;

(ii) Authorisation procedures to be followed for entry of foreign banks;

(iii) Relations between the various monetary authorities of the countries;

(iv) Minimum capital stipulation for banks;

(v) Supervision of banks' foreign establishment particularly with regard to solvency and liquidity.

**Commissioning of Slurry Transportation in Chandrapur, Maharashtra**

7171. SHRI G. G. SWELL : Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether the first slurry transportation has been commissioned in Chandrapur, Maharashtra;

(b) the capacity of the plant; and

(c) whether it has worked to satisfaction ?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) :

(a) No, Sir.

(b) and (c). The Government of India has set up a Group to advise on preparation of the feasibility report for an experimental short distance slurry transportation project and to conduct experiments. The Group has recommended that the demonstration coal slurry pipeline project should be established from New Majri opencast Mine to Chandrapur Thermal Power Station, Maharashtra. The project is in conceptual stage.

**Branches of Nationalised Banks in Rural Areas of Maharashtra**

7172. SHRI R. M. BHOYE : Will the Minister of FINANCE be pleased to state ;

(a) the number of branches of nationalised banks so far opened in the rural areas of Maharashtra; and

(b) the names of the places selected for opening of such branches during the year 1985-86 in that State ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) As at the end of December 1984, there were 2042 branches of commercial banks functioning at rural centres in Maharashtra.

(b) The branch expansion policy for the Seventh Five Year Plan period is

being finalised. Opening of new branches of banks in Maharashtra during 1985-86 will be considered in the light of the new branch expansion policy.

**Fraud in Punjab and Sind Bank**

7173. SHRI KALI PRASAD PANDEY : Will the Minister of FINANCE be pleased to state :

(a) whether his attention has been drawn to a news item appeared in the 'Blitz' of 13 April, 1985 to the effect that Punjab and Sind Bank is heading for the biggest fraud in its history, running into anything between Rs. 20 crores and 30 crores and all in foreign dealings;

(b) if so, the details thereof;

(c) whether Government have taken into consideration the report submitted by the Senior Manager, Inspection of the Bank regarding the fraud; and

(d) if so, the action taken or proposed to be taken in the matter ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (d). The Government has seen the news item. The bank has already taken suitable action. The Reserve Bank of India is also following it up.

**Procurement of Iron Ore by MMTC from Orissa to Steel Mills in Sixth Plan Period**

7174. SHRIMATI JAYANTI PATNAIK : Will the Minister of COMMERCE be pleased to state :

(a) the total tonnes of iron Ore procured by Minerals and Metals Trading Corporation from Orissa Mining Corporation and the mine-owners of Orissa for supply of steel mills during the Sixth Plan period (year-wise);

(b) whether the procurement of iron ore by MMTC for supply to steel mills from OMC and mine owners from Orissa has declined sharply from 1983-84;



(c) if so, the reasons therefor; and

(d) the steps taken to persuade steel mills to increase the off-take of iron ore provided by MMTC from Orissa mines ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH): (a) The details of iron ore procured by MMTC from Orissa Mining Corporation and mincowners of Orissa for supply to steel mills during Sixth Plan period (year-wise) are as under :

Year	Sixth Plan period	Quantity (lakh tonnes)
1980-81	1st Year	11.22
1981-82	2nd Year	10.84
1982-83	3rd Year	10.30
1983-84	4th Year	3.24
1984-85	5th Year	8.84

(b) and (c). Indigenous steel plants primarily meet their requirement of iron ore from their captive mines. Iron ore procured by them through the MMTC is only to meet the shortfalls in supply from their captive mines. The lower offtake from MMTC by indigenous steel plants during 1983-84 is attributed to certain limitations arising due to low capacity utilization, higher inventories etc.

(d) Due to increased demand for iron ore by indigenous steel plants, the quantity procured by them in 1984-85 has been more than double the quantity procured in 1983-84.

**Export of Iron-Ore Procured from Barbila Barajmada Sector**

7175. SHRIMATI JAYANTI PATNAIK : Will the Minister of COMMERCE be pleased to state :

(a) the names of the countries to which iron ore procured from Barbila-Barajmada sector is proposed to be exported ;

(b) the quantum of iron ore proposed to be exported to those countries in 1985-86;

(c) whether some other countries are willing to buy iron ore available in Barbil Barajmada sector;

(d) if so, the steps taken to increase the export of iron ore procured from Barbil-Barajmada sector to different countries; and

(e) the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH): (a) and (d). The major buyers of iron ore procured from Barbil Barajmada sector and exported through Paradip port are Japan, South Korea, Rumania and G. D. R. A quantity of 2.3 million tonnes is proposed to be exported to different countries from Paradip port during 1985-86.

(c) to (e). Sale contracts for shipments of 2 lakhs tonnes of iron ore from Paradip port to China during 1985-86 have been finalised. Possibilities for shipment of iron ore to Malaysia are being explored. As a result of these efforts, the iron ore exports from this sector during 1985-86 are expected to be at the level of 2.3 million tonnes as against 1.6 million tonnes during the preceding year.

**Opening of Branches of Commercial Banks in Pithoragarh District, U.P.**

7176. SHRI HARISH RAWAT : Will the Minister of FINANCE be pleased to state :

(a) the number of branches opened by various commercial banks in Pithoragarh district of Uttar Pradesh during the year 1984-85 as also the number of the branches proposed to be opened there during the year 1985-86;

(b) whether he is aware that sixty per cent area and about fifty per cent population of this district is still not served by banks; and

(c) if so, the number of the branches proposed to be opened every year in this district with a view to bring about improvement in this situation ?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :** (a) to (c). During the period from 1st April 1984 to 28th February 1985, the commercial banks have not opened any branch in Pithoragarh District. The branch licensing policy for the years 1985-90 is being finalised. Pending finalisation of the new policy it would not be possible to indicate the number of bank branches that would be allowed to be opened in the District Pithoragarh. However, banks are currently holding 5 authorisations for opening branches in the District.

The branch licensing policy of the Reserve Bank of India for the period April 1982 to March 1985 aimed at achieving a coverage of one bank office for every 17000 population in rural and semi-urban areas in each district. Relevant figures for Pithoragarh District are set out below :—

Population (All rural/semi-urban)	4,80,000
Number of bank branches functioning as on 31-12-1984	24
Number of authorisations pending with banks for opening branches	5
Average Rural/Semi-urban Population per rural/semi-urban branch.	20,000
Estimated Rural/Semi urban Population per rural/Semi-urban branch after utilisation of pending authorisations.	17,000

#### **Finalisation of Branch Licensing Policy By RBI**

**7177. SHRI HARISH RAWAT :** Will the Minister of FINANCE be pleased to state :

(a) whether branch licensing policy in regard to opening of branches by the banks during the Seventh Plan period has since been finalised by the Reserve Bank of India;

(b) if not, the time by which it is likely to be finalised;

(c) whether proposals for opening branches of various banks in Uttar Pradesh are pending with the Reserve Bank of India;

(d) if so, the total number of proposals in regard to opening of banks branches in Almora and Pithoragarh district pending with it; and

(e) the time by which the branches are likely to be opened at all the proposed places ?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :** (a) and (b). The branch licensing policy for the Seventh Five Year Plan period is expected to be finalised shortly.

(c) to (e). The question of opening bank offices in Uttar Pradesh will be considered in the light of the new policy. Authorisations for opening branches at 1449 centres in Uttar Pradesh are, however, pending with various banks. The above figure includes 11 and 5 authorisations pending with banks for centres in Almora and Pithoragarh Districts respectively. The concerned banks have been advised to open the offices at these centres as early as possible.

#### **Discovery of Tungston and Dolomite Deposits in Almora District of Uttar Pradesh**

**7178. SHRI HARISH RAWAT :** Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) the extent to which tungsten and dolomite deposits are likely to be found in Almora district of Uttar Pradesh;

(b) whether survey regarding these metals/minerals is being carried out by an undertaking of the State Government for a long time;

(c) if so, whether it has not been possible to conduct speedy and extensive explorations for want of modern devices; and

(d) whether the survey work of these minerals in this district will be entrusted to the Mineral Exploration Corporation?

**THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) :**

(a) Geological Survey of India and Directorate of Geology and Mining, Uttar Pradesh are carrying out survey for Tungsten deposits in some parts of Almora district and assessing the potential of these deposits. No significant dolomite deposits have been located so far in this district.

(b) No, Sir.

(c) Does not arise.

(d) At present, there is no proposal to entrust survey work in the District to Mineral Exploration Corporation.

**Setting up of Regional Rural Banks in Districts of Uttar Pradesh**

7179. **SHRI HARISH RAWAT :** Will the Minister of FINANCE be pleased to state :

(a) whether the names of those districts in Uttar Pradesh which have been selected where Government propose to set up Regional Rural Banks during the Seventh Five Year Plan period;

(b) if so, the time by which these banks will be set up and the names of the places where these are proposed to be set up; and

(c) whether the proposed Regional Rural Banks will be sponsored by the lead bank of the respective district?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :** (a) to (c). The establishment of new regional rural banks is a continuous process and the proposals at first stage are cleared by a Steering Committee of NABARD. No specific districts have been selected for being covered by regional rural banks during the Seventh Plan period.

The Government have approved a proposal for setting up of a new Regional Rural Bank covering Chamoli and Pauri Garhwal districts of Uttar Pradesh during the year 1985-86. There is one more proposal received from NABARD regarding setting up of a Regional Rural Bank at Saharanpur. The Government have yet to take a decision in the matter.

The regional rural bank for Chamoli and Pauri Garhwal districts has been sponsored by the State Bank of India which is the lead bank for these districts. The proposal for Saharanpur Regional Rural Bank has been sponsored by Punjab National Bank the Lead Bank for district of Saharanpur.

**Shifting of Bombay Customs Store**

7180. **SHRI CHINTAMANI JENA :** Will the Minister of FINANCE be pleased to state :

(a) whether the Customs Department, Bombay have received a number of proposals from Government Departments and private companies offering suitable space where Customs stores can be shifted; and

(b) if so, the details of the proposals received and the reasons for the delay in finalising the proposals?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI**

JANARDHANA POOJARY) : (a) No proposal has been received by the Collector of Customs, Bombay from any Government Department, offering space for storage of customs goods. Three proposals for hiring of alternative warehouses were however received from private companies.

(b) Of the proposals received from private parties, one is of J.Mr.C. If and Cold Storage, Sone Guruji Marg, Arthur Road Jail, Chinchpokli, Bombay offering an area of 20350.86 sq. feet only where an ice factory is currently functioning, another proposal of approximately 27 000 sq. ft. only has been received from M/s. Phoenix Mills Ltd., Bombay. None of the two proposals meet the department's requirements viz 40,000 sq. ft. area, the likely rent is also much higher than being paid by the Department presently. A third proposal received from an old textile mill was found unsuitable from the point of security and approachability. These proposals cannot therefore, be accepted being inadequate, unsuitable and uneconomic

#### **Educated Youth Benefited by State Bank of India**

7181. SHRI CHINTAMANI JENA : Will the Minister of FINANCE be pleased to state :

(a) the number of educated youth benefited till date by the State Bank of India under the ERRP and IRD Schemes in the country, particularly in Orissa;

(b) the steps being taken to implement self-employment scheme and provide loans to the unemployed educated youth in the country by nationalised banks, particularly by State Bank of India; and

(c) whether any instructions have been issued by the Reserve Bank of India to liberalise the sanctioning of these loans?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The data reporting system of banks does not yield the information relating to the number of 'Educated Youth' benefited as a separate category under these schemes. However, the number of beneficiaries assisted by State Bank of India under Integrated Rural Development Programme (IRDP) all over India during the Sixth Plan period upto December, 1984 was 15.63 lakhs involving assistance amounting to Rs. 358 crores. The number of beneficiaries under IRDP assisted by State Bank of India in Orissa during the same period was 1.14 lakhs involving assistance amounting to Rs. 20.48 crores. Under the ERRP Scheme 33963 beneficiaries have been assisted in the State of Orissa by the State Bank of India involving assistance amounting to Rs. 5.72 crores as on 31-12-1984.

(b) Under the Scheme for providing employment to educated unemployed youth commercial banks had sanctioned 242405 applications involving an amount of Rs. 401.54 crores during 1983-84. Of these in the State of Orissa commercial banks had sanctioned 6823 applications involving an amount of Rs 13.69 crores. For the year 1984-85, as per the latest reports, commercial banks have sanctioned 209364 applications involving an amount of Rs. 246.75 crores. In Orissa during 1984-85, as per the latest reports, commercial banks have sanctioned 7097 applications.

(c) Instructions liberalising margin money and security norms for small loans already exist.

#### **Performance of Export Promotion Councils**

7182. SHRI SOMNATH RATH : Will the Minister of COMMERCE be pleased to state :

(a) the main objectives of those Export Promotion Councils set up in the country;

(b) the performances of those Export Promotion Council in the last three years; and

(c) the details thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) : (a) The main objectives of Export Promotion Councils are to

support, protect, maintain, increase and promote the exports of the specific commodities allocated to them, by undertaking promotional activities like market studies abroad, sending trade delegations, undertaking regular publicity, collecting and disseminating all relevant statistical and other information, opening foreign offices etc.

(b) and (c). A statement is attached.

## Statement

(Rs. in crores)

S.No.	Name of the Export Promotion Council	Performance during the last three years			Remarks
		1981-82	1982-83	1983-84	
1	2	3	4	5	6
1.	Apparals Export Promotion Council, New Delhi.	669.80	629.25 (Prov.)	734.62 (Prov.)	
2.	Handloom Export Promotion Council, Madras.	374.02	330.88 "	309.30 "	
3.	Cotton Textiles Export Promotion Council, Bombay.	286.18	314.22 "	318.84 "	
4.	Processed Foods Export Promotion Council, New Delhi.	314.27	250.94 "	203.26 "	
5.	Shellac Export Promotion Council, Calcutta.	15.66	13.04 "	13.61 "	
6.	Silk and Rayon Textiles Export Promotion Council, Bombay.	40.31	57.69 "	57.02 "	
7.	Basic Chemicals and Pharmaceuticals and Cosmetics Export Promotion Council, Bombay.	378.52	308.56 "	411.88 "	

1	2	3	4	5	6
8.	Chemicals and Allied Products Export Promotion Council, Calcutta.	201.03	231.96 (Prov.)	235.50 (Prov.)	
9.	Plastics and Linolaums Export Production Council, Bombay.	61.91	62.65 "	51.36 "	
10.	Council for Leather Exports, Madras.	415.04	399.91 "	436.04 "	Set up in 1984 by merging the two erstwhile leather Councils formed in 1956 and 1963.
11.	Sports Goods Export Promotion Council, Delhi.	29.89	29.46 "	28.84 "	
12.	Gem and Jewellery Export Promotion Council, Bombay.	820.83	1028.55 "	1324.45 "	
13.	Carpet Export Promotion Council, NOIDA Ghaziabad.	—	163.86 "	147.70 "	The Council was set up in February, 1982 under Companies Act, 1956.
14.	Wool and Woollen Export Promotion Council, New Delhi.	119.46	91.02 "	67.15 "	
15.	Spices Export Promotion Council, Cochin.	52.14	76.29 "	106.19 "	
16.	Cashew Export Promotion Council, Cochin.	189.13	140.00 "	149.47 "	
17.	Engineering Export Promotion Council, Calcutta.	1047.00	1250.00 "	1170.00 "	

1	2	3	4	5	6
18.	Overseas Construction Council of India Bombay.	—	—	—	The Council has been set up in March 1984.
19.	Indian Silk Export Promotion Council, Bombay.	—	—	109.16 (Prov.)	The Council was set up in June, 1983. During 1983-84 Export Promotion of Silk items were handled by Central Silk Board on behalf of Indian Silk Export Promotion Council which was declared as registering authority with effect from 1-4-1984.



**Survey Conducted to Find Mineral Deposits in Orissa**

7183. SHRI SOMNATH RATH :  
Will the Minister of STEEL,  
MINES AND COAL be pleased to  
state :

(a) the names of districts surveyed  
in Orissa to find mineral deposits;

(b) the extent of different mineral  
deposits discovered in these districts;

(c) when the last survey was con-  
ducted; and

(d) the details of the result of the  
survey ?

THE MINISTER OF STEEL, MINES  
AND COAL (SHRI VASANT SATHE) :

(a) Mineral surveys have been carried  
out from time to time in all the districts  
of Orissa.

(b) The significant deposits of  
major minerals found in the various  
districts of Orissa and under their  
estimated reserves are as follows :

(In million tonnes)

Name of the Mineral	District	Estimated Reserves
1	2	3
Coal	Dhenkanal	4,013.98
	Sambalpur	4,307.81
Iron Ore (Hematite)	Cuttack	9.70
	Dhenkanal	1.40
	Keonjhar	1,453.29
	Koraput	2.65
	Mayurbhanj	15.99
	Sambalpur	50.00
	Sundargarh	827.10
	Sundargarh and Keonjhar	763.74
Manganese Ore	Keonjhar	27.845
	Koraput	0.438
	Bolangir	0.581
	Sambalpur	0.120
	Sundargarh	4.438
Nickel Ore	Cuttack	141.791
	Mayurbhanj	10.500
	Keonjhar	7.790
Chromite	Cuttack	128.196
	Dhenkanal	0.689
	Keonjhar	2.603
Limestone	Koraput	255.82
	Sundargarh	570.90
	Sambalpur	13.96

1	2	3
Dolomite	Sundargarh	539.192
	Koraput	75.000
	Sambalpur	54.125
Copper Ore	Mayurbhanj	1.66
Lead Ore	Sundergarh	2.63
Bauxite	Sambalpur and	
	Bolangir	216.074
	Keonjhar	10.000
	Kalahandi and	
	Koraput	1,357.334
	Phulabani	18.000
	Sundargarh	0.065
Sillimanite (Beach sand)	Ganjam	7.901
Graphite	Sambalpur	0.125
	Bolangir	0.083
	Phulabani	0.193
	Kalahandi	0.006
Vanadiferous	Mayurbhanj	4.05
Magnetite	Keonjhar and Balasore	1.20
Tin Ore	Koraput	(Reserves not yet estimate)

(c) and (d). Geological Survey is a continuous process. The results of the survey have been given in the reply to part (b) of the question.

**Discovery of Graphite in Orissa**

7184. SHRI SOMNATH RATH : Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) the names of the districts in Orissa where graphite mines are located ;

(b) the quantity of graphite reserves found in those districts ; and

(c) the details of the steps taken for the proper exploitation of graphite are found in these districts ?

**THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) :**

(a) and (b). The District where graphite mines are located in Orissa and the reserves of graphite in these districts are given below :

Estimated Reserves of graphite (in Million tonnes)	District
0.125	Sambalpur
0.083	Bolangir
0.193	Phulbani
0.006	Kalahandi

(c) Graphite is already being mined by private entrepreneur.

**World Bank's Credit for Promoting Indian Export**

**7185. SHRI SATYENDRA NARAYAN SINHA :** Will the Minister of FINANCE be pleased to state :

(a) whether World Bank has agreed to extend credit for promoting Indian exports ;

(b) if so, the details of the loan ;

(c) whether a World Bank team visited this country to identify the Export industries to be aided by the Bank ; and

(d) whether the Bank help would not be negotiated by the further protectionist measures by the U.S. Government ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (d). Discussions are in progress with the World Bank for possible assistance for an Industrial Export Project to enhance exportability of selected products.

**Increase in Overdrafts by States Beyond the Ceiling Set by Reserve Banks**

**7186. SHRI SATYENDRA NARYAN SINHA :** Will the Minister of FINANCE be pleased to state :

(a) whether several States recently had increased their overdraft on the Reserve Bank beyond the ceiling set for them ;

(b) whether, as result, payments of their cheques was stopped ;

(c) if so, whether this affected their ways and means position ; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). No, Sir. Only two States had crossed the

overdraft limit set for them and as the excess overdraft continued for more than seven working days the R.B.I. stopped payment on their account for a day each in February and April , 1985.

(c) As receipts were accepted on behalf of State Governments and expenditure alone was not allowed on the day payments were stopped, the ways and means position of the States improved.

(d) The overdrafts of the two States went below the prescribed ceilings on account of this improvement enabling R.B.I. to lift the suspension of payments on behalf of these two States on the next day.

**Instructions of RBI Regarding Earmarking of Funds for Rural Development Programmes**

**7187. SHRI GIRIDHAR GOMANGO :** Will the Minister of FINANCE be pleased to state :

(a) the guidelines issued by his Ministry to the Reserve Bank and the nationalised banks regarding earmarking of funds and priority for releasing the loan component for different rural development programmes ;

(b) whether the Reserve Bank also issued the instructions to the banks regarding the policy of Government for rural development and the role to be played by them to help the poorer sections of the society ;

(c) if so, whether the instructions have been sent to all the branches of nationalised banks for their reference and implementations ; and

(d) the reasons for delay in assisting the people by banks particularly in rural development programme ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b) Government have asked the banks to accelerated the tempo of credit

deployment, in rural development programme. As per Reserve Bank of India's instructions, commercial banks are required to achieve a credit deposit ratio of at least 60% in rural and semi-urban branches under the Integrated Rural Development Programme; a target of Rs. 3000 crores term credit had been set before commercial and cooperative banks for the Sixth Plan period.

(c) Reserve Bank of India issues instructions to the Head Offices of all commercial banks and these instructions are circulated by them to their branches all over the country for their reference and implementation.

(d) As per available information banks have actively involved themselves in providing adequate flow of credit for rural development programmes. Under the Integrated Rural Development Programmes the total term credit disbursed during 1982-83 and 1983-84 has been Rs. 713.98 crores and Rs. 773.51 crores respectively as against an annual target of Rs. 600 crores set for the Sixth Plan period.

**Policy Regarding Employment and Other Related Matters by Public Sector Undertakings in Tribal and Backward Areas**

7188. SHRI GIRIDHAR GOMANGO : Will the Minister of FINANCE be pleased to state :

(a) the reasons for not changing the policy regarding the employment and other related matters of Public Sector Undertakings by the Bureau of Public Enterprises ;

(b) when it was framed and announced by the B.P.E ;

(c) whether his Ministry is aware that the existing policy is in general not specific for Tribal and Backward areas ;

(d) if so, whether the B.P.E. will be directed to change the policy to achieve the aims and objectives of the projects established in tribal and backward areas of the country ;

(e) if so, when such policy will be framed ? and

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Instructions regarding employment in the public sector undertakings and other allied matter are reviewed and modified, whenever necessary, by the Bureau of Public Enterprises from time to time.

(b) A note on the recruitment policy in the public sector projects was laid on the Table of the Lok Sabha in 14th April, 1961 and that was before the Bureau of Public Enterprises was constituted in 1965. According to latest instructions issued in March 1984 by the Bureau of Public Enterprises, recruitment to posts in public sector enterprises carrying payscales, the maximum of which does not exceed Rs. 800 per month (per-revised) or Rs. 1250 per month (where pay scales have been revised since 1982) for those enterprises which are following the industrial rates of Dearness Allowance, has to be made through the National Employment Service.

Employment of local people. Scheduled Castes/Scheduled Tribes and persons displaced from the areas acquired for the projects, are to be given over-riding priority in the matter of employment. Further, subject to techno-economic considerations, the policy of the Government is to give preference to the location of the industrial projects in backward areas.

(c) to (e). The policy of the Government is to encourage the employment of local persons where the public enterprises/projects are located. At the same time, reservation of posts for Scheduled Castes/Scheduled Tribes has been laid down. Employment opportunities to persons living in tribal and backward areas are thus available as and when the public sector projects are or get located in such areas. In the context of the overall unemployment situation in the country, no change in the existing policy is contemplated at present.

**Proposal to Enter into Agreement with Soviet Union for Import of High Quality Coking Coal**

7189. DR. G. S. RAJHANS : Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether there is a proposal under the consideration of Government to enter into a long term agreement with the Soviet Union for import of high quality coking coal for its steel plants ;

(b) if so, whether any discussion with the Soviet Government has been held recently in this connection ; and

(c) if so, the details thereof and when a final agreement is likely to be reached ?

THE MINISTER OF STATE IN THE DEPARTMENT OF STEEL (SHRI K. NATWAR SINGH) (a) to (c). At the Indo-Soviet Joint Commission meeting held in Moscow from 26th to 29th April, 1985, a request was made to USSR to consider the possibilities of exporting coking coal to India. The Soviet side agreed to consider this possibility from a period beyond 1990.

**Raising of Funds for Agriculture by Commercial Banks**

7190. SHRIMATI KISHORI SINHA : Will the Minister of FINANCE : be pleased to state :

(a) Whether the Reserve Bank of India has instructed the commercial banks to raise the percentage of their funds allotted to agriculture for the year 1985-86 ; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). Reserve Bank of India has advised the commercial banks to raise the percentage of their direct finance to agriculture (including allied activities) to at least 16% of the total bank credit by the end of March, 1987.

**Proposal to Entrust Canalisation of Steel Imports to MMTC**

7191. SHRIMATI KISHORI SINHA : Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether his attention has been drawn to news reports in the 'Economic Times' of April 25, 1985 stating that entrusting canalisation of steel imports to the Minerals and Metals Trading Corporation instead of the Steel Authority of India Limited will adversely affect consumer interests ;

(b) if so, the details thereof ?

(c) whether SAIL is equipped to handle steel imports better than MMTC ; and

(d) the role of controller of iron and steel in deciding quantity of steel import and its distribution in case MMTC makes the imports ?

THE MINISTER OF STATE IN THE DEPARTMENT OF STEEL (SHRI K. NATWAR SINGH) : (a) to (c). Yes Sir. The change of canalising agency has been brought about on the principle that a manufacturer should not also be the canalising agency. It is expected that consumer interests will not be adversely affected on account of this change.

(d) The Iron and Steel Controller will continue to play an important role in the processing of import clearances. Imported steel is not distributed by him.

**UK's Offer to Get the Global Trade Negotiations Reopened**

7192. SHRIMATI KISHORI SINHA : Will the Minister of COMMERCE be pleased to state :

(a) whether the British Overseas Development Minister met him recently at New Delhi ;

(b) whether U.K. offered its intervention to get the global trade negotiations reopened ; and

(c) if so, Government's reaction thereto ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) : (a) Yes, Sir.

(b) and (c). The discussions mainly covered bilateral economic matters. No proposal regarding global trade negotiations was made during the discussions.

**Transfer Policy of State Bank of India**

7193. SHRI GANGA RAM :  
DR. V. VENKATESH :

Will the Minister of FINANCE be pleased to refer to the reply given to parts (c), (d) and (e) of Unstarred Question No. 4643 on 25 March, 1983 regarding J. M. G. scale I officers in Delhi/New Delhi branches of State Bank of India and state;

(a) whether a copy of the transfer policy in State Bank of India with date of its formulation be placed on the Table of the House;

(b) the reasons why all the office bearers of the State Bank of India Scheduled Caste/Scheduled Tribes Employees' Association were transferred out of Delhi indiscriminately in 1982; and

(c) whether they will be transferred back to Delhi in pursuance of above instructions ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) A copy of the State Bank of India transfer policy is attached.

(b) According to the State Bank of India transfers were made in accordance with the transfer policy and there was no discrimination against SC/ST employees.

(c) The bank has reported that SC/ST employees will be transferred back to Delhi/New Delhi as per the transfer policy alongwith the general category employees.

ANNEXE

PER NO. 66 OF 1983

MEMORANDUM

TO

ALL THE BRANCHES/  
OFFICES IN DELHI  
CIRCLE

FROM :

PERSONNEL DEPARTMENT,  
STATE BANK OF INDIA,  
NEW DELHI LHO

DATED : 3rd March, 1983  
12th Phgn. 1904 (S)

STAFF : Supervising Circle Negotiating Council Meeting Transfer Policy

A meeting of the Circle Negotiating Council was held at this office on the 3rd November, 1982, with the representatives of the State Bank of India Supervising staff Association (Delhi Circle). Besides other matters, the important issue for discussion on Agenda was the formulation of Circle Transfer Policy in respect of Supervising Staff. After prolonged deliberations a consensus on the Transfer policy, applicable to officers in the Junior Management Grade and

Middle Management Grade Scale-II level was reached. A copy of the Transfer Policy, agreed with the Supervising Staff Association, is enclosed.

2. Please bring the contents of this circular to the notice of all the members of Supervising Staff at your Branch/Office.

G. KATHURIA

GENERAL MANAGER (PLANNING)  
INDEX

C. Circle Negotiating Council Meeting-Transfer Policy Staff Supervising

S. Staff Supervising—Circle Negotiating Council Meeting Transfer Policy

T. Transfer Policy—Staff Supervising—Circle Negotiating Council Meeting.

view to provide opportunity for further improvement of needed skills.

(d) To ensure periodical turn over of officials as a safeguard against stagnation in job rotation.

**STAFF : Supervising Transfer Policy**

1.1 "Transfer" would mean the movement from one station to another whether or not it involves a change in the position : Change of Branch/Office without any change in station would not be termed as 'Transfer'.

(e) The branch expansion has been concentrated in semi-urban/rural areas, especially after the setting up of Regional Offices, where admittedly the educational, health or entertainment facilities are not available in full measure. This is the problem that should be faced equally by all officials. It will, therefore, have to be clearly appreciated and accepted that majority of the officials will have to face these problems on a couple of occasions in their career.

1.2 The transfer policy would cover all officers in Junior Management Grade Scale-I and Middle Management Grade Scale-II.

1.3 The transfers/postings are necessitated for the following reasons :—

(f) In addition to above, the transfers serve the interest of individuals as these provide opportunities for career development in line with officials' specific aptitude or skills.

(a) To provide for adequate on the job training to officials to enable them to develop needed skills for performance of the various jobs.

(b) To man new branches/divisions and to cope with the increase in Bank's business.

2.1 As far as possible the following minimum and maximum period of retention of an official in any particular assignment/responsibility level should be followed :—

(c) Unsatisfactory performance in any particular assignment and with a

	Minimum period of retention in any one position at the same office	Max. period of retention
<b>POSITIONS</b>		
Passing officers (i.e. positions below the level of Accountants, Field officers and Dy. Managers)	1 year	3 years
Field Officers, Accountants, Dy. Managers	1 year	3 years
Managers of Divisions, Branch Managers and positions in controlling offices	2 years	3 years
Head Cashiers	3 years	5 years

2.2 Exceptions to the above stipulations would be permitted only where these become unavoidable.

2.3 The actual period of retention/stay will, however, be determined depending upon the number of vacancies in the respective positions.

3.1 There are certain 'difficult' centres in the area covered by this Circle in terms of educational facilities, medical aid, housing accommodation, availability of drinking water, transport facilities etc. This total maximum and minimum period of retention of an official in any position at a difficult centre will be 2 years. While the list of difficult centres will be finalised mutually, it has been agreed that the stay at all branches/offices in the 4 districts of Garhwal viz Tehri, Pauri, Uttarkashi and Chamoli will be 2 years.

3.2 At other centres (excluding those mentioned in para 3.1 and also excluding centres in the periphery of Delhi mentioned in para 3.3) the stay will be 3 years.

3.3 At the places in the periphery of Delhi mentioned below, the stay will be 5 years except for those officers, who are presently posted at these places, the stay will be 4 years :

#### HARYANA

Palwal, Ballabgarh, Faridabad, Sonapat, Bahalgarh, Halalpur Kharkhoda, Rai, Badshahpur, Dundahera, Gurgaon.

(For Firozpur Jhirkha, Manosar, Nuh, Pinangaon, Rajka-Moo, Ujina and Hathin stay will be 3 years)  
U.P.

Ghaziabad, Loni, AF Station, Hindon, Maharajpur and Noida (Stay at Hapur, Muradnagar, Dibai, Anoopshahr, Sikan-drabad, Newari, Bulandshahr, Barola, Bilsuri, Dasna, Dadri, Dankaur, Gulaothi, Govindpuri, Jhajhar, Jahangirabad, Jargaon, Kakore Khurja, Medinagar, Narora, Pilkhua, Siani, Jarauli, Jewar will be 3 years)

3.4 All new promotees on promotion should be given the change of 'station', those who are promoted from Delhi/New Delhi will be transferred to places outside Delhi/New Delhi without exception, to facilitate repatriation of those who have completed their stay as per agreed norms. Except those covered under para IV of placement policy, the officers promoted from Regional Offices (other than Delhi/New Delhi) can be retained in the areas of operation of the respective Regional Office to the extent of available vacancies. However, each one should be given change, at least of district.

3.5 For consideration of transfer on compassionate grounds broadly the following criteria should be followed :

- (a) The compassion should be considered only in respect of 'family members' of the officers, i. e. officer himself spouse and children. Where the officer is the only child of his parents or the only male child, his parents should also be considered as member of the family for this purpose.
- (b) The grounds of compassion should pertain to a period subsequent to the date of promotion/transfer.
- (c) In case of illness of any member of officer's family, the request for transfer to a place (other than Delhi/New Delhi) where hospital facilities are available, should be considered only when continuous hospitalisation beyond 6 months is required. The request for transfer to Delhi/New Delhi should be considered when the treatment is not available outside.
- (d) If husband and wife are working in the Bank they will be posted at the station where both can be accommodated. This will, however, be subject to Bank's discretion.



- (e) No consideration on account of working spouse will be given in the case of new appointees/promotees. In other words their allocation will be made as per policy.

### PLACEMENT POLICY

- (i) As a matter of principle/policy all the officers are required to be posted at "difficult" centres followed by "inconvenient" and at other centres according to age. The younger officials may be posted at more difficult places. The officers joining the grade of JMGS-I through the medium of Trainee Officer/Probationary Officer should be posted at places other than Delhi/New Delhi as is applicable in the case of new promotees.
- (ii) None of the new promotees/officers confirmed as JMGS-I through the medium of T. Os. P.Os. should be posted at any of the administrative offices unless they have completed at least 2 years' stay in branches. For filling up positions of MMGS-II at Administrative Offices, normally officers who have been promoted as such or have become due or those who belong to the next senior most batch of JMGS-I and have performed duties as Branch Managers/Managers of Divisions should be posted, exception should be permitted in rare cases and that too when an officer has performed duties for a period of about 2 years as Accountant/Field Officer.
- (iii) A list of officers of long stay of those officers who have put in 5 years or more stay in Delhi/New Delhi should be prepared as on 1st January each year and the movement of the officers from this list
- vacancies in the areas of operations of Jaipur and Dehradun Regional Offices (inclusive of those who have been repatriated), these officers should be transferred in the month of March/April each year. This will minimise the inconvenience to officers who would be prepared for movement to other stations on transfer. Similarly, the Personnel Department at Local Head Office will arrange their work in such a manner that new promotees to the grade of JMGS-I (Accounts and Cash Department Wings) are available by the end of March each year so that the timing of transfers more or less coincides with the commencement of academic year.
- (iv) It is clarified here that at each Regional Office, the officials available amongst promotees from their areas and those allocated from amongst those promoted from Delhi/New Delhi are listed together in age order and the youngest should be posted to the most difficult place and so on. Alternatively, the promotees from Regional Office branches should be posted to difficult places and the remaining positions filled up in age order from amongst those transferred from other centres.
- (v) Lady officials should normally be posted at district headquarters centres only.
- (vi) Officers above 55 years of age should normally be transferred to one of the stations of their choice. For this purpose, three preferences will be furnished by the concerned officer and keeping in view the administrative requirement, he will be posted accordingly.
- (vii) A list of officers in long stay

respect of branches in Haryana which have not been clubbed with Delhi/New Delhi for this purpose. A few officers from this list will be transferred to Jaipur Regional Office depending upon available surplus.

- (viii) For the purpose of repatriation of officers, who complete the stipulated stay, to Delhi/New Delhi parent Regional Office, officers will be asked to give option 6 months before completion of their stay. Endeavour will be made to repatriate officers who opt out as soon as new promotees/appointees are available. In respect of officers who are transferred from one Regional office to other Regional Office establishment, they should give their preferences when they are due for repatriation.

**EXPLANATION :** For the purpose of computing period of stay at a station, the period of leave including sick leave availed of in excess of one month per year will not be reckoned.

- (ix) Officers being given change of district should be placed at such a station on transfer from where they can not commute daily. They should invariably shift permanently to their new places of posting. It may also be clarified that these officers will eligible for repatriation only when they permanently shift to the place of posting.
- (x) In respect of the positions categorised as MMGS-II, the promotes/expected promotees/officers in the next batch of seniority out of long stay should be transferred to other Regional offices to the extent of vacancies; others to be deployed locally. For the purposes of long stay in Delhi/New Delhi, the total stay of an officer (including

his stay as JMGS-I) will be taken into consideration. Thus, those MMGS-II who have put in 5 years stay as such locally, may also be transferred out on the basis of their stay.

- (xi) For meeting requirements of officers in the Regional Offices of Jaipur and Dehradun, requirements of experienced officers will be worked out by the end of December of previous year. The total requirement thus worked out will be partially met from amongst those posted in the areas of operation of respective Regional Offices, 50% of the remaining requirement both for Jaipur and Dehradun Regional Offices will be met by transferring officers from Delhi/New Delhi, and the balance requirement in case of Dehradun Regional Office will be met by transferring officers in the long stay list Meerut and that of Jaipur from long stay list of officers from Agra Regional Office.

#### Transfer of Employees of Nationalised Banks

7194. SHRI GANGA RAM :  
SHRI SIDHA LAL MURMU :  
DR. V. VENKATESH :

Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No. 7426 on 15 April, 1983 regarding guidelines to nationalised banks regarding transfer of employees and state :

(a) the total number of employees including officers, category-wise, who have not been transferred outside Delhi/New Delhi even though they have remained posted in the branches/offices of the State Bank of India in Delhi/New Delhi for more than five years;

(b) whether all JMG. Scale—I Officers belonging to SC/ST who were

selected after a written test and interview were transferred out of Delhi in 1982 and have not yet been transferred back here; and

(c) if so, the reasons for not transferring these officers back to Delhi and also for not transferring the non-SC/ST officers out of Delhi even though they remained posted in the Delhi/New Delhi branches of State Bank of India for more than 20 years ?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :** (a) State Bank of India has reported that clerical staff is not transferred out of Delhi as per the policy followed in their cases. However, as far as possible, they are given a change locally after 5 years in one branch/office. In the case of Officers, the policy is to transfer them out of Delhi after they have completed stay of roughly 7 years. However, their branches are being changed after 3 years wherever practicable.

(b) and (c). SC/ST officers of 1982 batch are being repatriated as per their Circle Transfer Policy. However, five such officers have already been transferred back to Delhi. Officers with long stay in Delhi are being transferred out as and when their turn comes. Compassionate cases of any category of officers are, however, considered sympathetically or on their merits and allowed to remain in Delhi in exceptional circumstances.

**Show Cause Notices Issued to M/s National Tobacco Co. Ltd., and M/s Indana of J.K. Industries**

**7195. SHRI RAM BHAGAT PASWAN :** Will the Minister of FINANCE be pleased to state :

(a) the details of show-cause notices issued to M/s National Tobacco Co. Ltd. and M/s Indana of J. K. Industries which are pending with details of amount involved thereof; and

(b) the steps Government propose to realise the amount thereof ?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :** (a) and (b). The information is being collected and will be laid on the Table of the House.

**Purchase of Bales by JCI for Jute Mills in West Bengal**

**7196. SHRI SANAT KUMAR MANDAL :** Will the Minister of SUPPLY AND TEXTILES be pleased to state :

(a) the number of bales which the Jute Corporation in India could buy so far for supply to the jute mills in West Bengal, which had closed down on the pretext of non-availability of raw jute ;

(b) whether the imported raw jute is not of the grade in which there is a shortfall in the country ;

(c) whether in view of the predicament of thousands of jute mills workers we had been thrown out of employment, JCI proposes to enter the international market quite early in the coming season and start negotiations at right time so as to get the right kind of fibre at attractive rates, and

(d) whether considering the fact that there has been a fall in the production of jute in three consecutive years, Government propose to take necessary action for building up a buffer stock of raw jute ; and if not, the reasons therefor ?

**THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) :** (a) The total quantity of raw jute procured from the domestic market by Jute Corporation of India (JCI) during the current jute season 1984-85 (July-June) so far is about 10.15 lakh bales. JCI makes purchases on behalf of the jute mills only on agency purchase terms for which an agreement is made. In addition, JCI has also imported raw jute to the extent of 1.60 lakh bales.

(b) Import of raw jute was made to supplement domestic supplies and the

entire purchases were made under back to back arrangement with industry against guaranteed payment terms.

(c) The question of import of raw jute is considered at the appropriate time after taking into account the domestic availability and demand position. However, firm production estimate for the next season, which is essential for taking such decision, is not yet available.

(d) In the context of present global scarcity of raw jute and four successive short crops, the present time is not considered appropriate for creation of a buffer stock.

#### Accident Insurance of Fishermen

7197. DR. KRUPA SINDHU BHOI; Will the Minister of FINANCE be pleased to state :

(a) whether Orissa Government have submitted a proposal for accident insurance of fishermen ;

(b) if so, the details thereof; and

(c) Government's reaction thereto;

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Yes Sir. A proposal has been received from the Orissa Government through the National Federation of Fishermen' Co. operatives Limited for accident insurance of fishermen who are members of the fishermen's Co-operative Society in Orissa.

(b) Under the scheme, a premium of Rs. 12/- per year per fishermen is payable to the insurance company out of which the Central Government and State Government pay Rs. 6/- and Rs. 5/- respectively and the fishermen pays Re. 1/- only. The scheme provides for compensation of Rs. 15,000/- in case of accidental death or total permanent disability and Rs. 7,500/- in case of loss of one limb or loss of vision in one eye.

(c) Insurance cover has already been provided by the United India Insurance Company Limited on the above lines.

#### Amount Lost by Indian Overseas Bank in Transactions in Indonesia

7198. SHRI K.P. UNNIKRISHNAN : Will the Minister of FINANCE be pleased to state :

(a) whether Indian Overseas Bank has lost a colossal amount of money in certain dubious transactions in Indonesia ;

(b) if so, the details thereof ;

(c) whether any inquiry has been conducted into this bank fraud ;

(d) if so, what action has been taken against the erring officials and bank management; and

(e) whether the case is proposed to be handed over to CBI for further investigation ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a). Indian Overseas Bank reports that it had not lost a colossal amount of money in certain dubious transactions in Indonesia.

(b) to (c) : Do not arise.

#### Export of Short, Long and Extra Long Staple Cotton

7199. SHRI V. SOBHANDREESWARA RAO : Will the Minister of SUPPLY AND TEXTILES be pleased to state :

(a) the countries to which India exported short, long and extra long staple cotton ;

(b) the quantities and value of the exports category-wise for the years 1983-84 and 1984-85;

(c) the prospects of export of long and extra long staple cotton for the year

1985-86 and the steps that are taken to increase our exports ; and

(d) the present prices of long and extra long staple cotton in cotton producing countries ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH): (a) India's cotton during the last few years has been exported to the following countries :

Algeria, Austria, Bangla Desh, Belgium, Bulgaria, China (Taiwan), China (Main Land), Czechoslovakia, France, Germany (West), Greece, Hongkong, Indonesia, Italy, Japan, Korea (North), Korea (South), Malaysia, Mozambique, Morocco, Nepal, Philippines, Poland, Portugal, Romania, Singapore, Spain Sri Lanka, Switzerland, Tanzania, Tunisia, Thailand, U.K., USA and USSR.

(b) the quantities and the value of exports of the Indian cotton during the year 1983-84 (Sept. 83 to Aug. 84) are as follows :—

Qty. (in lakh bales)	Value (Rupees in crores)	
Staple cotton	2.88	81.56
Bengal Deshi	0.33	8.99
Yellow	0.13	2.56
Pickings		
Non-Fibre	0.20	5.25
Total	3.54	98.36

During 1984-85 cotton year the quantity and value of exports upto April 85 are as follows.

Qty. (in lakh bales)	Value (Rupees in crores)
0.24	10.12

The category-wise figures are not available at present.

(c) Cotton situation in the country is reviewed from time to time and the quantities considered surplus to domestic requirements are released for export. However, the Indian cotton is accepted in the international market and the demand for Indian cotton is on the increase. The exporting agencies try to secure the best price for export sales and have been able to sell in a large number of countries.

(d) According to the available information, the prices of some of the important varieties of cotton in the international market are as under :—

Variety	Staple length	US cents/Pound
Long Staple American Memphis		
Terr Midd	1-3/32"	79.75
American Calif/Acela	1-1/8"	79.25
Mexican Midd	1-3/32"	69.25
Colombian Midd	1-3/32"	67.00
Paraguayan Midd	1-3/32"	64.50
Turkish Iz Mir Midd	1-3-/32"	71.50
Extra Long		
Egyption Giza 45	1-8/32"	165.30
Egyptian Giza 77	1-8/32"	153.20
Peruviam Pima	1-9/16"	121.40

**Abid Hussain Committee's Recommendation  
Regarding Fiscal Policy**

7200. **SHRI MAHENDRA SINGH :** Will the Minister of FINANCE be pleased to state :

(a) whether a long term fiscal policy including reforms in indirect tax structure to convert the present sellers' market into a buyers' market when goods would change the consumer, has been under consideration of Government in the light of Abid Hussain Committee's report ;

(b) the main recommendations of the Abid Hussain Committee's report and the abroad features on the new fiscal policy ; and

(c) the decision taken in the matter ?

**THE MINISTER OF STATE IN THE  
MINISTRY OF FINANCE (SHRI  
JANARDHANA POOJARY) :** (a) Outlines of a long term fiscal policy are in the process of formulation. Report of the Abid Hussain Committee deals with trade policy and does not directly deal with the subject of long term fiscal policy.

(b) and (c). The Report of the Abid Hussain Committee is under consideration. It would not, therefore, be in public interest to disclose its contents.

**Compensation for Properties Lost in  
Erstwhile East Pakistan**

**DEBI**

7201. **SHRI DEVI GHOSAL :** Will the Minister of COMMERCE be pleased to state :

(a) whether Government have taken steps to expedite disposal of applications claiming compensation for properties lost in erstwhile East Pakistan (now Bangladesh) ;

(b) if so, the progress made in the matter ;

(c) the number of applications registered so far :

(d) the number of applications disposed of so far ;

(e) the number of applications pending as on 31st March, 1985 ;

(f) the number of applications likely to be disposed of during the current year 1985-86 ;

(g) the amount of money involved in (b) to (f) above; and

(h) the steps, if any, taken/proposed to decentralise settlement of such applications ?

**THE MINISTER OF STATE OF  
THE MINISTRY OF SUPPLY AND  
TEXTILES (SHRI CHANDRASHE-  
KHAR SINGH) :** (a) Government are taking steps to expedite the disposal of pending claim applications for compensation against the properties lost in erstwhile East Pakistan during Indo-Pak Conflict, 1965.

(b) The progress will be reflected during the current year 1985-86.

(c) 53,549.

(d) 38,840 claim cases have been disposed of so far. Out of these payment has been made in '14,181 cases. 24,659 number of' claims have been treated as closed.

(e) 14,709 claims are pending.

(f) steps have been taken to dispose of maximum of number of claims during current year 1985-86.

(g) A sum of Rs. 57.35 crores has been disbursed till March, 1985.

(h) steps have been taken to shift the payment of claims from Bombay to Calcutta in order to consolidate the work of verification of claims as well as payment of claims at Calcutta itself.

**Merger of Central Coal Washeries  
Organisation with B.C.C.L.**

7202. **SHRI BASUDEB ACHARIA :** Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether Central Coal Washeries Organisation which was under Steel Authority of India Ltd. has been merged with the Bharat Coking Coal Limited ;

(b) whether some of the officers who were under SAIL firms are yet to submit their option ; and

(c) if so, the reasons therefor ?

**THE MINISTER OF STEEL, MINES AND COAL : (SHRI VASANT SATHE:**

(a) Yes, Sir.

(b) and (c). The information is being collected and will be laid on the Table of the House.

**Proposal to Wind up SAIL and Form Separate Authority for each Steel Plant**

7203. **SHRI BASUDEB ACHARIA :** Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether Government have taken a decision to wind up Steel Authority of India Ltd., and to form separate authority for each Steel plant ; and

(b) if so, the reasons therefor ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF STEEL (SHRI K. NATWAR SINGH) :** (a) No, Sir.

(b) Does not arise.

**Rules Regarding Promotion to Employees of Regional Rural Banks**

7204. **SHRI MADAN PANDEY :** Will the Minister of FINANCE be pleased to state :

(a) whether Government have framed rules and regulations to provide promotion opportunities to employees of the Regional Rural Banks and if so, whether any agency has also been constituted for their implementation ; and

(b) whether these rules and regu-

lously and if not, the steps being taken to implement those ?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY :** (a) and (b). The National Bank for Agriculture and Rural Development (NABARD) have after consultation with the Government issued a set of guidelines on December 31, 1984 to all the regional rural banks which *inter alia* provide for promotional avenues for the staff in such banks. Action regarding framing of draft regulations by NABARD on the basis of these guidelines is in hand. The regional rural banks will thereafter adopt these regulations as an integral part of their service regulations. NABARD which is entrusted with the overall supervision of the functioning of regional rural banks, is expected to ensure compliance of the guidelines by regional rural banks.

**Difference in Pay Scales of Employees of Regional Rural Banks Serving in U.P. and West Bengal**

7205. **SHRI MADAN PANDEY :** Will the Minister of FINANCE be pleased to state :

(a) whether there is any difference between the pay scales of employees serving in Regional Rural Banks in Uttar Pradesh and Rural Banks in West Bengal ; and

(b) if so, the reason therefore along-with the steps being taken by Government to bring parity in their payscales ?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :** (a) and (b). As per provision contained in the Regional Rural Banks Act the remuneration of RRB employees is determined with regard to the salary structure of employees of the State Government and the local authorities of comparable level and status in the concerned Regional Rural Bank's notified area. Since the pay structures of employees of U.P. and West Bengal Governments are different, difference between the pay

rural banks in these two States is quite natural. Government do not contemplate any steps for bringing parity in the pay scales of regional rural bank employees working in different States.

**Posting of Officers of Sponsored Banks**

**7206. SHRI MADAN PANDEY :** Will the Minister of FINANCE be pleased to state :

(a) whether any period is specified for the posting of officers of sponsoring banks at one place ;

(b) if so, whether this policy is being followed ; and

(c) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). Under the Regional Rural Banks Act 1976 it is the duty of the sponsor bank to aid and assist the Regional Rural Banks sponsored by it *inter alia* in the form of recruitment and training of personnel during the first five years of the functioning of the Regional Rural Bank and to provide such managerial and financial assistance as may be mutually agreed upon between the sponsor bank and the concerned Regional Rural Bank.

Chairman of Regional Rural Banks are generally appointed on deputation from sponsor banks for a period of three years. No specific duration of posting of other officers on deputation from sponsor banks at one place has been laid down. They are posted as per the administrative requirements of each Regional Rural Bank.

**Declaration of Cochin as B-1 City**

**7207. PROF. K. V. THOMAS :** Will the Minister of FINANCE be pleased to state :

(a) whether any request has been received from the Central Government employees in Cochin to declare Cochin city as a B-1 city ; and

(b) if so, the steps taken in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). In the recent past no such request has been received. Cities are classified on the basis of population as revealed in decennial census. The last such classification was done in February, 1983 on the basis of 1981 census. As per the 1981 census report, the population of Cochin city is 5,13,249. Accordingly it has been classified as B-2. On the basis of population criterion, Cochin city does not qualify for B-1 status.

**Change in Financial Year**

**7208. KUMARI PUSHPA DEVI ;  
SHRI SRIBALLAV PANIG-  
RAHI ;  
DR. G. VIJAYA RAMA RAO :**

Will the Minister of FINANCE be pleased to state :

(a) whether the proposal to change the financial year from present April-March to January-December is under the consideration of Government ;

(b) if so, when necessary steps are proposed to be taken in this regard ; and

(c) the reasons of changing the financial year from April-March to January-December ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANA DHANA POOJARY) : (a) to (c). A copy of the Conclusions and Recommendations of the Committee on Change in Financial Year in its Report submitted to Government on 27th April, 1985 is being separately laid on the Table of the House today. The Report is yet to be considered by Government.

**Import of Iron Ore by Malaysia from India**

**7209. KUMARI PUSHPA DEVI :** Will the Minister of COMMERCE be pleased to state :



(a) whether Malaysia proposes to buy iron ore from India ;

(b) if so, the total tonnes of iron ore proposed to be imported by Malaysia from India annually ;

(c) whether the import of iron ore to Malaysia will be stated in 1985-86 financial year ; and

(d) if so, the steps taken by Government in this regard ;

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) : (a) and (b). Malaysia has been importing about 30,000 tonnes of iron from India.

(c) and (d) During the last few months, two more steel plants have been constructed in Malaysia. Possibilities of supply of iron ore from India for these steel plants are being explored.

#### Performance by MMTC

7210. SHRIMATI JAYANTI PATNAIK : Will the Minister of COMMERCE be pleased to state :

(a) whether Government have reviewed the performance of MMTC during 1984-85 ;

(b) if so, areas where the Minerals and Metals Trading Corporation fared well in the above year ;

(c) whether MMTC has adopted strategy of diversifying into the areas of production in India and abroad ; and

(d) if so, the programme proposed to be launched in this regard in 1985-86 ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) : (a) Yes, Sir.

(b) During 1984-85 the corporation achieved a turnover of Rs. 2763 crores,

nearly 50% higher than the budgeted turnover of Rs. 1834 crores. Exports reached highest cost turnover of Rs. 372 crores representing 36% increase over the previous year's exports of Rs. 274 crores. The corporation non-canalised trade turnover reached a highest ever figure of Rs. 42 crores during the year. The Corporation also concluded a 10 million tonnes Iron Ore contract with Japan.

(c) and (d). MMTC has been adopting a policy of developing reliable longterm sources of supplies for the critical imports, for promoting exports and for imports substitution. Emerald processing unit at Jaipur has been set up by M.M.T.C. Similar possibilities are being constantly explored.

#### Proposal to Start Harijan Development Bank in Kerala

7211. SHRI P.A. ANTONY : Will the Minister of FINANCE be pleased to state :

(a) whether Government have received any proposal to start a Harijana Development Bank in Kerala or elsewhere ; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) No, Sir.

(b) Does not arise.

#### Amalgamation of Private Sector Banks

7212. SHRI P. A. ANTONY : SHRI DEBI GHOSAL :

Will the Minister of FINANCE be pleased to state :

(a) whether the Reserve Bank of India has any proposal to placed under moratorium in April with the nationalised banks ; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE  
MINISTRY OF FINANCE (SHRI  
JANARDHANA POOJARY): (a) No,  
Sir.

(d) Does not arise.

**Impact of Import of Rubber, Copra,  
Coconut Oil and Spices on the  
Economy of Kerala**

7213. SHRI V.S. VIJAYARAGHAVAN:  
Will the Minister of COMMERCE be  
pleased to state :

(a) whether Government have ever  
conducted a study of the impact of the  
import of commercial produce like  
rubber, copra coconut oil and spices like  
cloves ; nutmeg etc on the economy of  
Kerala ;

(b) if so, the findings thereof ; and

(c) the specific steps proposed to  
be taken in future to compensate such  
losses incurred by Kerala ?

THE MINISTER OF STATE OF THE  
MINISTRY OF SUPPLY AND TEX-  
TILES (SHRI CHANDRASHEKHAR  
SINGH) : (a) No, Sir.

(b) Does not arise.

(c) Government takes care to protect  
the interest of growers as well as consu-  
mers by way of importing bare minimum  
quantity of such commodities to bridge  
the gap between demand and supply,  
and their releases are made at prices  
which help to control the in-  
ternal market price at levels remunera-  
tive to the growers.

**Transfer of Employees in United  
Commercial Bank**

7214. DR. G.S. RAJHANS : Will the  
Minister of FINANCE be pleased to  
state :

(a) whether it is a fact that a large  
number of employees working in the

United Commercial Bank for the last  
10-15 years have not been transferred in  
accordance with the transfer policy of  
the bank;

(b) the number of such employees  
with their cadre in Delhi and reasons  
for not transferring them; and

(c) the action Government propose  
to take in this regard ?

THE MINISTER OF STATE IN THE  
MINISTRY OF FINANCE (SHRI  
JANARDHANA POOJARY) : (a) to  
(c). There are a number of employees in  
United Commercial Bank, as for instan-  
ce about 35 officers in Delhi, who have  
remained posted at the same place for  
as long as 10 to 15 years. The Bank  
has since initiated action to effect nece-  
ssary transfers in line with the guideli-  
nes issued by the Government to the  
public sector banks on the subject.

**Import of Rubber through STC.**

7215. SHRI P.A. ANTONY : Will  
the Minister of COMMERCE be pleased  
to state :

(a) the quantity of rubber imported  
during 1985; and

(b) the quantity of imported rubber  
released by the State Trading Corpora-  
tion so far during the current year ?

THE MINISTER OF STATE OF  
THE MINISTRY OF SUPPLY AND  
TEXTILES (SHRI CHANDRA-  
SHEKHAR SINGH) : (a) and (b). A  
quantity of 10,400 tonnes has so far  
been imported by State Trading Corpo-  
ration during the year 1985 and con-  
tracts for another 5,000 tonnes have  
been concluded. A quantity of 12,000  
tonnes has so far been released to the  
industry during the current calendar  
year.

**Scheme of Giving Spraying Subsidy for  
Rubber**

7216. SHRI P.A. ANTONY : Will  
the Minister of COMMERCE be pleased  
to state :

(a) whether Government have any proposal to re-start the scheme of giving spraying subsidy for rubber ;

(b) if so, when it is likely to begin ; and

(c) the amount likely to be spent this year on this ?

THE MINISTER OF STATE IN THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) : (a) No, Sir.

(b) and (c) Do not arise .

#### Earnings from Export of Rice

7217. SHRI V. SOBHANADRESESWARA RAO : Will the Minister of COMMERCE be pleased to state :

(a) the quantity of rice exported to different countries and its value in the year 1983-84 and 1984-85;

(b) the prices of medium fine and super fine varieties of rice in the importing countries; and

(c) the steps taken by Government to export more rice and earn more foreign exchange ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) : (a) During 1983-84 and 1984-85, export of non-basmati rice was not allowed. As per tentative statistics compiled, export of basmati rice during 1983-84 was of the order of 141,664 MT valued at Rs. 96.12 crores. During 1984-85 export of basmati rice is estimated to have been of the order of 241,783 MT valued at Rs. 163.03 crores.

(b) The international price of different varieties of rice are as under :

(i) U.S. Long grain 10% broken :  
£615 CIF per metric tonne U.K. Ports.

ii) Thai\* : 5% broken : US \$220  
per metric tonne.

Broken A—1 super : US \$177  
per metric tonne

Par boiled -5% broken : US \$227  
per metric tonne.

\*FOB Unstowed (100 Kg. Bags, per tonne, Thai Board of Trade Prices.

Source : Public Ledger dated May, 4 1985.

(c) There is good demand for Indian Basmati rice and certain other varieties of rice in the international market. Subject to availability of quantities, exports can be promoted.

#### Raids Conducted by Excise Customs and Income Tax Authorities in Bombay.

7218. SHRI ANAND SINGH : Will the Minister of FINANCE be pleased to state the details of the raids conducted by Central Excise, Customs and Income tax authorities in Bombay since January 1985, indicating the extent of black money and tax evasion detected ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : During the first four months of 1985 i.e. January, 1985 to April, 1985, Central Excise authorities detected 232 cases in Bombay involving an estimated evasion of Central Excise duty of Rs. 19.46 crores approximately. During the same period, customs searches were conducted for detection of under valuation and consequent evasion of duty to the extent of Rs. 2.39 crores approximately in cases other than purely smuggling. On the Income Tax side during the same period, the concerned authorities conducted 436 searches in Bombay resulting in seizure of *prima facie* unaccounted assets valued at Rs. 1.71 crores approximately.

**Curb on Synthetic Bag Units to Save Jute Industry by Imposing Heavy Duties.**

**7219. SHRIMATI INDUMATI BHATTACHARYA :** Will the Minister of FINANCE be pleased to state :

(a) the contemplation of Government in regard to the suggestions that in order to avert the crisis in the jute industry Government should curb the growth of synthetic bag units by imposing heavy duties on their manufacture and/or should waive the tax burden on jute goods ;

(b) the steps, if any, taken/proposed in the matter; and

(c) the burden of direct and indirect taxes on jute industry as compared to such taxes and duties on synthetic units ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). The Government's attention has been drawn to the reported crisis in jute industry and the need for giving relief to it.

(c) As regards the burden of direct taxes, there is no difference in the rates of tax in respect of income derived from jute industry and synthetic bag units. As regards burden of indirect taxes on jute goods, vis-a-vis. Synthetic jute bags, no study has so far been made.

**Accounts in Nationalised Banks by British Nationals of Indian Origin.**

**7220. SHRIMATI INDUMATI BHATTACHARYA :** Will the Minister of FINANCE be pleased to state :

(a) whether the Reserve Bank of India has imposed restrictions on opening and operation of Bank accounts in nationalised banks by British nationals of Indian origin and birth staying in India temporarily with residential permits;

(b) if so, the details thereof and the reasons why such restrictions are considered necessary;

(c) whether such persons are required to transfer all their assets in Britain and/or to repatriate the balance of the amount held by them in United Kingdom Banks; and

(d) the details of the Reserve Bank of India's orders and circulars in regard thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :

(a) and (b) There is no restriction on Indian nationals and persons of Indian origin resident abroad opening non-Resident accounts with banks in India out of funds remitted from abroad or foreign exchange brought from abroad during their temporary visits to India. Reserve Bank of India has granted general permission to authorised dealers in foreign exchange for opening such accounts. Non-Resident Accounts are, however, required to be designated as Resident accounts immediately upon the return of the account-holder to India for taking up employment, carrying on business or vocation or for any other purpose with the intention of residing in India.

(c) British nationals of Indian origin are required to surrender their foreign currency/declare their balances/assets held abroad to the Control within a period of three months from their arrival. However, general permission to maintain and operate foreign currency accounts has been granted in case they have come to India for employment of a specified duration (irrespective of the period) or for an assignment not exceeding a period of three years.

(d) In pursuance of Government orders issued in 1977, every person in, or resident in, India who owns or holds or who may thereafter own or hold any foreign exchange, whether in India or abroad, expressed in any currency other than the currency of Nepal or Bhutan shall, before the expiration of one

month from the date of this order, or in the case of a person who hereafter owns or holds such foreign exchange, within one month of the date of his so owning or holding, offer the same or cause it to be offered for sale to any authorised dealer against payment in rupees, at the rate for the time being authorised by the Reserve Bank for conversion into Indian currency of the foreign currency in which such foreign exchange is expressed.

This order, however, does not apply to certain specified categories.

#### Issuing of Bank Drafts without Verification

7221. SHRI HAFIZ MOHD. SIDDIQI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the banks whether be they nationalized or not, contribute to a great deal in black money by issuing bank drafts of large amounts without verifying the genuineness of the party charging exorbitant commission rates; and

(b) if so, whether there is any proposal to issue suitable instructions to the banks to follow certain norms to be issued by your Ministry to check the growth of blackmoney and evasion of taxes?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) and (b). It may not be correct to say that the banks contribute to a great deal in black money by issuing bank drafts. The banks issue drafts as a normal banking facility and charge commission at rates which are within the ceiling prescribed by Indian Banks' Association.

#### Missing Currency Notes in Wads Issued by Banks

7222. SHRI HAFIZ MOHD. SIDDIQI: Will the Minister of FINANCE be pleased to state:

(a) whether it has come to the notice of Government that new currency notes in wads with stappling and plastic band intact issued by banks have been found to be short in number when counted later after leaving the counter in good faith;

(b) if so, the procedure to claim the shortage; and

(c) the reasons for such lapse and the remedial measures taken to check the possible fraud in the system?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) to (c). Reserve Bank of India offices as also the currency chests generally offer to their constituents and members of public who receive notes/note packets from them in payment or in exchange, reasonable facility to verify and satisfy themselves about the correctness of the notes received by them before they leave the counters of the bank. The persons receiving notes from banks are, therefore, expected to verify the correctness of the cash before leaving the counter and point out the shortage or any other deficiency in it to the bank officials on the spot for redressal. In such cases, the deficiency is immediately made good. If this is not done and any deficiency is found later on, the course open to the aggrieved party is to take up the matter with the bank's concerned branch along with the deficient packet for investigation. However, in such cases banks are not expected to accept the responsibility for shortage on the ground that the aggrieved party has failed to point out the deficiency before leaving the counter as the possibility of tampering with the stapled packet outside the bank cannot be ruled out. The Reserve Bank of India has not laid down any procedure for making claims in such cases.

At the Note Presses, the numerical accuracy of the note packets is checked/rechecked at different stages. However, due to human and mechanical factors, in rare cases, a note packet may contain marginal excess or short pieces. The

Presses and the Reserve Bank have been endeavouring their best to see that such deficient/excess packets do not escape notice.

**Public Limited Companies with Accumulated Losses**

7223. SHRI BHOLANATH SEN : Will the Minister of FINANCE be pleased to state :

(a) whether there is any proposal to prevent the management or the owners of public limited companies whose net worth in view of the accumulated losses over the years is zero or near zero or where the carry forward losses are more than the net worth, from playing any further role in running these units and/or to impose heavy penalties on them;

(b) if so, the details there of;

(c) steps proposed to be taken by Government in cases of companies where the net worth has been adjusted upward through a revaluation or sale of assets or by building up special reserves without any improvement in the financial performance; and

(d) State-wise and Industry-wise break up of such public limited companies ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). A legislation to deal with industrial sickness in its various aspects, including the management aspect, net worth, etc. is presently under consideration of the Government.

(d) The present data collection system does not yield the information in the manner asked for.

**Scheme for Modernisation Assistance to Industries**

7224. SHRI D. B. PATIL : Will the Minister of FINANCE be pleased to state :

(a) whether there is a scheme to give modernisation assistance to industries;

(b) if so, the cumulative modernisation assistance sanctioned and disbursed during the years 1982-83, 1983-84 and 1984-85;

(c) the eligibility criteria for such assistance;

(d) whether it is a fact that no maximum limit has been prescribed for giving loans under this Scheme;

(e) the rate of interest charged for loans below Rs. 4 crores and above Rs. 4 crores; and

(f) the number of companies of individuals to whom loans of more than Rs. 25 lakhs have been sanctioned in 1982-83, 1983-84 and 1984-85 and the amount of loan in each such case ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). The all India financial institutions namely Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI) and Industrial Credit and Investment Corporation of India (ICICI) provide modernisation assistance to industries under the Soft Loan Scheme for Modernisation operated by them. Yearwise information of modernisation assistance sanctioned and disbursed by the institutions under this scheme, as available, is as follows :

(Rs. in crores)

IDBI Year (July-June)	Sanctions	Disbursements
1982-83	29.51	59.49
1983-84	53.84	42.91
1984-85 (upto March)	122.00	23.50

## IFCI

Year (April-March)	(Rs. in crores)	
	Sanctions	Disbursements
1982-83	8.59	35.31
1983-84	27.86	25.68
1984-85	55.10	22.12

## ICICI

As per readily available information ICICI has sanctioned Rs. 227.04 crores and disbursed Rs. 177.76 crores till December 1983.

(c) Assistance under the scheme is available to production units for financing modernisation aimed primarily at upgradation of process, technology and product, export-orientation, import-substitution, energy saving, improvement in capacity utilisation within the existing capacity, substitution of scarce raw materials and other inputs etc. Industrial concerns to be eligible for assistance under the Scheme should be registered as public or private limited

companies or industrial cooperatives and should have been in operation for at least ten years.

(d) Assistance under the scheme is need based.

(e) Interest at concessional rate of 11.5% per annum (10% per annum for weak units) is applicable to loans upto Rs. 4 crores per company. Loans above Rs. 4 crores carry interest at the normal lending rate of 14% per annum.

(f) Information readily available in regard to number of companies to whom loans of more than Rs. 25 lakhs have been sanctioned is as follows :

Year	IDBI	IFCI	Year	ICICI
	(July-June)	(April-March)		January-December
1982-83	24	9	1982	29
1983-84	42	30	1983	30
1984-85	29 (upto March)	57	1984	41

In terms of the provisions of the statutes governing public sector financial institutions and the Public Financial Institutions (Obligation as to Fidelity and Secrecy) Act, 1983 information relating to individual constituents assisted by the institutions cannot be disclosed. Hence details relating to amount of loan given to individual cannot be disclosed.

**Foreign Exchange Spent on Officials Who Visited Geneva**

7225. SHRI BASUDEB ACHARIA : Will the Minister of FINANCE be pleased to state :

(a) the number of officials who visited Geneva during October to December 1984

(b) the purpose of their visit and total amount paid to them in foreign exchange and the reasons for it; and

(c) the number of officials out of them who extended their stay and the justifications therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). The information is not available and will have to be collected from all the Ministries/Department of India. Collection of this information will involve considerable time and labour and the result to be achieved will not be commensurate with the time and labour involved in collecting the information.

#### Scope for Growing Rubber in Orissa

7226. SHRI HARIHAR SOREN : Will the Minister of COMMERCE be pleased to state :

(a) whether Government have examined the scope of growing rubber in Orissa;

(b) if so, the details of experiment made in this regard;

(c) whether Centre; State or any other institutions have involved in the study made on rubber cultivation in Orissa;

(d) when was the study conducted; and

(e) the details regarding scope of rubber plantation in Orissa ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) : (a) to (e). The scope of Rubber growing in Orissa was studied by the Rubber Board first in 1965 and then in 1983. Trial planting of rubber at a few selected sites was carried out by State Government's Soil Conservation Department in 1966-67. It was

conditions are not ideal for rubber, necessary agro-management practices, such as limited irrigation etc. can bring up successful cultivation of rubber

According to the Rubber Board's report, a few tens of thousands of hectares now surveyed in Mayurgunj, Balasore, Puri, Cuttack and Denkanaj Districts can be developed for successful rubber cultivation.

#### Indian Companies Having Investment Outside India

7227. SHRI AMARSINH RATHWA : Will the Minister of COMMERCE be pleased to state :

(a) how many Indian Companies have their investments outside India and in which countries and to which/ Indian industrial houses do they belong separately;

(b) their total assets separately, industry-wise vis-a-vis the total assets of such industrial houses in the country;

(c) how much profit they have sent back to India from abroad during the last three years, year-wise;

(d) the details of the help given to such companies by Government of India; and

(e) whether any other Company has approached Government for permission to instal their unit in a foreign country; if so, the names of such Companies and the details of their proposals and the action taken by Government thereon ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) : (a) According to the latest available information 43 Indian companies belonging to 26 Indian industrial houses have joint ventures in operation in 21 countries.

(b) The total assets of these Indian



the total assets of the industrial houses to which these companies belong were Rs. 10,067.65 crores in 1983 for which data are available. Industry-wise break-up of the assets of Indian companies is not maintained.

(c) According to incomplete information received from the Indian companies so far, the dividends repatriated from their joint ventures were Rs. 18.06 lakhs in 1982, Rs. 19.45 lakhs in 1983 and Rs. 6.50 lakhs in 1984.

(d) and (e). Companies are free to approach Government for permission under FERA to set up joint ventures abroad in accordance with the published guidelines. This is a continuing process. No special help is rendered to Indian companies belonging to industrial houses in this regard.

12.00 hrs.

[*Translation*]

SHRI VIJAY KUMAR YADAV (Nalanda): I have given a notice of an Adjournment Motion.

[*English*]

MR. SPEAKER : Mr. Yadav, it is irrelevant. You must read the rules and then come to the House.

(*Interruptions*)

[*Translation*]

SHRI VIJAY KUMAR YADAV : Five communists have been killed in village Ghosi of District Gaya.

[*English*]

MR. SPEAKER : No question at all.

(*Interruptions*)

[*Translation*]

SHRI VIJAY KUMAR YADAV : Leaders have been murdered.

[*English*]

MR. SPEAKER : Mr. Chaubey and Mr. Yadav, you should not shout like this. You must understand that this is a State Subject. I can't allow this.

(*Interruptions*)\*\*

[*Translation*]

SHRI VIJAY KUMAR YADAV : Murders are taking place daily.

[*English*]

MR. SPEAKER : Not allowed.

(*Interruptions*)\*\*

MR. SPEAKER : Not allowed. Mr. Chou bey, don't shout.

(*Interruptions*)\*\*

MR. SPEAKER : Absolutely not allowed. Don't be irresponsible.

(*Interruptions*)\*\*

MR. SPEAKER : Not allowed.

(*Interruptions*)\*\*

SHRI BASUDEB ACHARIA (Bankura): Sir, Mr. Purna Chandra Malik has given a privilege motion. You should give your ruling on that. Today is the last day of the current session.

[*Translation*]

MR. SPEAKER : Today is the last day of the session, not of Parliament.

[*English*]

PROF. MADHU DANDAVATE (Rajpura): Sir, what about the pending privilege motions?

(*Interruptions*)

SHRI SRIBALLAV PANIGRAHI (Deogarh): Sir, large areas in Orissa

have been ravaged by the natural calamities such as cyclone, tornado, etc.

*(Interruptions)*

MR. SPEAKER : Not allowed. Irrelevant. There is no point of order.

*(Interruptions)\*\**

MR. SPEAKER : Not allowed. Irrelevant; over-ruled...not in order...I cannot allow you.

*[Translation]*

SHRI VISHNU MODI (Ajmer) : Mr. Speaker, I have given a notice of a Short Notice Question. The price of Solar energy pumps is very high in Rajasthan. Unless its price is reduced...

*[English]*

MR. SPEAKER : No question; now there is no time for short notice question. Can't you realise it? You must realise that there is going to be no sitting. Why can't you be relevant? You are a youngman. You must realise that there is no sitting. Can there be a question without a sitting? Nothing is allowed. Please take your seat.

*[Translation]*

SHRI RAMASHRAY PRASAD SINGH (Jahanabad) : Mr. speaker- Sir, I am coming from my constituency. Five leaders have been murdered there

MR. SPEAKER : In case there is some thing, you may give in writing.

*[English]*

You are welcome to do that.

SHRI INDRAJIT GUPTA (Bashirhat) : in his constituency Jahanabad, five of his people have been machine-gunned and killed.

MR. SPEAKER : It is a State subject; I cannot help it.

SHRI INDRAJIT GUPTA : I know it. It has happened in his constituency; five of his people have been killed.

MR. SPEAKER : It might be yours, it might be mine, but I cannot do it. All the Members are elected from throughout the country. I have never allowed it. What can I do about it, not allowed.

*(Interruptions)\*\**

MR. SPEAKER : Not a single word goes on record.

*[Translation]*

This is wrong. It is no use talking like this.

*[English]*

You must understand the rules. There is no point of order.

*(Interruptions)\*\**

MR. SPEAKER : Mr. Minister, Please tell your Members to behave properly. I do not like it at all. You have written to me. You know that there can be no point of order; there is no subject for discussion. How can you raise a point of order? Not allowed.

*[Translation]*

It is no use doing such things. The point of order has to be according to rule. It can't be done like this.

*[English]*

Nothing about it. Your Members are trying to behave in a way which I do not like at all. This is not the way to do it. You can write and come to me.

AN HON. MEMBER : Today is the last day.

MR. SPEAKER : What can I do? There is always a last day. I cannot help it. What can I do about it. Do not try to interrupt the processing of the House like this.

12.29 hrs.

QUESTION OF PRIVILEGE AGAINST  
SECRETARY MAHARASHTRA  
STATE BOARD OF SECONDARY  
AND HIGHER SECONDARY  
EDUCATION

[English]

MR. SPEAKER : Prof Madhu Dandavate had given notice of a question of privilege against the Secretary, Maharashtra State Board of Secondary and Higher Secondary Education for alleged inaccuracy the Civics text book published by that Board describing the 'Legislature' as a branch of the Union Government. I had referred the matter to the Minister of Education for his factual comments. I have received a reply stating that the text book is being revised and that the revised text book would be prescribed from the next academic session.

I do not give my consent under Rule 222 to raise a question of privilege in the House.

SHRI INDRAJIT GUPTA : It is being revised without any regret being expressed for describing parliament as a part of the Government.

PROF. MADHU DANDAVATE : The court has been kind enough to express its views. Give your ruling at least. Why not defend the dignity of the Parliament and say that Parliament is not a branch of the Government. The day it will become a branch of the Government, we would not like to sit in this Parliament at all. Why don't you make that comment at least? The court had the grace to make that comment. At least you endorse that comment.

MR. SPEAKER : That is what I have done.

PROF. MADHU DANDAVATE : You have not said that.

MR. SPEAKER : I have said that. It is being revised in view of the ruling of the court.

SHRI INDRAJIT GUPTA : You must express your disapproval.

MR. SPEAKER : That is what I have done.

SHRI INDRAJIT GUPTA : If Prof. Dandavate had not raised it, that text book would have continued without being revised.

PROF. MADHU DANDAVATE : You could have made the same reference which the court has made that it is inaccurate to say that Parliament is a Branch of the Government and judiciary is a Branch of the Government and they have said that judiciary, executive and Parliament control each other. Such a disastrous statement in a text book and you do not show your disapproval. I do not want any action; I want at least your categorical disapproval of the description of the Parliament as a Branch of the Government.

MR. SPEAKER : That is what I have done.

PROF. MADHU DANDAVATE: You do not know Sir. They issued a Statement saying that it is not a mistake. I brought it because they explained in Lok Sabha say thing that was not a mistake and in the next issue the same will be Printed. Now only they are admitting it.

MR. SPEAKER : I agree. I know...

(Interruptions)

PROF. MADHU DANDAVATE : You must say that it is an inaccuracy and it must stand corrected. That is what you must say. Courts have said that. But the Speaker does not defend our Parliament. What is this Sir?

MR. SPEAKER : Parliament is supreme. There is no problem. We are separate.

PROF. MADHU DANDAVATE : Say it Sir.

MR. SPEAKER : I have already said it and I really think you.

(Interruptions)

PROF. MADHU DANDAVATE : We wanted to defend the prestige of our Parliament'' (Interruptions) After 100 years, your ruling will be quoted Sir.

MR. SPEAKER : I agree. That is what I have upheld.

SHRI V. P. SINGH : (Interruptions)

PROF. K. K. TEWARY (Buxar) : I have given three privilege motions. You have not made even a reference to it Sir. (Interruptions)

MR. SPEAKER : It takes time. Everything takes time. Do not hurry it up. It does not matter.

PROF. K. K. TEWARY : The House is to be adjourned Sir.

MR. SPEAKER : The House will be adjourned. But we are still here. We will take it up. Do not worry.

PROF. MADHU DANDAVATE : You can club his motion with mine Sir.

MR. SPEAKER : Papers to be laid.

12.33 hrs.

PAPERS LAID ON THE TABLE

[English]

Copy of Conclusions and Recommendations of the Committee on Change in Financial Year

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : On behalf of Shri Vishwanath Pratap Singh, I beg to lay on the table a copy of the Conclusions and Recommendations (Hindi and English versions) of the Committee on change in Financial Year in its Report submitted to Government on the 27th April, 1985.

[Placed in Library, See. No. LT—961/175]

Review on the Working of and Annual Report of Bihar Fruit and Vegetable Development Corporation Ltd. for 1981-82 and Statement for delay

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI GHULAM NABI AZAD) : On behalf of Rao Birendra Singh, I beg to lay on the Table :—

(1) A copy each of the following papers (Hindi and English versions) under sub-section (1) of section 619A of the Companies Act, 1956 :—

(i) Review by the Government on the working of the Bihar Fruit and Vegetable Development Corporation Limited, Patna, for the year 1981-82.

(ii) Annual Report of the Bihar Fruit and Vegetable Development Corporation Limited Accounts and the comments of the Comptroller and Auditor General thereon.

(2) A Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (1) above.

[Placed in Library, See No. LT—962/75]

Annual A/CS and Review on the Working of Delhi Transport Corporation, New Delhi 1983-84 and Statement for delay, Annual Report and Review on the Working of Calcutta Dock Labour Board for 1983-84

THE MINISTER OF STATE OF THE MINISTRY OF SHIPPING AND TRANSPORT (SHRI Z. R. ANSARI) : I beg to lay on the Table—

(1) (i) A copy of the Annual Accounts (Hindi and English versions) of the Delhi Transport Corporation, New Delhi, for the year 1983-84 and the Audit Report thereon, under sub-section (4) of

section 33 of the Road Transport Corporation Act, 1950.

- (ii) A copy of the Review (Hindi and English versions by the Government on the Annual Accounts and the Audit Report of the Delhi Transport Corporation, New Delhi, for the year 1983-84.

- (2) A statement (Hindi and English versions) showing reasons, for delay in laying the papers mentioned at (1) above.

[Placed in Library. See No LT—903/85]

- (3) (i) A copy of the Annual Report (Hindi and English versions) of the Calcutta Dock Labour Board for the year 1983-84 along with Audited Accounts.

- (ii) A copy of the Review (Hindi and English versions) by the Government on the working of the Calcutta Dock Labour Board for year 1983-84.

Placed in Library. See No. LT—904/75]

Review on the Working of and Annual Reports of Cycle Corporation of India Ltd. Calcutta for 1983-84 and Bharat Brakes and Values Ltd. Calcutta for 1982-83 and two Statements for delay in laying these papers etc.)

THE MINISTER OF STATE IN THE  
MINISTRY OF INDUSTRY AND  
COMPANY AFFAIRS AND IN THE  
MINISTRY OF HOME AFFAIRS  
(SHRI ARIF MOHAMMAD KHAN) :  
I beg to lay on the Table—

- (1) A copy each of the following papers (Hindi and English versions) under sub-section (1) of section 619A of the Companies Act, 1956 :—

- (a) (i) Review by the Government on the working of the Cycle Corpor-

ation of India Limited, Calcutta, for the year 1983-84.

- (ii) Annual Report of the Cycle Corporation of India Limited, Calcutta, for the year 1983-84 along with Audited Accounts and the comments of the Comptroller and Auditor General thereon.

[Placed in Library. See LT—No. 965/85]

- (b) (i) A statement regarding Review by the Government on the working of the Bharat Brakes and Values Limited, Calcutta, for the year 1982-83.

- (ii) Annual Report of the Bharat Brakes and Values Limited, Calcutta, for the year 1982-83 along with Audited Accounts and the comments of the Comptroller and Auditor General thereon.

- (2) Two statements (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (2) (1) above.

[Placed in Library. See LT—No. 966/85]

- (3) (i) A copy of the Annual Report (Hindi and English versions) of the Khadi and Village Industries Commission for the year 1983-84, under sub-section (3) of section 24 of the Khadi and Village Industries Commission Act, 1956.

- (ii) A statement (Hindi and English versions) regarding Review by the Government on the working of

Khadi and Village Industries Commission for the year 1983-84.

- (4) A statement (Hindi and English versions) showing reasons for delay in the laying the papers mentioned at (3) above.

[Placed in Library. See LT—No. 967/85]

Review on the Working of and Annual Report of West Bengal Forests Development Corporation Ltd. for 1977-78 and 1978-79 and Statement for delay in laying the papers

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI GHULAM NABI AZAD) : On behalf of Shri Vir Sen, I beg to lay on the Table—

- (1) A copy each of the following papers (Hindi and English versions) under section 619A of the Companies Act, 1956 —
- (i) Review by the Government on the working of the West Bengal Forest Development Corporation Limited for the years 1977-78 and 1978-79.
- (ii) A annual Report of the West Bengal Forest Development Corporation Limited for the year 1977-78 along with Audited Accounts and the comments of the Comptroller and Auditor General thereon.
- (iii) A annual Report of the West Bengal Forest Development Corporation Limited for the year 1978-79 along with Audited Accounts and the comments of the Comptroller and Auditor General thereon.
- (2) A statement (Hindi and English versions) showing reasons for

delay in laying the papers mentioned at (1) above.

[Placed in Library. See No. LT—968/85]

Indian Veterinary Council Rules, 1985 Statement for not laying in time the Annual Report and Audited Account of Oil Palm India Ltd. for 1983-84, Annual Report and on the Working of Krishak Bharti Cooperative Ltd. New Delhi for 1983-84 and Statement for delay in laying the papers.

THE MINISTER OF STATE IN THE DEPARTMENT OF RURAL DEVELOPMENT (SHRI CHANDULAL (CHANDRAKAR)) : I beg to lay on the Table :—

- (1) A copy of the Indian Veterinary Council Rules, 1985 (Hindi and English versions) published in Notification No. G. S. R. 458 in Gazette of India dated the 4th May, 1985, under sub-section (2) of section 64 of the Indian veterinary Council Act, 1984.

[Placed in Library. See No. LT—969/85]

- (2) A statement (Hindi and English versions) explaining the reasons for not laying the Annual Report and Audited Accounts of the Oil Palm India Limited for the year 1983-84 within the stipulated period of nine months after the close of the Accounting Year.

[Placed in Library. See No. LT—970/85]

- (3) (i) A copy of the Annual Report (Hindi and English versions) of the Krishak Bharati Cooperative Limited, New Delhi, for the year 1983-84 along with Audited Accounts.
- (ii) A copy of the Review (Hindi and English versions) by the Government on the working of the Krishak Bharati

Cooperative Limited, New Delhi, for the year 1983-84.

- (4) A statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (3) above.

[Placed in Library. See No. LT—971/85]

- (5) (i) A copy of the Annual Report (Hindi and English versions) of the National Federation of Fisherman's Cooperatives Limited, New Delhi, for the year 1983-84. along with Audited Accounts.

- (ii) A copy of the Review (Hindi and English versions) by the Government on the working of the National Federation of Fishermen's Cooperatives Limited, New Delhi, for the year 1983-84.

- (6) A statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (5) above.

[Placed in Library. See No. LT—972/85]

Reviews on the Working of and Annual Reports of Cotton Corporation of India for 1983-84, Handicrafts and Handlooms Export Corpn. of India Ltd., New Delhi for 1983-84 Central Cottage Industries Corpn. of India Ltd., New Delhi for 1983-84 etc.

THE MINISTER OF STATE IN THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHADRASEKHAR SINGH) : I beg to lay on the Table :—

- (1) A copy each of the following papers (Hindi and English versions) under sub-section (1) of section 619A of the Companies Act, 1956 :—

- (a) (i) Review by the Govern-

of the Cotton Corporation of India Limited, Bombay, for the year 1983-84.

- (ii) Annual Report of the Cotton Corporation of India Limited, Bombay, for the year 1983-84 along with Audited Accounts and the comments of the Comptroller and Auditor General thereon.

[Placed in Library. See No. LT—973/85]

- (b) (i) Review by the Government on the working of the Handicrafts and Handlooms Exports Corporation of India Limited, New Delhi, for the year 1983-84.

- (iii) Annual Report of the Handicrafts and Handlooms Exports Corporation of India Limited, New Delhi, for the year 1983-84 along with Audited Accounts and the comments of Comptroller and Auditor General thereon.

[Placed in Library. See No. LT—674/85]

- (c) (i) Review by the Government on the working of the Central Cottage Industries Corporation of India Limited, New Delhi, for the year 1981-82.

- (ii) Annual Report of the Central Cottage Industries Corporation of India Limited, New Delhi, for year 1981-82 along with Audited Accounts and

Comptroller and Auditor General thereon.

[Placed in Library. See No. LT—975/85]

(d) (i) A statement regarding Review by the Government on the working of the Jute Corporation of India Limited, Calcutta for the year 1983-84.

(ii) Annual Report of the Jute Corporation of India Limited Calcutta, for the year 1983-84 along with Audited Accounts and the comments of the Comptroller and Auditor General thereon.

(2) Three statements (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (b) to (e) of item (1) above.

[Placed in Library. See No. LT—976/85]

(3) (a) (i) A copy of the Annual Report (Hindi and English versions) of the Ahmedabad Textile Industry's Research Association Ahmedabad, for the year 1983-84 along with Audited Accounts.

[Placed in Library. See No. LT—977/85]

(ii) A copy of the Annual Report (Hindi and English versions) of the South India Textile Research Association Coimbatore, for the year 1983-84 along with Audited Accounts.

[Placed in Library See. No. LT—978/85]

(iii) A copy of the Annual Report (Hindi and

English versions) of the Northern India Textile Research Association Ghaziabad, for the year 1983-84 along with Audited Accounts.

[Placed in Library. See No. LT—979/85]

(iv) A copy of the Annual Report (Hindi and English versions) of the Bombay Textile Research Association Bombay, for the year 1983-84 along with Audited Accounts.

(b) A copy of the Review (Hindi and English versions) by the Government on the working of the Ahmedabad Textile Industry's Research Association, Ahmedabad South India Textile Research Association, Coimbatore, Northern India Textile Research Association, Ghaziabad, and Bombay Textile Research Association Bombay, for the year 1983-84.

(4) A statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (3) above.

[Placed in Library. See No. LT—980/85]

(5) (i) A copy of the Annual Report (Hindi and English versions) of the Indian Jute Industries Research Association, Calcutta, for the year 1983-84 along with Audited Accounts.

(ii) A statement (Hindi and English versions) regarding Review by the Government on the working of the Indian Jute Industries Research Association, Calcutta, for the year 1983-84.



- (6) A statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (5) above.

[Placed in Libray. See No. LT-981/85]

- (7) (i) A copy of the Annual Report (Hindi and English versions) of the All India Handloom Fabrics Marketing Cooperative Society Limited, Bomaby, for the year 1983-84 along with Audited Accounts.
- (ii) A copy of the Review (Hindi and English versions) by the Government on the working of the All India Handloom Fabrics Marketing Coopera-

tive Society Limited, Bombay, for the year 1983-84.

[Placed in Library. See No LT—982/85]

**Statement Showing the Action by the Government on Various Assurances Promises and Undertakings Given by Ministry During Various Sessions of Lok Sabha**

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI GULAM NABI AZAD): I beg to lay on the Table the following statements (Hindi and English versions) showing the action taken by the Government on the various assurances, promises and undertakings given by Ministers during the various sessions of Lok Sabha :

- |   |                           |
|---|---------------------------|
| (1) Statement No. XXVI—Fifth Session, 1981<br>[Placed in Library. See No LT—983/85]       | } Seventh<br>Lok<br>Sabha |
| (2) Statement No. XI—Twelfth Session, 1983.<br>[Placed in Library. See No LT—984/85]      |                           |
| (3) Statement No IX—Thirteenth Session,<br>[Placed in Library. See No LT—985/85]          |                           |
| (4) Statement No. VIII—Fourteenth Session, 1984.<br>[Placed in Library. See No LT—986/85] |                           |
| (5) Statement No. IV—Fifteenth Session, 1984.<br>[Placed in Library. See No LT—987/85]    | } Eight<br>Lok<br>Sabha   |
| (6) Statement No. II—First Session, 1985.<br>[Placed in Library. See No LT—988/85]        |                           |
| (7) Statenment No. I—Second Session, 1985.<br>[Placed in Library. See No LT—989/75]       |                           |

**Notifications Under Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 Customs Act, 1962 Central Excise and Salt Act, 1944 etc.**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): I beg to lay on the Table—

- (1) A copy each of the following Notifications (Hindi and English versions) under sub-section (5) of section 9 of the Banking Companies (Acquistion and Transfer of Undertakings) Act, 1970 :

- (i) The Nationalised Banks (Management and Miscellaneous Provisions) (Amend-

ment) Scheme, 1985 published in Notification No. S.O. 368 (E) in Gazette of India dated the 27th April, 1985.

- (ii) The Nationalised Banks (Management and Miscellaneous Provisions) (Amendment) Scheme, 1985 published in Notification No. S O. 369 (E) n Gazette of India dated the 27th April, 1985.

[Placed in Library. See No LT—990/85]

- (2) A copy of Notification No. G.S. R. 405 (E) (Hindi and English versions) published in Gazette

of India dated the 7th May, 1985 together with an explanatory memorandum regarding rates of exchange for conversion of Australian Dollars into Indian currency or vice-versa, under section 159 of the Customs Act, 1962.

[Placed in Library. See No LT—991/85]

- (3) A copy of the Central Excise (Sixth Amendment) Rules, 1985 (Hindi and English versions) published in Notification No. G.S.R. 414 (E) in Gazette of India dated the 8th May, 1985, under sub-section (2) of section 38 of the Central Excises and Salt Act, 1944.

[Placed in Library. See No LT—992/85]

- (4) A copy each of the following Notifications (Hindi and English versions) issued under the Central Excise Rules, 1944 :

- (i) G.S.R. 407 (E) and to 413 (E) 415 (E) published in Gazette of India dated the 8th May, 1985 together with an explanatory memorandum regarding concessions of excise duties announced by the Finance Minister at the consideration stage of the Finance Bill, 1985 in the Lok Sabha on the 8th May, 1985.

- (ii) G.S.R. 416 (E) and 417 (E) published in Gazette of India dated 9th May, 1985 together with an explanatory memorandum regarding exemption to electronic valves and tubes, transistors and semi-conductor diodes and other semi-conductor devices from the whole of the duty of excise leviable thereon.

[Placed in Library. See No LT—993/85]

- (5) A copy of the \*Review (Hindi and English versions) by the

Government on the working of the National Bank for Agriculture and Rural Development of the year 1983-84.

[Placed in Library. See No LT—994/85]

Review on the Working of and Annual Report of Cardamom Trading Corporation Ltd. Bangalore for 1983-84 and Statement for delay in laying these Papers

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : On behalf of Shri P.A. Sangma, I beg to lay on the Table :

- (1) A copy each of the following papers (Hindi and English versions) under sub-section (1) of section 619A of the Companies Act, 1956 :

- (i) Review by the Government on the working of the Cardamom Trading Corporation Limited, Bangalore, for the year 1983-84.

- (ii) Annual Report of the Cardamom Trading Corporation Limited, Bangalore, for the year 1983-84 along with Audited Accounts and the comments of the Comptroller and Auditor General thereon.

- (2) A statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (1) above.

[Placed in Library. See No LT—995/85]

Statement Correcting Reply to USQ No. 6613 dt 15-5-85 Re: exploration of Minerals in Indian area

THE MINISTER OF STATE IN THE MINISTRY OF SCIENCE AND TECHNOLOGY AND IN THE DEPARTMENTS, OF OCEAN DEVELOPMENT, ATOMIC ENERGY, SPACE AND ELECTRONICS (SHRI SIVRAJ V. PATIL) : I beg to lay on

the Table a statement (Hindi and English versions) correcting the reply given on 15 May, 1985 to Unstarred Question No. 6613 by Shri Mohan Lal Patel regarding exploration of minerals in Indian Ocean.

[Placed in Library See No LT—996/85]

**Audited Accounts of Central Council for Research in Yoga and Naturopathy for 1983-84 Statement for delaying in laying the Annual Reports and Audited Accounts of National Institute of Ayurveda Jaipur for 1983-84 and Central Council for Research in Ayurved and Siddha' New Delhi for 1983-84**

THE MINISTER OF STATE OF THE MINISTRY OF SHIPPING AND TRANSPORT (SHRI Z. R. ANSARI) : On behalf of Shri Yogendra Makwana, I beg to lay on the Table—

- (ii) A copy of the Audited Accounts (Hindi and English versions) of the Central Council for Research in Yoga and Naturopathy for the year 1983-84.

[Placed in Library. See No LT—997/85]

- (2) A statement (Hindi and English versions) explaining the reasons for not laying the Annual Report and Audited Accounts of the National Institute of Ayurveda, Jaipur, for the year 1983-84 within the stipulated period of nine months after the close of the Accounting Year.

[Placed in Library. See No LT—998/85]

- (3) A statement (Hindi and English versions) explaining the reasons for not laying the Annual Report and Audited Accounts of the Central Council for Research in Ayurveda and Siddha, New Delhi for the year 1983-84 within the stipulated period of nine months after the close of the Accounting Year.

[Placed in Library. See No LT9—99/85]

12.34 hrs.

### FINANCIAL COMMITTEES—A REVIEW

[English]

SECRETARY GENERAL : Sir I lay on the Table, a copy (Hindi and English versions) of the Financial Committees 1984—A Review.

[Placed in Library. See No LT—1000/85]

### ASSENT TO BILL

[English]

SECRETARY GENERAL : Sir I lay on the Table a copy, duly authenticated by the Secretary-General of Rajya Sabha, of the Constitution (Fifty-first Amendment) Bill, 1984 passed by the Houses of Parliament and assented to since a report was last made to the House on the 26th April 1985.

12.34 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

PROF. MADHU DANDAVATE (Rajapur) : On this agenda paper, you have not mentioned about the Anti-Terrorism Bill at all. Is it likely to be taken up ?

MR. SPEAKER : Yes Sir. A supplementary list of business will be circulated.

### MATTERS UNDER RULE 377

[Translation]

**Need for Speedy Completion of Some Canal System in Bihar**

SHRI TAPESHWAR SINGH

through you, I would like to draw the attention of the Minister of Irrigation towards an urgent matter of public interest Under Rule 377.

Sone Canal system was built in Bihar during the British regime. The waters of this system are being utilised since long for irrigation in Rohtash, Bhojpur, Aurangabad, Gaya and Palna Districts. This Canal irrigates lakhs of acres of land. Rohtas District is considered the granary of Bihar. The main canal and its branch canals are in a very deplorable condition for the last 20 years. All the canals have become heavily silted. The main canal which passes through Dehri-on-Sone, Arrah, Buxar and Palna and its several branch canals have breeched. The State Government has not been able to carry all the repairs there due to financial constraints. The water comes from Dehri-on-Sone Reservoir does not reach Arrah, Buxar and Palna and it goes waste *en routes*. About 6 years back the State Government of Bihar had sent a very big scheme to the Central Government for carrying out repairs thereto, constructing *pucca* embankments, desilting and constructing a road bridge on the canal the Government of India have decided to implement these scheme with the help of the World Bank the farmers are not getting water for irrigation purposes for the last many years due to deplorable condition of this canal system. The crops of farmers downstream of the canal get damaged. The Bihar Government has given an assurance that with the help of the Central Government and the Cooperation of the World Bank an amount of Rs 1200 crores is likely to be made available during the urgent financial year and this work will be completed in the Seventh Five Year Plan.

I request and appeal to the Union Irrigation Minister and Union Planning Minister that work on this scheme may be undertaken as soon as possible so that farmers living in the Western part of Bihar may be benefited in the days to come and they may be able to produce for their own property as well

(ii) Need to make Special allocation in the Seventh Plan for the over all Development of Eastern U.P.

SHRI ZAINUL BASHER (Ghazipur) :  
Mr. Deputy Speaker, Sir, under Rule 377, I have the following matter namely, that besides number of areas being economically backward, there are a large number of regional disparities also in Uttar Pradesh. Uttar Pradesh can be divided into the following five regions from the development point of view :

1. Eastern Uttar Pradesh ;
2. Bundelkhand ;
3. Hills ;
4. Central Uttar Pradesh ; and
5. Western Uttar Pradesh.

Among all the regions, Eastern U.P. is the most backward. According to 1978-80 figures, the *per capita* income in Western U.P. was Rs. 659, in Central U.P. Rs. 625, in Bundelkhand Rs. 663, in Hills Rs. 855 as against Rs. 487 in Eastern U.P. It was less by Rs. 111 as compared to the average income in the entire Uttar Pradesh and by Rs. 743 as compared to the average income in the entire country. Half of the unemployed persons in U.P. belong to Eastern U.P. whereas its population is 37 per cent of the total population of the State.

Unless the Central Government pays special attention towards the development of Eastern U.P., the situation will continue to remain as it is. Special allocations should be made during the Seventh Five Year Plan for this area. The State Government are not in a position to take special steps for Eastern U.P. because of their limited sources.

The people of Eastern U.P. had made a great contribution in the struggle for Independence. Since they are facing repeated natural calamities like famine

the poverty line and they see no effective development measures, the people of the area are getting frustrated. I put forth a demand before Government that a sub-committee of the Central Cabinet should be set up for the development of Eastern U.P. also as has been done for the development of Jammu and Kashmir as also the North Eastern States.

(iii) **Need to Amend the Sharda Act**

**SHRI MOOL CHAND DAGA (Pali) :**  
Mr. Deputy Speaker, Sir, under Rule 377 I am running the following matter :

Lakhs of farmers, agriculture workers and the scheduled caste and scheduled tribe people in the country, who believe in "gona" (*Maklawā*) ceremony are in search of an opportunity say, the day of 'Akishya Tritiya' on which they arrange mass marriages of all the major and minor children of their families because of economic reasons. On the same day they perform 'Gangunah' in memory of their ancestors and feel proud of investing and welcoming all the persons of their caste or community. When the girl and boy attain the age of 18 years and 21 years respectively, they 'gona' is performed and the girl moves to her in laws house. However, some anti-social elements with revengeful altitude try to exploit and harass these poor farmers and workers under the child Marriage Act or the Sharda Act. Hence there is a need to amend, this Act immediately. Law is meant to safeguard the interests of the people and not to put them in trouble.

(iv) **Need to propagate the writings of  
Saints like Kabir and Guru  
Nanak**

**SHRI MADAN PANDEY (Gorakhpur) :** Mr. Deputy Speaker, Sir, under Rule 377 I am raising the following matter namely : that the communal and separatist elements are spoiling the atmosphere throughout the country. Keeping this fact in view, it has become necessary to give wide publicity to the thoughts, aims and writings of saints like Maharishi Dadhichi, Kabir, Guru-

other saints, who had risen above communalism and other low tendencies and had created an atmosphere of tolerance, harmony and goodwill in the country. It is also necessary that commemorative stamps in their memory should be issued to create an atmosphere of communal harmony throughout the country.

(v) **Need to Repair the Jawahar Bridge  
over Yamuna River at National Highway  
No. 2 near Agra**

**SHRI NIHAL SINGH JAIN (Agra) :**  
Mr. Deputy Speaker, Sir, under Rule 377, I would like to draw the attention of Government to the Jawahar Bridge on River Yamuna in Agra. It falls under the National Highway No. 2 from Delhi to Calcutta and the State Highway from Agra to Meerut. It is the only bridge which caters to the entire traffic needs on these Highways and thousands of vehicles pass over this bridge daily. In addition it is the only bridge which handles the entire traffic of the trans-yamuna areas of Agra where, industrialization has taken place and the population has increased commensally.

After completion, this bridge was inaugurated by the late Prime Minister, Shrimati Indira Gandhi in 1969, but now it is in a very deplorable condition. For example, the upper part of the foundation pillars has been badly damaged, the road is also in a dilapidated condition and the footpath slabs and railings have collapsed at many places. It is dangerous to cross this bridge. Fortunately, no bus or truck has so far fallen into the river.

It is a very serious matter. In case adequate precautionary measures are not taken in this regard, accidents may take place and if the bridge is suddenly closed the traffic problem will assume alarming proportions.

Therefore, the Union Transport Ministry is requested to take timely steps to avoid a possible chaos in the traffic

(vi) Need to provide all facilities to the Engineers and employees of Kota Thermal Power Plant as are being provided to those working in NTPC

**SHRI SHANTI DHARIWAL (Kota)** .  
Mr. Deputy Speaker, Sir, I want to make a submission under Rule 377.

The completion of the second unit to Kota Thermal Power Plant is getting delayed and because of the tardy work by the State Electricity Board this unit will not be completed by June 1987. Only Rs. 117 crores have been spent so far on this Rs. 380 crores project whereas Rs. 119 crores should have been spent on it by this time. The Planning Commission had provided Rs. 196 crores for the second Thermal to the State Electricity Board unit but the State Electricity Board gave only Rs. 117 crores to the Kota Thermal Power Plant. The remaining Rs. 79 crores have been diverted by the Board to other works. It had no right to do so. Because of the efficiency of the engineers of the Kota Thermal Power Plant the Plant has been awarded a sum of Rs 2 lakhs in cash and a shield. BHOL has also commended the Kota Thermal Plant for its record unit for electricity generation in its first year. I urge the Central Government and the Planning Commission to issue necessary orders to the State Government in this connection. I also demand that, keeping in view their efficiency, the Central Government should direct the State Government to provide all those facilities to the engineers and the employees of the Plant which are available in the NTPC.

(vii) Need for Central Assistance to prepare Comprehensive and long term plans to harness the water resources of rivers in hill areas of U.P.

**SHRI HARISH RAWAT (Almora)** :  
Mr. Deputy Speaker, Sir, along with setting up of thermal and gas based power generation plants to meet the immediate requirements, we should also export the power generation capacity of our rivers in the hilly areas where water is available throughout the year so that the long term requirements of

the nation in regard to power can be met.

In the Sixth Five Year Plan, the importance of hydropower generation was accepted but by glancing at the 1985-86 Budget proposals, we shall find it seems that this sector is being neglected. I apprehend that in the Seventh Five Year Plan also hydro power generation may not meet the same fate. The coal and gas reserves can get depleted their exploitation, therefore needs a cautious approach. Also, the maintenance of the machinery required for them is a costly affair. The water availability in the hilly rivers is perennial. The Central Government should make arrangements to harness the boundless waters of the Alaknanda, Mandakini, Yamuna, Gauri Gargh, Dhauli Ganga and Sharda rivers in U.P. I submit that :—

1. Talks at the highest level should be held with Nepal for constructing the Pancheshwar Dam.
2. Prompt steps should be taken to make available the necessary foreign assistance for the construction of the Tehri Dam.
3. Necessary funds should be made available for starting construction of phase I and phase II on the Dhauli Ganga, whose survey has been completed and approval for starting the work on this project should be given at the earliest from the Planning Commission.
4. The Survey work for phase III and phase IV on the Dhauli Ganga should be started.
5. Survey work on the Gauri Ganga should start immediately.
6. The project for construction of dam on the Sharda near Ghat in Pithoragarh should be implemented.
7. The requisite funds for the Tanakpur Project should be pro-

vided so that the Project could be completed in time.

8. A comprehensive and long term scheme for construction of minor power project in this region should be formulated. The minor Power Corporation set up by the State Government is not capable of doing all this.

- (viii) Need to construct of a bridge over the Ganga river from Manjhi to Mahadi city in north Bihar

**SHRI RAM BAHADUR SINGH (Chhapra)**: Mr. Deputy Speaker, Sir, the land of North Bihar is not less fertile than any other land. If along with irrigation, arrangements to protect the area from the floods are also made, North Bihar can be converted into a granary the country. But unfortunately not to speak of making available irrigation facilities, the phenomena of loss of life and property worth crores of rupees every year due to floods in the Ganga, Gandak, Saryu, Kosi, Kamala, Balan, Daha, Dohta, Mahi, Sodhi rivers etc, which had been occurring before Independence is still continuing.

Some work to protect the area from the floods in the Kosi, Kamala and Balan rivers has been done but the work on the Ganga, Saryu, Daha, Dohta, Sondhi and Mahi rivers etc. has been left incomplete with the result that the floods in the rivers are causing great damage.

Earlier, we used to hear that to save North Bihar from the Ganga floods, a dam would be constructed on the North bank of the Ganga from Manjhi to Mohdi Nagar but till today the dam has not been constructed on the North bank of the Ganga.

I, therefore, draw the attention of the Government towards this and request that they should take steps soon for construction of a dam on the North bank of the Ganga from Manjhi to Mohdi Nagar and thereby save the villa-

ges on the banks of the Ganga from erosion and floods.

[English]

- (ix) Need to direct the Management of oil refinery at Cochin to negotiate with the Employees Union to end, the strike.

**SHRI SURESH KURUP (Kottayam)**: The Oil Refinery at Cochin—the most important industrial establishment in Kerala—is now at a stand still because of the employees' strike from 10-5-1985.

Regular strike notice was issued by the Union to the management failing direct negotiations, detailing the demands of the workers on which conciliation was initiated by the Regional Labour Commissioner, Madras. On the question of promotion, the Labour Commissioner made certain proposals which were acceptable to the Union but the management refused to accept. This was the reason for immediate ending of the conciliation proceedings and immediate cause for the strike.

So the strike has been rather thrust upon the workers by the Management by their refusal to comply with the proposals made by the Commissioner. Therefore, the Government should immediately intervene to see that the management accept the proposals of the Commissioner and ask them to negotiate with the Union to settle the other issues.

- (x) Need to devise ways and means to combat the situation caused by the discharge of industrial and Chemical wastes by various units in Public and Private Sector in rivers and open fields.

**SHRI K. R. NATARAJAN (Dindigul)**: I wish to draw the attention of the hon. Minister of Chemicals and Fertilisers to the serious situation caused by the industrial and chemical wastes discharged by various units in public and private sectors in the rivers and open fields around these factories. Much concern has been expressed by this august House to the discharge of petroleum waste from Mathura Refinery into the Yamuna

river. The smoke and other waste from the chimneys of this refinery is reported to be affecting the Taj Mahal in Agra. The whole of Bombay particularly the Chembur area in the city is seriously affected by air pollution. The industrial waste from such factories is seriously damaging agricultural operations along the rivers. As is well known, the villagers utilise the waters of these rivers for drinking purposes and these waters cause a number of diseases which affect the public health.

I would particularly like to bring to the notice of the hon. Minister about the effluents from Methur Chemicals Factory, Champlest Factory and the Travancore Chemicals Factory in the Mettur area of Tamil Nadu. It is reported that these factories discharge the effluents even in the open fields which does not find any outlet and which causes discomfort and misery to the people around these areas including agricultural operations. The effects of this pollution are visible in Gunachandiyur, Murugan Nagar and adjacent village in Mettur.

I am sure the hon. Minister will devise ways and means to combat this situation and will not hesitate to take serious action against the erring factories.

**(xi) Need to increase Railway facilities in Bihar.**

**SHRI C.P. THAKUR (Patna):** To increase rail facilities for people of Bihar, the Mahanagar Express running between Bombay and Varanansi should be extended to Patna and Ganga-Kaveri Express should also be extended to Patna. There should be at least 30 berths in Tinsukhia Mail for Patna. A local train between Arrah and Mokamah should run in the morning and evening to ease traffic problem during office hours.

*[Translation]*

**(xii) Need to give adequate compensation, residential plots and employment to the farmers whose lands are acquired by the Delhi Administration**

**SHRI BHARAT SINGH (Outer Delhi):** Mr. Deputy Speaker, Sir, there is already shortage of land in rural Delhi but the Delhi Administration are acquiring the farm land. Our policy is to increase production, not to acquire arm and

With the acquisition of land by Government the farmers and labourers become unemployed. Adequate compensation should be paid to the rural people. They should be provided, according to their qualifications, with commercial plots, residential plots etc. The person whose land is acquired should be given employment in any of the Departments. Although the law has been changed, compensation for acquisition is paid according to the old law. The difficulties of the farmers increase and they have to knock at the doors of the courts and have to spend money on appeals etc. Whatever compensation is given is spent on filing suits etc. and the farmers remain without work. At the time of acquisition of land, the position of the village should also be kept in mind. Keeping in mind the increasing population of the village, the limit of "Lal Dora" should be extended and land also be left for the use of the village population. Land for parks, playgrounds, community centre, Barat-Ghar, Library etc. should also be left vacant. When Government acquire land for such purposes. The amount of compensation should be increased and farm land should not be acquired because the country suffers there. Those rules should be applied for compensation which were adopted by the Seventh Lok Sabha.

*[English]*

**(xlii) Need to make available 'Imuran', a life saving drug for kidney patients**

**SHRI D.N. REDDY (Cuddapah):** Sir, life-saving drug for kidney patients, Imuran, is not available in the market.



Burrough-Wellcome laboratories have stopped the manufacture of this drug, since last year on the plea that the workers are affected in the manufacture. It is a life-saving drug for kidney transplantation patients and the patient starts taking the drug after transplantation and continue throughout his life-time. It is sure death if the patient stops taking it even for a day.

The Government should either persuade the company to start production or think of production with foreign collaboration, or direct the State Trading Corporation to import the drug from other countries and supply it to needy patients at a subsidised rate, as the price is beyond the capacity of the middle-class people.

(xiv) **Need to take Remedial measures for the survival of 'Sawaria Paharia' tribe facing extinction.**

SHRI R.P. DAS (Krishnagar) : Sir, a tribe of the Santhal pargana region in Bihar—"Sawaria Paharia"—is virtually facing extinction.

The population of the primitive tribe, as per the 1971 Census, was 59,047 which declined alarmingly to 19,481 in the 1981 Census.

The decline is attributed to their poor socio-economic conditions resulting in one of the highest rates of fatal diseases caused by mal-nutrition and use of polluted water.

These tribals are medium statured, muscular, wiry and capable of great physical endurance, but are fighting a grim battle of survival. Tuberculosis, goitre, leprosy, malaria and diseases of eye and skin are common among them. An official survey has revealed that at least 45 per cent of them suffer from tuberculosis, another 10 per cent from leprosy, and 25 per cent from goitre.

The prime reasons for the decline in their population are economic and health problems. The "Paharias" used to earn their livelihood from forests which were

denuded over the years. Mortality rate among the children up to the age of five is 25 per cent, while survival above 45 years is of the order of one in thousand.

I would, therefore, urge upon the Ministry of Home Affairs to investigate the reasons for the drop in their population and take necessary remedial measures for their survival which is being threatened by their poor-socio-economic conditions.

(xv) **Need for Financial assistance to the Government of Orissa to help the farmers in Balasore district and to amend the Famine Code**

SHRI CHINTAMANI JENA (Balasore) : Heavy rains, cyclonic whirl wind and hailstorms on a very large scale, have damaged thousands of dwelling houses, public institutions, high-yielding paddy and Rabi crops in many thousand hectares, and taken the lives of many cattles and human beings in the district of Balasore Mayurbhanj, Cuttack and Keonjhan in Orissa State in the second week of the last month. Thousands of farmers' mainly from small and marginal categories, who had prepared their crops taking huge amount of loans from nationalised banks or cooperative societies have been rendered paupers. As per the present procedure of Famine Code, the crop loans for agriculture purposes can be converted into medium-term if the concerned crop is damaged more than 50 per cent according to the assessment of the revenue department. But there is no provision for assessing the Rabi crops including paddy or wheat, resulting in untold miseries and heavy financial losses to these farmers. Similarly, relief operations cannot be undertaken by the Government in the absence of assessment of crop losses.

I would, therefore, request the Union Government to come to the rescue of these poor farmers with financial aid. Seeds, fertilizers and other inputs for cultivation of their Kharif crops may be provided to them free of cost at the earliest so that they are in a position to take up Kharif cultivation. The R.B.I. may be asked to direct the concerned

cooperative banks to convert their crop loans into medium-term loans.

In addition to it, the Union Government may take suitable action to amend the Famine Code to suit our present situation and circumstances.

(xvi) Need to survey a new railway line from Berhampur to Baudh or Sonapur in Balangir district (Orissa).

**SHRI SOMNATH RATH (Aska) :** The Government of India had a proposal for the construction of a railway line between Berhampur and Raipur. With the establishment of Rare Earth Centre at Berhampur, a naval training Centre at Chillka and a military base at Gopalpur, Ganjam district in Orissa is gaining more importance day-by-day.

A port is coming up at Gopalpur. Ganjam and Phulabani and Balangir districts happen to be hinterland of the port. These districts are rich in forest, mineral and agricultural produce. The railway line is totally absent in the area except one which passes through the outskirts of Ganjam district. The people of these districts have been demanding a railway line between Berhampur and Raipur. Both these districts of Orissa could not develop for want of communication facility. But due to constraint of funds this line has not been considered feasible at present.

Now, the survey of a new line has started from Khurdha Road to Balangir again through the outskirts of Phulabani district. In the same scheme the survey for a new railway line from Berhampur via Aska, Bhanj Nagar and Phulabani district to connect either to Baudh or Sonapur in Balangir district, may be included. This will also serve the problem raised by the public since decades. If this line is constructed, the forest produce, agriculture and minerals can be exported to the port at Gopalpur on sea. Since the policy of the Government is to provide better communication facility in the backward areas, this line should be surveyed without any further delay.

**THE MINISTER OF CHEMICALS  
AND FERTILIZERS AND INDUSTRY**

**AND COMPANY AFFAIRS (SHRI VEERENDRA PATIL) :** With your permission I would like to make a submission for your consideration and for the consideration of the House. Today being the last day there are lot of Members to make special mention. There is also a lot of business for today. In order to see that the entire business is transacted my submission is that we should do away with the Lunch Hour.

**MR. DEPUTY-SPEAKER :** Would the hon. Members like to forego the Lunch Hour ?

**SEVERAL HON. MEMBERS :** Yes.

**MR. DEPUTY SPEAKER :** So, we forego the lunch hour.

(xvii) Need to direct the Punjab Government to trace 17 Dadan labourers from Orissa and to release them from contractor's bondage

**SHRI CHINTAMANI PANIGRAHI (Bhubaneswar) :** Till today about forty thousand Dadan, labourers from Orissa (Migrant labour) have been taken by petty labour contractors and they are being forced to work in most inaccessible areas and in most inhuman condition.

About seventeen Dadan labourers from Dova village under Begunia Police Station in Puri district, Orissa were taken away by a contractor to Talwari Sahachak in Hosiarpur district in Punjab on the 10th January, 1985 on the contract for two months. But the whereabouts of these seventeen labourers are not being found out yet. There are nine child labourers among them.

I urge upon the Central Government to immediately request the Punjab Government to trace out these seventeen labourers from Orissa and send them back to Orissa after rescuing them from the bondage of the contractor.

(xviii) Need to Sanction more funds by the Central Government for upliftment of tribals

**SHRI AJOY BISWAS (Tripura West) :** Sir, thousands of youths have

decided to court arrest today the 17th May, 1985, under the banner of Democratic Youth Federation of India to press the Central Government to concede the most legitimate long pending demands of people of Tripura. Tripura is an industrially and economically backward State and 80 per cent people are living below the poverty line. The extreme backwardness of Tripura is due to lack of infrastructure like Railways, road communication etc. Only 12 kilometres railway lines have been established inside Tripura so far. No sincere effort has been made to set up medium or large scale industries there. There is a possibility to set up medium scale paper mill, jute mill, gas-based industries in Tripura. In comparison with the States of North Eastern region, the per capita non-plan and plan allotment is the lowest there.

I therefore request, the Central Government to fulfil the following demands of the people of Tripura :

- (1) Railway link to be established from Dharmanagar to Sabroom;
- (2) Paper mill, second jute mill, gas-based industries to be established in Tripura;
- (3) More funds to be given to the State for sanction of employment allowance to the unemployed youths;
- (4) More funds to be provided for the development of the State;
- (5) More funds to be provided to Autonomous District Council for upliftment of the condition of tribals and other demands of the people of Tripura.

(xix) **Need for Early inclusion of Jabalpur city under National Malaria Eradication Programme**

**SHRI AJAY MUSHRAN (Jabalpur) :** The population of Jabalpur city is nearly 10 lakhs. After Indore, it is the most populous city of Madhya

of population explosion, thickly populated localities of Jabalpur had become idle growth centres of mosquitoes. This has caused great concern since last few years from the health point of view and increasing incidents of malaria is causing great anxiety to Jabalpur city administration. To control this menace, it is very essential to immediately start the aerial spray of anti-malaria medicines over the whole city, besides all other conservative anti-malaria actions.

Government of Madhya Pradesh has requested the Health Ministry, Government of India, since June 1983, to accord early approval for inclusion of Jabalpur city under National Malaria Eradication Programme. The Government of India must, therefore, take immediate steps. Any delay in including Jabalpur under the MMEP can cause a serious malarial epidemic in Jabalpur in the near future. The situation has been further aggravated due to existing drought and water scarcity conditions in and around Jabalpur.

[*Translation*]

(xx) **Need to Exempt imported life saving drugs from custom duty and arranging their sale on fair price**

**PROF. NIRMALA KUMARI SHAKTAWAT (Chittorgarh) :** Mr. Deputy Speaker, Sir, Under Rule 377, I draw the attention of the Health Minister towards the following matter of urgent public importance :

There are many life-saving drugs which are not manufactured in our country because the foreign companies hold the trade mark and monopoly on them. Under the law heavy custom duty has to be paid for those drugs. Therefore, some persons smuggle these in the country and do not issue any bill to the patients for them. They also charge exorbitantly. The persons who are in need of them for saving their lives purchase those medicines at arbitrary prices. For example, TIMOPTOL, which is manufactured in the U.S.A. is the best medicine for Glaucoma. Indian medicines for this

whereas with the use of the imported medicine, the pupils do not shrink. If some patient has, along with Glaucoma, Cataract also then the shrinking of the pupil by the use of the Indian medicine can cause blindness. The price of TIMOPTOL in Delhi ranges between Rs. 140 to Rs. 250. In smaller places it is not available at all. A poor man cannot purchase it and consequently loses his eyesight. I, therefore, urge the Government to exempt such medicines from customs duty and such arrangements should be made as to make these medicines easily available to the common man. It is the duty of Government to protect the health of the citizens. Therefore, arrangements should be made to ensure that the best life-saving drugs at cheaper rates are available to the people. Along with the exemption of the life-saving drugs from the customs duty, their sale at fair prices should also be ensured.

[English]

- (xxi) Need for central assistance to meet the situation caused by cyclone in large areas of Cuttack, Balasore and some other Districts of Orissa

SHRI JAGANNATH PATTHAIK (Kalahandi): Sir, it is a matter of deep concern that natural calamities like tornado, cyclone and hailstorm have lashed out large areas of Cuttack, Balasore, Keonjhar and Sambalpur districts during the current fortnight causing colossal loss and thus making the lives of the people quite miserable. On last 11th, Chipilima, Dhama, Goshala, Godbhaga and Attabira areas of Sadar and Bargarh sub-divisions in Sambalpur district experienced an unprecedented cyclone which claimed at least three human lives and heavy toll of cattle besides injuring many. Several thousands of houses were razed to the ground. 2 lakh people of this district are badly affected and property including standing Dalua crop worth Rs. 20 crores is lost.

The sufferings of these effected people know no bounds and they are very much

of the Government to help these people in all possible ways.

Orissa is an unfortunate State to be very frequently visited by natural calamities like floods, drought and cyclone. When the State is presently passing through severe drought conditions due to inadequate rainfall in September-October last, the further adds to its misery and it will not be possible on the part of the State Government to meet the situation without liberal Central assistance.

I would, therefore urge, upon the Union Government to send a Central Team to Orissa's affected areas immediately and come to the rescue of the State Government of Orissa in a big way.

- (xxii) Taking over the Masulipatnam-Vijayawada State Highway by the Central Government

SHRI V. SOBHANADREESWARA RAO (Vijayawada): Sir, national highway should mean either Sea Port or Air Port at either end. Government of Andhra Pradesh is requesting Union Government to take over Masulipatnam-Vijayawada Road of 64 km. to extend Sholapur-Hyderabad-Vijayawada National Highway up to Masulipatnam to connect it to the Masulipatnam Port which handles large quantities of urea fertilizers etc. The matter is pending since many years. So I request the Government of India to take over Masulipatnam-Vijayawada State Highway and add it to National Highway Sholapur-Vijayawada immediately in the current year, 1985-86.

- (xxiii) Need for Representation of Andhra Pradesh artists in the Festival of India in France and U.S.A.

SHRI S. M. BHATTAM (Visakhapatnam): Sir, Festival of India will be held this year from June with the noble and laudable objective of promoting mutual understanding and also strengthening the cultural bonds and relations between these two countries namely,

the Prime Minister himself. Similarly, the festival of India will be held for the whole year in France as well.

It is stated that plans and programmes are so designed as to reflect the ancient and contemporary cultural glory of this country by arranging programmes of famous performing artistes in the field of dance, drama and music. It was reported that 200 artistes from India are selected to participate in the festival which is estimated to cost 8 million dollars. It is, however, learnt that not a single artiste from Andhra Pradesh is included in the large contingent of 200 artistes. Andhra Pradesh which can rightly feel proud of the great musical trinity like Thyagaraja Swamy, Shyama Shastri, M. Huswamy Dikshitar, is not represented in this programme. Andhra Pradesh which is the cradle of the fine arts and which is the birth-place of Kuchipudi Dance does not find place in the large band of artistes selected to represent this country.

I would, therefore, urge that due place, importance and representation should be given to the eminent artistes from Andhra Pradesh in the ensuing Festival of India.

*[ Translation ]*

(XXIV) **Need to Increase the remunerative price of Wheat and Mustard Seeds**

**SHRI KAMMODILAL JATAN (Morena):** In the northern parts of the country, the prices of wheat and mustard are coming down. The support prices of wheat has been fixed at Rs 156 per quintal but in the grain markets the wheat is selling at Rs. 150. Mustard is being selling at Rs. 365 and Rs. 800 per quintal. This is putting the farmers in difficulty. Keeping in view the hardship caused to the farmers, Governments are requested to see that, the prices of mustard and wheat are increased and Government should also make arrangements to purchase these commodities themselves.

13.16 hrs.

**COMPANIES (AMENDMENT) BILL  
CONTD.**

*[ English ]*

**MR. DEPUTY-SPEAKER :** The House will now take up further consideration of the Companies (Amendment) Bill. Prof. Ranga was on his legs. I request him to be very brief. There are a few more Members who want to speak.

**PROF. N. G. RANGA (Guntur) :** Mr. Deputy-Speaker, Sir, I wish to assert, in continuation of what I have already said, that it is a progressive move and it ought to be welcomed. This move to allow the joint stock companies and other public enterprises to make donations to political parties is a progressive move. But this move alone may not be adequate to meet the challenge that we are faced with now in regard to the manner in which the political parties have collected funds and are using the funds. I have already referred to the two suggestions which were made by our friends in the Opposition, Prof. Madhu Dandavate and Shrimati Geeta Mukherjee, and expressed my own approval of them ; I have at the same time suggested that they should have patience and take steps to ensure that a consensus comes to be achieved between all political parties in regard to their adoption. But having said that, I would like my hon. friends also to be equally constructive and cooperative and agree to let this Bill be passed, and this clause also to be passed, without any oppositional comments of suspicion or fears or doubts. I do not want to say any more in regard to other arguments...

**PROF. MADHU DANDAVATE :** (Rajapur) : If we do not oppose, the discussion will be boring.

**PROF. N. G. RANGA :** There is a way of making points. The manner in which you have chosen to criticise this very useful and progressive proposal which has come from the Government is not very constructive, to say the least. I would only like to add one word. This is in continuation of the move that

has already been made by this Parliament and through the leadership of our Prime Minister regard to banning defections. Therefore, let the Opposition be constructive and try to cooperate with the Government in order to make further progress towards increasing the degree of purity in our political life.

**SHRI E. AYYAPU REDDY** (Kurnool) : Mr. Deputy Speaker, Sir, I have already tabled some Amendments to the Clauses. I may not take time at the time of clause-by-clause consideration. Therefore, I may be permitted to speak once and for all...

**MR. DEPUTY-SPEAKER** : That is why I am allowing five minutes.

**SHRI E. AYYAPU REDDY** : I may not be able to do justice in five minutes.

A famous jurist has very recently said that, when law is in conflict with basic human forces, law is engaged in a losing battle. If the law is in the Utopian state, it will be very difficult to implement it. Law has to be very much nearer reality and must command implicit obedience by the majority of the people : then only, it will be able to command respect. Funding of political parties by the companies has been the subject-matter of discussion in this House on previous occasions also. We have now come to the third phase. In the first phase there was no ban whatsoever. Then that matter came to be reviewed judicially by some High Courts. Then in 1969 there was a total ban and there was also a penal clause. Though in 1969 the penal clause came into force, from 1969 till 1985 not a single company was prosecuted though everybody knows that there was a flagrant violation of that penal clause. The simple reason is and was that the party who abetted the commission of this offence invariably used to be the ruling party and other political parties. When the lawmaker himself is the law-breaker, how can the law be implemented ? If the salt of the earth loses its flavour, from where shall be salted ? If the fence itself begins to eat the crop, who will safeguard the

crop ? If the security man himself shoots the VIP, where is the security for the VIP ? Unfortunately, the companies are made liable to be prosecuted for violation but the abetment always comes by the political parties. But there is no provision in the Act to prosecute political parties. Of course, they can be prosecuted as abettors by the application of the Indian Penal Code. I want the hon Minister also to make it very clear that the abettors, that is the political parties, can also be prosecuted as abettors. It would have been better if the provisions enable the prosecution of the political parties also, that means the seducer. Now we are trying to prosecute the seduced. The seducer also must be made equally liable. This is also a process in the reverse. In bribery cases the person who takes the bribe is prosecuted, the person who gives the bribe is not prosecuted, unless he is to be prosecuted as an abettor. The reverse is the case here. Here the person who pays the amount is prosecuted, the person who induces and takes the amount is not prosecuted. That is the anomaly that has to be removed. But there is a lot of difficulty in that. I know practical difficulty there. The persons who are to be prosecuted and who abet the offences are high-placed people.

With regard to political funding, in 1957 the idealistic objection has been taken by the courts. In 1957 in that very famous case of the Indian Iron and Steel Company Ltd—I will quote the Calcutta High Court—this is what the Calcutta High Court says :

“To induce the Government of the day by contributing money to the political funds of the parties, is to adopt the most sinister principle fraught with danger to commercial as well as public standard of administration. To convert conviction and conscience by money is to pervert both democracy and administration. The individual citizens, though in name equal, will be gravely handicapped in their voice, because the length of their contribution, cannot

hope to equal the length of the contribution of the big companies. The man who pays the piper, will call the tune. The level of political life, in the long run is liable to become the tune of the big trading companies and concerns."

That is the best indictment, a forcible indictment of the principle of contribution. But the very same learned judge in the end came to the conclusion and he said as follows :

"Such payments and contributions must in my view be made in the full light of the Day so that the shareholders in particular and commerce in general, Parliament and Legislatures all over the country may know what these contributions are and from what source they come.

So long as these contributions remain honest within the limits of business prudence the companies have nothing to lose by the wholesome publicity."

I think the present Bill is near approach to the view expressed by the learned judge, that is, the third phase. I come to the third phase, that is, prohibiting in a limited sense. But in my humble opinion, the provisions relating to prohibition and penal clause can only be enforced so long as the ruling party makes a strong resolve not to touch a single pie of the black money. The total responsibility to see that these provisions of the Act remain inviolative, remain effective is on the ruling party. I had recently very bitter experience because in the recent election, I faced the ex-Minister for Industries and Company Affairs. I had to face him in the elections. A journalist from Calcutta, all the way from there came to see me. I asked him why he had taken so much pains to come and see me. He said "I want to see the person who face the industrial might of India". I asked him 'what do you mean by' industrial might? He explained to me that the then Minister for Industries and Company

Affairs had at his command the services of big industrial houses of India. The journalist also told me that according to him the estimate of the cut-outs and other advertisements exhibited by the then Minister was valued at about Rs. 20 lakhs. According to my information, he had 250 vehicles at his disposal for election campaign and there were 50 vehicles laying idle at his office. The cut-out which he had displayed was taller than the tallest Church in my constituency, namely, Kumool. It was 72' high. The minute he lifted his phone, money was flowing into his treasury. So, this type of will adversely affect our faith in the democracy.

The anxiety of every citizen is to see that this money does not contaminate and corrupt the base of Indian Constitution, that is, democracy. For that, the responsibility is on all the political parties. Now, I do not want to say that there is no bona fide reason for bringing forward this Bill. I take it for granted that the ruling party is actuated by noble idea to keep politics free from political corruption and corruption of money bags and of industrialists. I give all credit that they have come forward with a realistic approach. But the responsibility of implementing this realistic approach is squarely on the ruling party as things stand today.

I will only make one suggestion and complete my speech. Now, in order to see that money does not play the part of corrupting influence in the democratic polity of our nation, we have to bring forward corresponding amendments to the Representation of the people Act. There must be separate chapter dealing with the political parties. The political parties must be registered under the Representation of the People Act. Their Constitution must also be registered and the Constitution must provide for inner democracy. The Constitutions must provide for election of office bearers of the party at least once in two years and the funds and assets of the parties must be a matter of record with the Election Commissioner and there must be an Election Commissioner

(Judicial) who will go into the field at the time of election and who will scrutinise and who will be umpiring at the time of election. We do require an umpire who will blow the whistle when one candidate or a party is playing foul. It is no use asking the party to go and file an election petition after the election is over and the other man had committed corrupt practices. That way we would not be able to save elections from the corrupting influence of money. The only way is to have an Election Commissioner (Judicial), who will do the umpiring just as when a game is going on, there is an umpire between the two teams, and he blows the whistle whenever a player commits foul. Similarly, we must have Election Commissioner (Judicial). With these observations, I conclude.

**THE MINISTER OF CHEMICALS AND FERTILIZERS AND INDUSTRY AND COMPANY AFFAIRS (SHRI VERENDRA PATIL) :** Sir, I am grateful to all the hon. Members who participated in the debate irrespective of the fact that many hon. Member sitting on that side opposed particularly one provision of this Bill.

So far as the provisions with regard to the dues of the workers and the provisions with regard to providing appellate authority for amalgamation and assessment of the shares are concerned, every hon. Member has welcomed them. The only controversial provision is with regard to enabling the Companies to make donations to political parties.

I am grateful to Shri C. Madhav Reddi and Shri E Ayyapu Reddy who have given their qualified support to this piece of legislation while expression their apprehensions and doubts. Similarly Members from this side, particularly our seniormost hon. Member of this House, Shri Ranga, have given whole-hearted support to this measure. I am sorry that some of the hon. Members tried to paint a picture that by allowing the companies to make donations to political parties, the Government and the ruling party are corrupting the political atmosphere in the country. Some hon. Members

went to the extent of saying that it is nothing but legalising the black money.

First of all, I want to deal with the objections taken by hon. Member Shri Madhu Dandavate. Unfortunately, he is not here. Yesterday, he was reading out some portions of the letter that one hon. Member of British Parliament had received from an electorate of his constituency and the reply given by the Member representing that constituency. He was also saying that British Parliament is the mother Parliament. I agree that our Parliament or democracy is 35 years old, and so far United Kingdom is concerned, that is the eldest democracy, may be more than 600 years old. After I heard his views yesterday, I tried to collect information as to what is going on in their country with regard to company donations to political parties. He was talking of the 18th century. We are now in the twentieth century and going to cross it within a short period. Now, company donations are not barred in United Kingdom; no company is prohibited from making political donations. In 1967, the Companies Act in the United Kingdom was modified to provide that any contribution in excess of fifty pounds to political parties or political persons should be depicted in the balance sheet. That is all the condition. Again, it was further modified in 1981 to provide that donations exceeding two hundred pounds should be depicted in the accounts or balance sheet of the company.

So far as donations to the political parties are concerned, of course, in our Bill, we have put a ceiling it cannot be more than five per cent, but today in United Kingdom there is no ceiling at all. The companies are at liberty to donate whatever they want. It is not only the companies which are making profit. We have said in this Bill that the companies can donate only if they are making profit, and this right is not available to the companies which are incurring losses. But there in the United Kingdom, even if the companies are incurring losses, and if they want to make political donations, they are at liberty to do that and it is not prohibited



or banned Sir, you know that sometimes ruling party becomes an opposition party and an opposition party may become the ruling party. This goes on. I want to know whether any political party in UK has been able to corrupt the political system of their country. I want to know it because they have these provisions. I will come to that. What is going to be the donation to political parties— I will come to that and I will give figures also for that at a later stage.

We find that there are democracies nearly 350 years. 400 years or even 600 years old in other countries. Although our democracy is only 32 years old, the maturity that is demonstrated by our voters in our country is something exemplary and everyone of us, sitting on this side or the other, should be proud of our electorate. Just now Shri Ayyapu Reddy quoted his experience that he would not have been here in his seat in this House, if money power had any influence on the electorate.

**SHRI E. AYYAPU REDDY :** I said that I was nearly losing.

**SHRI VEERENDRA PATIL :** It is easy for you to say it now that because of the money power your margin was less and otherwise the margin would have been much more and all that. But we must give due recognition to the wisdom of our electorate. Nobody can say that the electorate has been corrupted. That means the electorate in our country are getting something and they are not voting without any consideration. That amounts to a wholesale condemnation of the entire country and I think it is below our dignity and we should not talk on those terms.

**SHRI SAIFUDDIN CHOUDHRY (Katwa) :** No one says that.

**SHRI VEERENDRA PATIL :** Sir, so far as donations to political parties are concerned, it is not something new. It is not new to this country. We are not introducing something which is completely new to this country. As Shri

Ayyapu Reddy said, it was there earlier. An amendment was thought if only in 1960 and that too at the instance of the High Court ruling. He has quoted the ruling of the Calcutta High Court. I will quote the ruling of the Bombay High Court,—I think that was in the case of Tata Iron and Steel Company. The Bombay High Court was approving the alteration of the memorandum, because earlier to 1960, to alter the memorandum making a provision to make political donations, they have to get the approval. After the approval, they used to approach the High Court and with their approval, they used to make political donations. The Bombay High Court said that it is desirable for Parliament to consider under what circumstances and under what limitations; a company should be permitted to make these contributions. Similarly, Calcutta High Court also made these observations. In the light of these observations, the Government and the Parliament thought that it was better to regulate or regularise it by making a provision in the Company Act. That is why in 1960, the Company Act was amended. In 1969, there was a feeling very much current in the minds of the members of the ruling party as well as the members of the opposition parties that these donations to political parties were corrupting the atmosphere. So, they thought that they should ban donations to political parties to eliminate corruption from public life. And whatever amendment was made in 1969, banning donations to political parties, that was done in good faith. I have nothing to say against. It was a laudable object. And in 1969, for the first time, donations to political parties were banned in the country by amending the Company Act. But what happened? In 1974, Government realised that the purpose for which the company donations were banned to political parties, that was not served. It did not serve the purpose. So, in 1979 thinking started again. I am giving these details only because I want to say that it is not the latest thinking, it is not fresh thinking, it is not something which we are thinking now itself. In 1974, they started thinking again and it took shape in 1976. I think in 1976 a Bill

was introduced in the Parliament, in this very House on 24 August 1976 to enable the companies to make political donations. But unfortunately, the time was very short and before the Bill could be taken up for consideration the period of Parliament was expired and naturally the Bill lapsed.

**SHRI E. AYYAPUREDDY :** Somebody invented a method by which a souvenir can be published and money can be collected by taking advertisements.

**SHRI VEERENDRA PATIL :** I am coming to that also. There was no question of pursuing that matter because the Bill lapsed. Now this Bill is there. Every hon. Member is aware of the provisions of this Bill. There are rigid conditions which have been laid down for donations to political parties. The condition is that it is voluntary. There is no compulsion. Although the maximum is 5%, nobody can say that 5% should be, or shall be paid to political parties. They may pay, they may not pay. Even if they want to pay, they may only pay 1%; they may pay 0.5%, or 2% or 4%. But they cannot exceed 5%.

Then, it is only for profit-making companies. No other company can make political donations. Then, whatever donations are made, the details have to be disclosed in their balance-sheet. Not only should it be brought to the notice of the shareholders, but the entire nation can get that information as to how much amount has gone to different political parties, how much has gone to ruling party, to the Opposition, to different political parties, and also to individuals.

Then, Government companies are completely prohibited. There is no question of Government companies making any political donations at all. Only the companies; even if they are profit-making companies, unless they are in existence for three years, they cannot make any political donations at all. So, sufficient safeguards have been provided, even in making political donations.

The impression that is created is this : I heard the views of several Members,

that this exercise is being done for funding the elections. We have made it very clear, viz. what is donation to political parties. Issuing advertisements is included in that 5%; advertisements in souvenirs and advertisements in pamphlets are included. If the political parties want to hold political conferences, they want to raise subscriptions or donations—everything is included, not only donations at the time of elections. Unfortunately, several Members are under the impression that these donations are meant only to finance the elections. If any political party wants to hold political conferences, naturally a lot of people will go there. They will attend the conference, and the political party has to take the responsibility of providing boardidg, lodng, and a lot of arrangements have to be made for that. Naturally, they entail expenditure. For such purposes also, the company can make donations. It is not necessary that what ever donation goes, every pie of it is going to be spent only on elections.

Again, the feeling is that whatever donation is given, is for funding the elections, financing the elections. I do not wish to quote the figures, because I have yet to get the figures. But figures have been quoted in the other House, because the other day it was discussed in the other House; it was passed by the other House. That is how it has come to this House for consideration and passing.

Mr. L.K. Advani, Leader of the BJP group said that after 1960, by amending the Act when political donations were allowed political donations have been given to different political parties. What is the total amount given? He has given, the figures. This is the statement made by hon. Member Shri Advani in the Upper House.

**SHRI SURESH KURUP (Kottayam) :** Is it correct to make statements here regarding the discussions in the Rajya Sabha?

(Interruptions)

He is reading a statement.

**SHRI VEERENDRA PATIL :** It is in the proceedings. I think every hon. Member will have access...

**MR. DEPUTY SPEAKER :** He cannot quote the speech.

**SHRI SURESH KURUP :** He is quoting.

**MR. DEPUTY SPEAKER :** I think he is not quoting. He is only referring to that.

**SHRI VEERENDRA PATIL :** All right. I will not refer to that. I do not want to read the statement. What Mr. Advani said in the other House was that from August 1962 to March 1966. According to one of the published reports, the total donation to political parties from the companies' amounts to Rs. 126 lakhs; and naturally, he went on saying that out of Rs. 126 lakhs, the major share went to ruling party. Now why I am quoting this one is because I want to know whether any political party receiving a donation of Rs. 1 crore or you may say that at that time Rs. 1 crore was nothing and today that Rs. 1 crore is equal to Rs. 5 crores or Rs. 10 crores. I agree that also taking into consideration the inflation. I want to know whether any donation to any political party getting Rs. 1 crore or Rs. 2 crores or Rs. 4 crores or Rs. 5 crores, is it going to influence the political set up of this country; and whether that is going to corrupt the entire atmosphere and corrupt the voter? We have to consider this one. I have already made it clear that this is a step we have taken to clean public life because once a company gives political donation, then everybody will come to know what is the donation given by them; and there is a feeling that by allowing companies to give political donation, it is only the ruling party who are going to be benefited. I can only say that now-a-days the donor has also become very wise. If you want to give political donation, he will arrange it in such a way that all political parties, he will be able to keep in good humour because he knows that in the political system, in the democratic system, every political party has got

an opportunity to become ruling party one day or the other. If the ruling party is getting the advantage of this, I can say that today in our country there are several States where other than Congress Party is in power. So, it is equally applicable to them also. If we are here in the Centre and in different States similarly, in Karnataka Janata Party is in power.

**SHRI E AYYAPU REDDY :** The management of company affairs is with the Centre.

**SHRI VEERENDRA PATIL :** No, not necessarily; they can give to any political party; they can give to individuals.

**SHRI E AYYAPU REDDY :** The management of companies' affairs is completely within the jurisdiction of the Centre.

**SHRI VEERENDRA PATIL :** There is no question of Company affairs at all that. They can give it to everybody they want. Where is the question that they cannot give to Companies' Affairs Department and seek their approval?

Another point that I want the hon. members to consider is that everybody knows that the companies make the donation. The donor also knows that he is not paying from his pocket; he is paying from the profit of the company. The receiver also knows that this donor or the so-called officer-bearer of the company is not paying from his pocket and the shareholders' money he is paying. And the impression is that because that officer-bearer comes and pays that money to the political party, he will be able to extract some favour from that political party. What is the equity? What is the interest of that individual in that company? If we have a survey, I can tell you that there are a number of companies where Managing Directors or the Chairman of the Companies they do not have more than 10 per cent, 15 per cent, 20 per cent, at the most 25 per cent. The remaining amount belongs to the shareholders or to the financial institutions. If any particular individual being an office bearer of a particular

company makes any political donation, how can anybody come to the conclusion that he is doing some favour to a particular political party? There is no question of doing any favour at all. And hon. Member Shri Madhav Reddy wanted to know, that is why I said that and he gave his qualified support. So, instead of the Directors taking a decision why not we allow the shareholders to take the decision about donations to political parties? What happens? The shareholders meet once in a year. Whenever the political party comes and the company feels that they should oblige the political party and then, they cannot hold a general body meeting and call a meeting for that purpose. Whatever political donation is given, it would be with the knowledge of the shareholders. That is why we have made it a condition that whatever donation is given to political parties, it should be disclosed in the balance sheet and that balance sheet has to be adopted by the shareholders. Not that the balance sheet will remain in cold storage and it will be kept in the dark from the shareholders' knowledge. There is nothing like that. It has to be placed before the general body and it has to be adopted by the general body.

**SHRI C. MADHAV REDDY (Adilabad) :** There are several acts on the part of the company which require ratification by the extraordinary general body meeting. You cannot say that the general body meets only once in a year. The extraordinary General body meets every two months. There are several resolutions which are to be ratified. Why can you not accept this?

**SHRI VEERENDRA PATIL :** I think it is redundant exercise because the balance sheet will mention to which party and how much amount has been given. All that will be mentioned. That balance sheet will go before the shareholders' committee and the shareholders' committee will have to adopt that balance sheet. And moreover, if I agree for argument's sake that the Directors of the Board are making donations to political parties, against the wishes of the shareholders, then after all who are the Directors? They are the represen-

tatives, and they are the elected factors, of the shareholders. They are their representatives. They can be thrown out at any time.

I want to know if hon. Member Shri Madhav Reddy means that the Directors can go against the wishes of the shareholders and still continue to be the Directors. They will be thrown out by the shareholders at any time. So all those safeguards are already there. But we think that the Board of Directors, or the Directors who are on the Board they are the representatives of the shareholders. Today we are here. We are passing so many pieces of legislation. Are we going to ask the people what they want us to do with regard to these legislations?

**MR. DEPUTY-SPEAKER :** No referendum business.

**SHRI VEERENDRA PATIL :** That is why I mentioned that the balance sheet has to come before the general body. The general body has to adopt the balance sheet. All those safeguards are there.

I do not think that there is anything more for me to say in the matter. I would again appeal to all the hon. Members that this is not new to our country because I have yet to find out whether there are any democratic countries—may be one or two or a few, I do not know—whether there are any democratic countries where donations from the companies to political parties are banned. Because, I am told that it is allowed in some Federal States of the United States of America. It is allowed in Canada, it is allowed in other countries also. So this is not new and it is not fair on anybody's part to say that this political donation given by the companies, it will be under the table, it will be some times over the table and all that, because everything is recorded, everything is accounted, therefore we feel honestly that by allowing the companies to make donations to political parties to a great extent, I do not challenge, I do not claim that it is going to

eliminate hundred per cent the menace of black money, to a great extent it will be possible to eliminate the menace of black money by this and as hon. Member Mr. Ayyapu Reddy said, the political parties cannot suppress this information. But I must say that I am in politics for a long time. What has been happening particularly at the time of elections, after we banned political donations? So many unscrupulous leaders are collecting funds in the name of the party. Everybody goes and collect the money. When the money is collected in black then where is the question of rendering accounts and telling anybody that he has collected so much black money? This is a step in the right direction. This is why, I wanted to be very guarded in making the statement that our purpose is to see that the black money menace particularly in elections and also in the political system should be eliminated. Towards that end this is the step we are taking. I feel that this step which has been taken in the right direction, will be welcomed by all the hon. Members without any opposition.

MR. DEPUTY-SPEAKER : The question is :

That the Bill further to amend the Companies Act, 1956, as passed by Rajya Sabha, be taken into consideration."

*The Motion was adopted*

MR. DEPUTY-SPEAKER : Now, we take up clause by clause consideration. Clause 2.

SHRI E. AYYAPU REDDY : Are you moving your amendment ?

SHRI E. AYYAPU REDDY : No.

MR. DEPUTY-SPEAKER : The question is :

"The clause 2 stand part of the Bill"

*The Motion was adopted*

*Clause 2 was added to the Bill*

*Clause 3 to 6 were added to the Bill*

*Clause 1, the Enacting Formula and the Title were added to the Bill.*

SHRI VEERENDRA PATIL : I beg to move :

' That the Bill be passed.'

MR. DEPUTY-SPEAKER : Motion moved :

"That the Bill be passed."

SHRI E. AYYAPU REDDY : Only the companies are made liable to punitive action for violating the principles of giving donation unaccounted. The persons or the political parties or leaders or their agents, who induce these persons to make payment in black, cannot be prosecuted under the existing provisions as principal accused or co-accused, but they can be prosecuted as abettor. I want to know from the minister whether they can be prosecuted as abettors.

SHRI VEERENDRA PATIL : I do not think it is possible because whatever action has to be taken under this Company Law it is only when the information is received by the Registrar and he has to make a complaint. It is not that any Police Officer or anybody can take any action. It is very difficult to find out who is the abettor. If it is a political party, who is that in that party? There are so many practical difficulties. So, it cannot be accepted.

[Translation]

SHRI ABDUL RASHID KABULI (Srinagar) : Mr. Deputy Speaker, Sir, I would like to submit to the hon. Minister that he would be taking away more than five per cent from the profits of the industrialists in the private sector.....(Interruptions) They will give donations. They will give advertisements in the souvenirs, They will give all

facilities to him.... (*Interruptions*) They will help the political parties. We have a complaint against the industrialist that he is suppressing the worker, he is harming the interest of the worker. Government too have the same complaint that the number of sick units is increasing today, it is not decreasing. It was on this ground that Government had recently taken over four units of tea plantations on which matter I had brought forward a statutory resolution. In the reply given by Government at that time, it was explained that in the private sector, bungling, corruption and corrupt practices were rampant on such a large scale that the industrialists were cornering the assets. In fact this law is not tenable. I am at a loss to understand how a state, which claims to be a socialist state and is committed to give the country a socialistic set-up, can enact such a legislation. Through you, Sir, I want to ask the hon. Minister that when there is no participation of the workers in management and when Government have not taken any decision in this regard, who would decide whether the profit being shown by them is correct or not? Now the question arises whether when there is no participation of workers, this legislation will not prove to be a Cart before the horse; As long as government do not give an assurance that these will be participation of the workers in the management, to bring forward this Bill will not be justified.

(*Interruptions*)

[*English*]

MR. DEPUTY SPEAKER: We are now discussing about the donations and you are bringing in the workers and the profits and the participation of workers in the management and all that. What is the connection of all these that you are bringing in?

SHRI ABDUL RASHID KABULI: Why not, Sir.

MR. DEPUTY SPEAKER: If that is the stand I cannot allow. If there is any clarification regarding this, of course, you can seek, but not a speech like

this. Any other things will not go on record. If you want a clarification, you can ask, but if you are making a speech, I cannot allow it.

SHRI ABDUL RASHID KABULI: Secondly, Sir..... (*Interruptions*).

MR. DEPUTY SPEAKER: No, you leave aside the first one and ask the fresh question now.

[*Translation*]

SHRI ABDUL RASHID KABULI: The second question which I want to ask is that if a company giving financial assistance to a political party seeks loan and subsidy from Government seeks a licence, then what would be the attitude of the political parties in such a situation? What measures do Government propose to take to tackle such a situation? Wherever such a demand is made, would those political parties defend those demands or would they only exercise silence in this regard? How do you propose to have control over that?

[*English*]

SHRI VEERENDRA PATIL: Sir, the hon. Member has raised two doubts. One is that he is under the impression that these donations will be made at the cost of the workers. In the Bill itself we have made it very clear that these will be only five per cent of the net profit, after paying all the dues of the workers.

SHRI ABDUL RASHID KABULI: My relevant question is whether there is any guarantee of the participation of workers so that they can protect their interests.

SHRI VEERENDRA PATIL: I am coming to that. I said that the question of participation and all that does not arise because nothing is being paid out of the share of the worker. Whatever is being paid, it is only out of the share in the profit of the shareholder. There is nothing like the workers sacrificing it. But he is raising a larger question about participation of workers in the manage-

ment of the private sector. That is a different matter.

Another point that he is raising is that where is the guarantee that the company which is making donation to a political party, will not extract favours from the ruling party. I made it very clear that the fellow who is making the donation is not making it from his pocket. After all, his interest is only 10 per cent or 15 per cent or 20 per cent, the remaining is all the money belonging to the shareholders and the financial institutions. Even supposing he wants to extract a favour, I think it cannot be without the knowledge of the people, it cannot be without the knowledge of the hon. Members. If it is brought to the notice of the hon. Members, certainly they can raise it here, they can discuss it here and it can be discussed in other forums also. So, the hon. Members are discussing so many things, although there is no political donation today and there is a ban. Still they bring in so many things. According to them there are so many scandals which are going on in the Government. Are they not being discussed here? Supposing there is any favour done to a particular company because of the donations that the Company has made to the Government, certainly I think, it cannot be any secret and it can be discussed in Parliament and we will be answerable to them.

MR. DEPUTY SPEAKER : The question is :

“That the Bill be passed.”

*The Motion was adopted*

SHRI ABDUL RASHID KABULI : This is a black law and I walk out on this.

14.4 hrs.

*(Shri Abdul Rashid Kabuli then left the House)*

MR. DEPUTY SPEAKER : Mr. Basudeb Acharia, do you want a division on this?

SHRI BASUDEB ACHARIA : No division. •

14.12 hrs.

### ARMS (AMENDMENT) BILL

[English]

THE MINISTER OF HOME AFFAIRS (SHRI S. B. CHAVAN): I beg to move :

“That the Bill further to amend the Arms Act, 1959, be taken into consideration.”

We had the other day discussed the issue of terrorist activities which has entered a new phase with the terrorists indulging in want on acts of violence with the help of fire-arms and ammunition, resulting in the loss of a number of innocent lives. Most of the fire-arms and ammunition used have been acquired through unauthorised means.

In the context of the increase in extremist activity and more frequent use of arms in committing acts of violence directed against innocent people it has become necessary to make the punishment for violation of certain provisions of the Arms Act more stringent so that it may have a deterrent effect. The Government have, therefore, brought up an amending Bill under which the minimum punishment for violations of provisions of certain sections of the Act is proposed to be raised from six months to one year. It will cover most of the offences under the law in normal conditions. Some parts of the country, such as Punjab and Union Territory of Chandigarh have been declared as ‘disturbed areas’. To deal with offenders operating in those areas it is proposed to provide for a minimum punishment of three years for such offences and to raise the maximum period of imprisonment from three years to seven years and fine. Similarly, in areas which have been notified under Section 24-A or 24-B of the Act, the punishment for violation of the notifications issued under the section is proposed to be increased from one year to three years with a maximum punishment of 7 years imprisonment instead of five years as provided hitherto,

The primary object of the Bill is to curb unauthorised manufacture, acquisition, possession or carrying on arms etc., with a view to combat violent activities. I, therefore, commend the Bill for the consideration of the House.

MR. DEPUTY-SPEAKER : Before taking up further discussion, I want to know what time should be allotted to this.

SHRI G. M. BANATWALLA (Ponnam) : Two hours.

THE MINISTER OF PARLIAMENTARY AFFAIR (SHRI H. K. L. BHAGAT) : We want finish this Bill today.

MR. DEPUTY-SPEAKER : And at 3 p. m. we will take up the Private Members' Bill. Therefore, we can put one hour and we will see afterwards.

SEVERAL HON. MEMBERS : Yes. I therefore, urge the hon. Minister that besides enacting laws in their regard, he should intervene in such cases and see that the culprits are awarded punishment after enquiry.

14.14 hrs.

[SHRI VEKKOM PURUSHOTHAMAN—*In the Chair*]

SHRI E. AYYAPU REDDY (Kurnool) : Sir, I support the Bill, but I want to mention some of the practical difficulties in implementing the Arms Act. By increasing the term of imprisonment to seven years, the case has to necessarily go before an Assistant Sessions Judge or a Session Judge. Now, the case will go out of the jurisdiction of the First Class Magistrate and the Munsif Magistrate. We have to consider the delay that will usually accompany if a case has to be tried by a Session Judge or an Assistant Sessions Judge instead of a Munsif Magistrate. You are automatically changing the jurisdiction and the forum before which ordinary offences relating to the Arms Act have to be tried,

Therefore, I would suggested that in spite of the fact that you have increased the jail sentence, we must correspondingly amend the Criminal Procedure Code so as to enable the Munsif Magistrate to try all these terrorists. That is my first suggestion.

My next suggestion is, the sanction to prosecute the accused in the Arms Act either by the District Magistrate or by the State Government has become necessary. This obtaining of sanctions has always caused huge delay. As a criminal lawyer, as also a Minister who dealt with law, I know fully well that in sessions cases where murder accompanied by use of arms and explosives, there used to be huge delays in filing the charge sheets and whenever the police were asked as to why the delay was caused. They were always saying that we have applied for sanction and as soon as the State Government or the District Magistrate accords his sanction, we will file the charge sheet'. There are a number of instances where charge sheets were filed after one or two years on account of this procedure of filing of a sanction as a condition precedent. I would, therefore, suggest that the Arms Act and the Explosives Act must be amended so that sanction can be obtained even after the charge sheet is filed before the trial takes place so that all these offences can be expeditiously disposed of. I want an assurance from the hon. Minister that offences where arms and explosives are involved must be disposed of expeditiously and within a period of six months or within a period of at least one year. They must not take more than one year for filing the charge sheet.

With these suggestions, Sir, I am supporting the Bill.

[*Translation*]

SHRI KEYUR BHUSAN (Raipur) : Mr. Chairman, Sir, the Arms (Amendment) Bill has been brought formed in time and it has been brought forward keeping in view the conditions prevailing at present in Chandigarh and Punjab.



But the increased punishment proposed in the Bill is not in consonance with the objects of the Bill. The Bill is not confined merely to the possession and manufacture of unlicensed arms. In order to achieve the objects of the Bill, stricter punishment should be provided and particular attention should be paid to ensure that such arms are not manufactured.

I want to draw your attention to the need for amending the law governing possession of arms. The arms which people have accumulated today are aimed at the disintegration of the country and to indulge in treason. It should not be treated as an ordinary offence but should be treated on a different footing. It is clear from the picture that has now emerged there that it is not only fanaticism which is behind it, but something more than that. We should be more careful and keep in mind that fanaticism has been brought as a cover and a handful of people are trying to divide the country once again in the name of religion. A part of a struggle which we are to wage against them is that they should not be allowed to collect arms. They should not be allowed to manufacture arms clandestinely. We should pay attention to it. I want to urge that our Government should pay adequate attention to this aspect. There are three distinct sections of common people. The first section comprises those who are not at all with them. Their hands should be further strengthened. At least this has to be done. If we could only check the arms and confined ourselves to that only and did not pay attention to the feelings of common people who are opposed to them, we shall be committing the same mistake once again which resulted in the division of the country. Attempts all being made once again to fan Communalism there. I can say with confidence that the people of Punjab and Chandigarh—where we want to extend this law—are struggling against it continuously. National feelings are quite strong there. There are no separatist feelings there in the name of religion. Attempts are being made to totally disturb that situation.

The Sikhs and non-Sikhs—whether they are Hindus or Muslims or others are imbued with national feelings there. But, at the same time, the things which are taking place there in the name of religion and the attempts being made to divide the country are once again giving rise to wrong feelings in them. People are making attempts of sabotage, but through these acts of sabotage, they are not able to instigate the common people to join them in such acts. In an attempt to give it a dreadful form and with a view to disturbing the normally. This method of terrorism has been adopted. The manufacture of illegal arms is being used as a tactic by the internal and external forces which have emerged there of late. I request that the enactment which you are going to make should be made more stringent. The law under which the people accumulating and manufacturing illegal arms are charged for treason should be rigorously used against them.

My second submission is that if legal arms are being misused and you come to know of it, then in such a situation the relevant law as well as this law should be used against them. This is all I want to say.

[English]

SHRI BASUDEV ACHARIA (Bankura): Sir, Government has come forward with this piece of legislation, the Arms Amendment Bill, 1985 with the purpose to make this Act of 1959 more stringent. This Act was amended in the year, 1983.

Again this Act is being amended. What necessitates the Government to come forward with this piece of legislation?

There are increasing incidents of terrorist activities in northern parts of our country and particularly in Punjab and in order to curb these activities, the Government has come forward with this piece of legislation and Government proposes to Amend the Arms Act but I doubt whether this legislation will serve the purpose of the Government. Whether

this piece of legislation will help the Government in curbing, containing or restraining terrorism in certain parts of our country. There are so many laws, so many Acts, that are existing now. Still these activities are going on and are also increasing, not only terrorist activities, but in large parts of our country there is also law and order problem. The day before yesterday, five workers of CPI in Bihar were killed. A month before, I think, in April, 20 Adivasis in Bihar were killed. Landlords and property-class are using illegal arms and ammunitions. That is why, these activities are increasing not only in the urban areas but in the rural areas also as there is tension in land relations

Terrorism is really a great problem, a menace. As you know, three or four days ago, in Delhi itself several persons were killed; about 70 persons were killed in Delhi and its neighbouring areas. We had a discussion on this subject in this House. Still, in some parts, these activities are going on. It was stated by the hon. Home Minister that three persons were arrested at a place where these illegal transistor-bombs were manufactured; that place was discovered; the whole thing was unearthed. Out of these three persons who were arrested, one was killed or one died. It is mysterious how out of these three persons who were arrested one was killed. It was only to suppress the evidence. It was also admitted by the Home Minister that the fire arms used had the mark of some foreign country. When these arms are being smuggled from other countries, from foreign countries, from Pakistan, into our country, what steps have Government taken to stop smuggling of these firearms. Not by passing legislation or by giving more powers to the police can these activities, can terrorism, be stopped. There must be a political will to curb these activities. A solution to the Punjab problem should be found. Only by solving the Punjab problem and by campaigning against terrorism, you can curb these activities. There are only very few people who do this. These

the majority of even the Sikhs. We have seen this after the recent incidents in Delhi; majority of these people, the democratic and peace-loving people, have condemned these activities. Only a few people are doing all these things and they should be isolated. Only a solution to the Punjab problem can contain, can restrain, these activities. By passing this legislation, terrorism cannot be stopped.

**SHRI SOMNATH RATH (Aska):** Mr. Chairman, Sir, as the hon. Member has just now said, lawlessness is increasing. It is only to meet the challenge of those persons who are creating law and order problem that this Act is being amended. As has been stated, it is to combat the growing menace of terrorism.

I want to invite the attention of the hon. Minister to the fact that there is a provision in the Indian Penal Code to punish abetment of offences and conspiracy. As this is a special Act, I would suggest that not only the persons who are found in possession or carrying of firearms and ammunitions to be punished but also the persons who associate themselves with these offences should be punished and amendment may be made accordingly. There are persons who may not be in possession, or carry illegal arms and ammunitions, but still they are the brain behind creating the havoc and commit offences and they escape. Those persons who are associated with this kind of offences should also be caught and dealt with.

Another point that I want to submit is that punishment may be life imprisonment. A person who commits murder, the maximum punishment given is death by hanging. Here the persons who carry arms and ammunitions for instance transistor-bombs to kill so many persons should not be punished rightly. The motive of carrying arms and ammunitions or being in possession of arms and ammunitions is to cause grievous hurt or death and minimum punishment,

The last point is this fact. In section 25 of the Act itself, there is a proviso, namely,

"Provided that the Court may, for any adequate and special reasons to be recorded in the judgment, impose a sentence of imprisonment for a term of less than six months."

Now the punishment has been enhanced. But the proviso I have quoted continues to be there. The punishment may also be 'imprisonment till the rising of the Court', that is, for one day. So, the hon. Minister may consider whether this provision should be deleted.

These are my suggestions. I support this Bill and I want that there should be more stringent punishment to meet the situation and to put an end to extremists and terrorism.

SHRI H. M. PATEL (Sabarkantha) :  
Mr. Chairman, Sir I can understand why it has been considered necessary to bring this Bill, but I find it very difficult to understand how it is felt that merely by increasing the quantum of punishment it will be possible to deter people from possessing firearms or using firearms without authorisation. Merely enhancing the quantum of punishment does not act as a deterrent at all. You may go on increasing the quantum of punishment. But what have you done for enforcement, what is the machinery, what attention is being paid, to enforce these provisions against offences, to catch the culprits? Have they found out in practice these persons? How many have they caught who were in possession of illicit arms without authorisation or who were using them? And what punishment has been imposed on these people? Not for the commission of the main offence, that is to say, a weapon used for killing somebody. If a weapon was used for maiming somebody, then the person will be punished for that offence and also for other the offence under the Arms Act. But this enhancing of 3 years to 5 years is not really going to have any deterrent effect.

This Bill the Government has been induced to bring because of events that have taken place recently in various parts of the country—in Punjab, in Gujarat and elsewhere wherever there has been agitation and confrontation between people and police. There has been a great deal of use of arms and weapons. How did these areas come into the possession of these people? More attention should be concentrated on that to see that weapons are not smuggled into this country and that those who are in lawful possession of these arms, remain in lawful possession of those arms and they are not taken away from them by those who wish to commit offences. All this means a very effective administrative machinery, an efficient intelligent organisation and, of course, a capable police force. What special efforts have now been made by the Government ever since these troubles started for improving its administrative machinery for the enforcement of law and order? On the contrary, from all the accounts that we see, there is a steady deterioration in the machinery for enforcing law and order. If that had not been the case, the number of things that had happened in recent days may perhaps never have happened. Therefore, while everything should be done in order that these activities of the terrorists are curtailed, everything should also be done to see that unlawful activities are curtailed as much as possible. The question is merely whether this is the most effective weapon—enhancement of punishment. The hon. Minister could not be unaware of the British history. There was a time when punishment in British for poaching was life imprisonment. It led to a lot of leniency and the Judges simply said that the offence was not committed or something of that kind. So, merely increasing the punishment does not help in preventing the kind of offences which it is the intention to prevent.

It is very difficult to say whether such a Bill should be passed or not because it takes no difference whether you enhance the punishment or not. I do not think that the object of the Bill will be served. The reason advanced is that the

punishment provided for at present does not have a deterrent effect. The present punishment, I think, is quite adequate. Whatever deterrent effect it is likely to have, it is having. Raising it from 3 to 5 years is not going to make any improvement. If the Government feel that without that they cannot function very efficiently, they are welcome to have the Bill. But I would plead that they may consider giving some thought to this fact that mere enhancement of punishment will have no effect. At the same time you should make your law enforcing machinery as efficient as possible.

[*Translation*]

SHRI ABDUL RASHID KABULI (Srinagar): Mr Chairman Sir through you, I want to tell Government that I do not find any basic change in this Bill. There is no specific clause in it through which you want to make it more deterrent so as to check the ever increasing possession of unlicensed arms, their smuggling into and distribution in the country and checking them from falling into the hands of such extremists who pose an increasing danger to the unity and integrity of the country. I think, your extending the period from three years to five years will not make any difference and in my view, if this objective is to be achieved and the increasing activities of the terrorists and extremists in the country are to be checked, especially in the border areas where our people from various walks of life are being affected, the solution to it will not be found only through legislation. For that I would say, and as the hon. Prime Minister has said himself, that political will is necessary. But, your bringing forward a Bill of this type shows that you back political will and you want to do it through legislation only, whereas it cannot be achieved through these measures. By bringing forward such a Bill, you want to redress the complaint on resentment which the opposition have at present. I think this problem does not concern the opposition alone, but it concerns all of us. You should vanquish this terrorism with a heavy hand and with full deter-

mination. We should evolve some way to check the accumulation of illegal arms by the people and the increasing smuggling of arms into the country from abroad. In my view, there is no dearth of laws. Mr. Chairman. Sir, through you, I want to know from the hon. Minister the number of persons prosecuted and what firm action was taken against them when three years imprisonment was already provided in the existing law? Let him give this information to the House. It is not going to make any difference even if you raise the term to five or ten years from the present three years. I think, solution to the problem does not lie in enacting laws, but it needs conscious efforts, political will and determination. I am of the views that Government do have such means, Government have the power and confidence and they will get full cooperation from the opposition. Therefore, I do not understand why Government are restricting themselves only to enacting legislation under such circumstances and unnecessarily facing problems and difficulties.

Mr. Chairman, Sir, through your, I would like to ask another thing of the hon. Minister that there is a decoit menace in the country. The hon. Minister is aware that in the case of most of the arms with these decoits their origin can be traced to the ordnance factories, the police and the army and this fact comes to light when these arms are seized by the police. Therefore, this is a very big scandal going on in the country. You have got no check on it. We should seal all the entry points so that nobody is able to smuggle arms into our country from abroad. We should also meet the internal danger also. We see that sometimes machine-guns, arms, peoples, 303 rifles, etc. manufactured in our own ordnance factories are seized. What measures have been taken by you in this regard? What law has been passed by you to check it? First of all some sort of action should be taken to prevent such happening in our country itself. I, therefore, would like to say that violence should be uprooted from this country.

Democracy and violence cannot go together. The situation is becoming worse and is posing a danger to the entire democratic setup. Unfortunately, if we are not able to put an end to terrorism, democracy will not be able to flourish in this country. God forbid violence achieves its dreaded end in this country, democracy will perish. If democracy is to survive, then terrorism must be put an end to the arms should be dumped, their distribution should be stopped and unlicensed arms should be captured. You should take measures to take care of all these things and you should exercise the political will to deal with their menace.

[English]

**SHRI SRIBALLAV PANIGRAHI (Deogarh)** : Mr. Chairman, Sir, I welcome this Amendment Bill because the need of the hour in our country is to check the proliferation of arms in the country making the condition for acquisition and possession of arms more stringent and making the punishment for violation of these conditions more deterrent. And the punishment for violation of these provisions of the present Arms Act have been made more deterrent and stringent in this Bill.

Sir, we have to combat the growing menace of terrorism which is a challenge to the nation. The speed with which it is growing is alarming. Terrorism is threatening our democracy, the functioning of our democracy even it threatens the very existence of the country as a whole its integrity its solidarity. Therefore, all-out sincere efforts are to be made to check this growing menace of terrorism. Terrorism cannot be controlled only by amending this Act. As suggested by some hon. Members in their speeches earlier, I agree with them that we have many pieces of legislation, many deterrent provisions are also there, but still the crime is increasing. The answer to different questions about the offences committed in Punjab and the percentage of prosecutions and convictions is disappointing, even in respect of extremist

cases, the criminal cases involving the extremists. Therefore, we have to strengthen and streamline the law and order machinery so that these cases could be detected and in respect of those who are possessing and using fire arms in violation of the provisions of the Act, first they should be detected and then prosecuted; otherwise, it will not serve the purpose. (*Interruptions*).

I have one suggestion that terrorism is not confined to India—the boundary of our country, India alone. It is raising its ugly head almost all over the world. In fact, of late, it has turned out or matured to be a global phenomenon and some times even foreign terrorists are being hired to serve certain vested interests. For example, Israeli terrorists are hired. And these terrorists are also encouraged by some great foreign powers, and organisations. To combat this, I suggest to the hon. Minister that an international understanding, an international accord, should be reached and therefore, to effectively check this growth of terrorism I suggest to the hon. Minister to give consideration to this aspect that this matter should be taken up in some world forum. India is leader of the non-aligned movement and in the non-aligned forum or in some forum this can be taken up. Please note that terrorism is generally becoming a global phenomenon and terrorists are encouraged and harboured by some great power. Therefore, its solution also cannot be fully found in our country. This should be taken up seriously and an understanding be reached at the international level.

With these words I support the Bill requesting the hon. Minister to streamline and strengthen the law and order machinery. Of course, to effectively combat the growing menace of terrorism, more stringent and deterrent and fool-proof measures are called for. I believe that the Antiterrorists Bill which will be taken up this evening will take care of all these aspects.

[*Translation*]

SHRI VIJAY KUMAR YADAV (Nalanda): Mr Chairman, Sir, time is very limited. Whatever steps are taken against terrorists they are just. I would like to say only one thing. In various parts of the country, which have not been declared disturbed areas, illegal activities particularly political murders are taking place on a large scale. Sten-guns and bren guns are being used for this purpose. In Bihar particularly during the last three to four years, hundreds of political murders have been committed. The criminals enjoy political backing. They have murdered many big leaders with such arms.

Recently, in the Ghosi Police station of Gaya district five communist leaders were murdered by stengun in front of their party office. The murders enjoy political backing. Today, we have placed of this matter before the hon. Prime Minister and have given a written note to lieu also. All these things heppen with the use of illegal arms, political backing and the co-operation of a ruling party M. P. This state of affairs is really very unfortunate. In this way these atmosphere is created. It will definitely have its adverse effect on the law and order situation in the country.

[*English*]

SHRI G. M. BANATWALLA (Ponnani) : Mr. Chairman, Sir, I rise to support the Bill. The Bill has been long over due. Of course, there can be no quarter for terrorism. I may also submit that chaos today is coming in, not merely creeping slowly, rather chaos is advancing fast into our society. It has therefore, to be dealt with sternly and strictly though regard should also be paid to what the sociologists say.

Sir in UK, Singapore, USSR, Japan and in many other countries, possession of illegal firearms is looked upon as a serious offence and long term imprisonments are awarded as punishment. I must say, therefore, that the Bill is welcome. However, my grouse is that there has been a considerable delay in coming forward with this Bill. As a

result of this considerable delay, I must say, an impression is coming up that the Government is fast losing initiative to deal effectively with a rapidly deteriorating situation.

Here, I must say also that the most important point in the implementation of any law of such a nature is vigilant intelligence and a good machinery for maintenance of law and order. In Delhi, Chandigarh and in so many other places, there were so many blasts very recently and is seemed that our Intelligence machinery was caught napping. Therefore, something has to be done in order to have a passionate and professional intelligence which is always vigilant. Sir, I must say that there is a booming trade in illegal firearms and the whole thing is too serious to be treated by the normal police apparatus alone. Therefore, there is need for a concentrated effort to be initiated and coordinated by the Centre and involving all the States.

Sir, our tragedy today is that law and order machinery is plagued by indiscipline arising from various considerations. Here the role of the police has to be taken into consideration. An important question to-day who is going to police the Police ?

In this matter also, with respect to fire arms, several instances can be quoted in which police personnel were involved. In Indore, for example, a gang was nabbed, a gang dealing in illegal arms. It was found that some police personnel were also involved. These police personnel included the Jawans of BSF and DRF Lines, and those of the Armoured Police Training Centre. Such was the shocking report that we had.

In North Delhi also, an illegal arms and ammunitions manufacturing factory was unearthed. The factory was in operation for nearly five years. It continued to receive its raw materials. One can, therefore, imagine the connivance of the hands of Police and the intelligence. I must, therefore, insist on the strengthening of the law and

order machinery, and also the intelligence.

I will just make 1 or 2 suggestions, in brief and rapidly. The weapons or fire arms may be of two kinds: there may be country-made revolvers. They may injure, but they may not kill. There is no need to have a drastic punishment for such things. But then, there are also sophisticated weapons. There are sten guns and automatic rifles. Here, the law should be still more stringent than what is there in the present Bill. Let it be ten years of imprisonment in such cases, because such sophisticated weapons are for the purpose committing crimes, and we have to deal with them very strictly. Tens of thousands automatic guns such as the Russian AK-47 Kalashnikov rifle or the American M-1 machine pistol are said to be in the unauthorized possession of people in different parts of the country.

I hope and wish that in the future legislation, the distinction between the various types of weapons is also taken into consideration, so that we may have a proper response to the situation.

Let me conclude by pointing out one important phenomenon. Recently, there is a rise in the number of gifts of smaller fire arms from abroad. The Communists and Marxists specially, may not pounce upon me when I say that Calcutta is the best entry-point for these weapons. This is just a statement of fact, viz. that Calcutta is the best entry-point for these weapons, because of the easy-going attitude of the local Police and the Customs officials. Let the Minister of Home Affairs consider this rise in the number of gifts of smaller weapons from abroad, which ultimately find their way to this unauthorised and illegal market. The Customs duty should also be enhanced on the gifts of fire arms from abroad. You must have a look at the Customs duty, and enhance it on such imports of gifts of fire arms from abroad.

THE MINISTER OF STATE IN THE  
MINISTRY OF PARLIAMENTARY

AFFAIRS (SHRI GULAM NABI AZAD): I suggest, if the House agrees, that when the Home Minister will reply, fifteen minutes or whatever time we take out of the Private Members' Business timings, we will add to then, without any encroachment.

SOME HON. MEMBERS: Yes.

15.00 hrs.

THE MINISTER OF HOME AFFAIRS (SHRI S. B. CHAVAN): Mr. Chairman, I am thankful to the hon. members who, during the course of the debate, have given very valuable suggestions. They have also asked: Is this the only measure by which we will be able to curb the extremists and terrorist activities? Is there a will to enforce a legislation and is this going to improve the situation? That was the point which was made. Is it going to stop smuggling? Is it really going to stop the kind of activity which is indulged in by some of the terrorists and others? We are coming with a different legislation on terrorism. As regards the terrorist activities and how to prevent them, there is a new Bill which is going to come before the House. This has a very limited purpose and the limited purpose is that those who are in possession of or those who are carrying the illegal arms with them, unlicensed illegal arms with them, if they are found, then cases have to be filed in a court of law and the kind of punishment which was given so far—since the court had the power to give minimum of six months and maximum of three years but the fact is that always a lenient view has been taken. In some category of cases, we have now excluded the discretion of the court to give lesser punishment. When it is increased from three years, specially in the disturbed areas, this power of using the discretion of not giving the kind of punishment which should be considered as deterrent has been taken away. But, there are some classes of cases where a very ordinary offence has been committed. In those cases, certainly if they would take a lenient view, they are supposed to give in writing as to why they consider that even less than the

minimum punishment is warranted under the circumstances. They have to give in writing. So, they have to record the reasons for giving lesser punishment. That is why I said, these are very ordinary things. About those who have been caught and whose cases have been filed in a court of law, as to how the punishment needs to be enhanced because of increasing terrorist activity in certain areas, that is a very limited purpose of this legislation.

One of my hon. friends has put forward a suggestion whether this is going to cause any delay because of the maximum punishment which has been prescribed as seven years; whether the Sessions Judges or the Additional Sessions Judges will be required to try these cases and the jurisdiction of the lower court will be taken away. In fact, after some years if we feel that some enhancement of the jurisdiction of the lower court is necessary—at least, for the time being, we do not consider it is necessary—but let us hope that there will be very few cases of this type; a large number of cases need not be involved; if that is warranted under the circumstances, at that stage, we can consider if it is required to be brought down from higher Court to Lower Court increasing their power.

Another point was about the sanction which was required to be given both by the Deputy Commissioner and the Government in certain matters; whether we can think of introducing some kind of a provision by which after the case has been filed in a court of law, within one year, if the sanction is granted, that should be considered. This is one of the suggestions which one of the hon. members gave here. I don't think this is the stage for that since specially in the areas which are prone to this kind of terrorist activities, the Government itself is very much interested in seeing that these people are brought to book and trials are being finished, as early as possible. We will try to see that the sanctions are given at the earliest.

I have explained the position that we are going to bring forth the anti-terrorist measure as a separate piece of legislation. That was one of the points which my friend Mr. Keyur Bhusan wanted to be clarified. The rest of the points are merely, what steps are being taken to strengthen the police machinery, what steps are being taken to stop smuggling from different areas, and so on.

My friend Mr. Banatwala also pleaded for a case in which gifts of small arms have been sent by people and it requires enhancement of the customs duty. This point I have noted, and I will pass on this information to my colleague the Finance Minister. It can add to his revenues also. But so far as the real gift is concerned, the firearms, even a gift of small arms is also subject to certain conditions. They have to have a licence for the same. The Customs authorities are supposed to have the whole thing entered into the pass-book, they have to satisfy themselves of a proper licence being issued, and then only they can pass on the same to the person to whom it has been gifted.

15.06 hrs.

[MR. DEPUTY SPEAKER *in the Chair.*]

I think it will be unfair to say that the police machinery has failed. There are certain points on which information cannot be divulged in the House. I do not propose to hold the view that either in Punjab or in Delhi the intelligence machinery has failed. Everybody has done his job very well. But in spite of that there were certain things which did take place and everybody considers that there has been a total failure on the part of the intelligence machinery. Unfortunately when I plead somebody else's case I cannot mention as to what the intelligence machinery's role was. Merely because I am not mentioning anything, it does not really, mean that the machinery failed.



**SHRI G. M. BANATWALA :** Are you really, totally satisfied ?

**SHRI S. B. CHAVAN :** I am. But I can say that there is some scope for improvement in the field of administration. But within the situation they have been functioning well.

**SHRI S. JAIPAL REDDY :** You are very accommodating.

**SHRI S. B. CHAVAN :** Within the parameters in which they are functioning I do not think that there can be any scope for saying that they have totally failed.

These were the points which were made. I do not propose to refer to the other points which the hon. Members have referred because this does not preclude taking action for tightening the machinery to make it more efficient, in enforcing the provision of the Act in such a way that it acts as a kind of a deterrent, but it is only a limited piece of legislation. The intention is to have some kind of a deterrent effect on those who possess or pass on illegally arms to terrorists or those anti-social elements who try to indulge in unsocial activities. That is all I would say. With these words I would commend this Bill for the consideration of the House.

**SHRI D. B. PATIL (Koloba) :** The hon. Minister while initiating the Bill has confined himself to Punjab and the Union Territory of Chandigarh and terrorists there. But the fact remains that a few days back, communal riots took place on a large scale in other places and also in Gujarat on the question of reservation when the agitation was going on. It would be overlooking those areas if Punjab and Delhi only are covered by the provisions of this Act. The provisions of this Act should also be applicable all over the country.

**SHRI S. B. CHAVAN :** I think if the hon. Member were to go through the contents of the Bill he will be satis-

fied that all the cases of this nature are being covered to include areas which are considered as disturbed and which have been notified as such. It is not merely Punjab and Chandigarh, there are other areas also which have been declared as disturbed areas. So, the provisions of this Bill are not confined to these areas but definitely they will be applicable to those parts also.

**MR. DEPUTY-SPEAKER :** The question is :

“That the Bill further to amend the arms Act, 1959, be taken into consideration.”

*The Motion was adopted.*

**MR. DEPUTY-SPEAKER :** Now, we take up clauses.

The question is :

“That clauses 2 stand part of the Bill.”

*The Motion was adopted.*

*Clause 2, was added to the Bill  
Clause 1, the Enacting Formula and the  
Title were added to the Bill.*

**SHRI S. B. CHAVAN :** I beg to move :

“That the Bill be passed.”

**MR. DEPUTY-SPEAKER :** The question is :

“That the Bill be passed.”

*The Motion was adopted.*

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15.12 hrs.

RESOLUTION RE : CONVERSION  
OF AIR AND DOORDARSHAN INTO  
AUTONOMOUS CORPORATIONS—  
CONTD.

[English]

MR. DEPUTY-SPEAKER: Now, we take further discussion on the Resolution regarding conversion of AIR and Doordarshan into autonomous corporations, moved by Shri M. Raghuma Reddy on 19th April, 1985.

SHRI CHINTAMANI JENA (Bala-sore): While the hon. Member is intending to make AIR and Doordarshan as autonomous bodies, I think, his intentions of making it impartial cannot be implemented if both these organisations are made autonomous bodies because they cannot leave behind the political bias, about which I had told you the other day. If we see other autonomous bodies which are functioning in our country, what we have noticed is that they are not functioning well. For example, LIC, Food Corporation of India, State Electricity Boards, are they functioning well? Not at all. They are in a mess. So, we should not make the mass media which is the channel through which we are educating the masses and putting forward the Government's programmes and policies for the welfare of the people, as autonomous as we do not want these organisations to be in a mess like other autonomous bodies of our country.

The hon. Member, Mr. Reddy and some other hon. Members who have supported this Resolution have cited the instance of BBC. But we all have bitter experience of BBC. Due to the functioning of the BBC, the UK Government had been put in a very embarrassing situation in the past. The friendly countries and the Commonwealth countries became critic of the UK Government for which the UK Government had to apologise before those Governments several in the past. So, we should not cite BBC as an example.

While speaking on the AIR, I strongly oppose the suggestion to make it an autonomous body. I do not know why the hon. Member, Mr. Reddy, has the intention to make it an autonomous body. We had seen in the past, when our late Prime Minister, Shrimati Indira Gandhi was alive that whenever AIR used to announce something about her speeches or about her activities, etc. some critics, some opposition Members of our country—I do not want to name them—had started commenting that this was not All India Radio but All Indira Radio. When the Prime Minister of a country speaks, he or she must announce the Government policies and must announce the welfare policies of the Government which are useful and beneficial to the masses. Will these not be broadcast through All India Radio or Doordarshan? So, whenever her speeches were broadcast, many people used to say that this is All Indira Radio. If the intention is to bring these two organisations into controversy, if the intention is to make them political institutions and if with that intention this will Resolution has been brought, then I have nothing to say. But the people and the hon. Members in the House cannot support this Resolution wholeheartedly because this will definitely bring these two organisations into a mess and this will not serve the purpose at all.

While speaking about the functioning of the Ministry and also of these two media, I must congratulate the Ministry that they are doing the best for the benefit of the people. In the Sixth Plan they had targeted to cover over 70 Per cent of the population of the country under Doordarshan programmes, but due to constraint of resources, it could not be done. If we make it an autonomous body, can we achieve the desired results? We cannot, because due to constraint of resources when the Government itself is not able to achieve the target, how can the corporation under this Government, achieve the desired results? So, I must request the hon. Minister that his Ministry should give due attention to the backward areas, specially the tribal areas to cover those areas under Doordarshan and All

India Radio. While speaking about the backward States like Orissa, Madhya Pradesh, North-Eastern region, etc., I must say that even though the Ministry is trying to give more coverage of these areas, but the desired results could not be achieved, especially in the case of Orissa. The Orissa Government had requested for having six or seven more Low Power T.V. Transmission Centres, but due to constraint of resources, the Ministry has expressed its inability to do so. I would request the hon. Minister to look into it. Specially, I will request the hon. Minister the Baripada, the headquarters of Mayurbhanj district, having a tribal population of 80 per cent, must have a T.V. Centre. About Balasore also, which is my parliamentary constituency, I have written so many times to the hon. Minister. Balasore is a well known flood prone, cyclone-prone and tornado-prone area. When the hon. Minister was holding the portfolio of Communications Ministry, he must have seen that no underground cables for telephone and telegraph lines, could be laid either in Baripada or in Balasore areas. So, in the event of a calamity, they are definitely lagging behind in getting the information. In both the districts and the tribal population is also much more. So for the education and for the benefit of the tribal masses and also for the poorest of the poor of the society, which is the ideology of this Government, I must urge upon the hon. Minister to look into it so that in the first year of the Seventh Five-Year Plan Balasore and Paripoda are provided with two low power TV centres. During the Sixth Plan there was a programme for providing thirteen high-power transmission centres in the country. Out of these thirteen, for Orissa only one 10 kilowatt power transmission centre was to be installed in Cuttack. But even that has not been installed even after the completion of the Sixth Plan. Therefore, I would request the hon. Minister to look into it so that at least in the first year of the Seventh Five Year i.e. the current year, a high-powered 10 Kw transmission Centre at Cuttack is installed.

In addition to that I would request the hon. Minister that whatever the Plan

and programme that could be there, our national coverage for 80% of the population in the Seventh Plan should be achieved for all the States. I am not asking for my State or any other State alone: It must be achieved during the Seventh Plan in the case of all the State including the North Eastern States.

With these words I oppose this resolution.

**SHRI S. JAIPAL REDDY (Mahbubnagar)** : This in my view, is a very innocuous and non-controversial Resolution. I do not know why one ruling party Member after another is opposing the content and substance of this Motion.

The Charter of the Canadian Broadcasting Corporation begins with the famous words :

"The air belongs to all of us."

We would never forget that, but the air in our country i.e. the All India Radio and Doordarshan belong to the ruling party, the running clique and the ruling family.

This idea about All India Radio and Television being converted into an autonomous organisation has been accepted as a national goal from the very beginning. Way back in 1948, the first Prime Minister of India, Jawaharlal Nehru, speaking in the Constituent Assembly said :

"My own view of the set up for broadcasting is that we should approximate as far as possible to the British model—BBC."

I do not know why the ruling party is allergic to the word BBC. Many Committees have gone into this subject. The Chanda Committee as far back as 1964 recommended the formation of an independent autonomous corporation for manning All India Radio.

I may refer to the Verghese Committee which was appointed during the Janata regime on a certain experience we have had with the All India Radio

and Doordarshan during the dark days of Emergency which lasted as many as 18 months, Sir, the Verghese Committee in its comprehensive Report pleased for the formation of an autonomous corporation and also defined sharply the contours of autonomy that All India Radio and Doordarshan in the country should enjoy.

Sir, should I also refer to the Joshi Committee which was appointed by this Government? The Joshi Committee also recommended the formation of an autonomous corporation on the lines of Ombudsman and BBC. The Joshi Committee deplored the growing political influence in All India Radio and Doordarshan. The Joshi Committee referred to the manner in which the news prepared is imperfect, almost self-censored because All India Radio and Doordarshan draw upon the pool of All India Radio. The news the censored right at the source.

Should I also not refer to the Parthasarathy Committee Report? The Committee was headed by no other person than Mr. G. Parthasarathy who is also heading the Foreign Affairs Committee now. The Parthasarathy Committee Report confirmed the fact of political interference with these two organisations. The Parthasarathy Committee itself pointed out that the News Editor was pulled up for reading a news bulletin about the Judgment of Justice Lentin of Bombay High Court against the then Chief Minister of Maharashtra, Mr. A. R. Antulay. It also referred to the manner in which Doordarshan was instructed to include in the news bulletin a statement of the Working President of the Ruling Party, Mr. Kamalapati Tripathi on the issue of alleged adulteration of vanaspati with animal tallow.

Sir, the News Wing of Bombay Doordarshan was instructed not to cover the padayatra of Mr. Chandrasekhar, President of Janata Party while he was passing through Maharashtra, whereas the Bombay Doordarshan had covered a taken padayatra undertaken in the

Bombay city by the then General Secretary of AICC (I), Mr. Rajiv Gandhi.

Sir, I may' in this connection, recall to you what happened in Andhra Pradesh. Mr. N. T. Rama Rao, on completion of one year in office, went to the people over the Radio to explain to the people as to what he had done. At that time the All India Radio was obliged, rather went out of the its way, to approach the then Opposition leader in the Assembly, Mr. Madam Mohan, to reply to what the Chief Minister had to say. But when Mrs. Indira Gandhi as the Prime Minister of India wanted to explain to the people of India over the All India Radio and Doordarshan after completion of her four years' regime during the second reign, no Opposition leader was given an identical opportunity. I may also recall how the Chief Minister of Andhra Pradesh was once refused permission to speak over the All India Radio in connection with NGOs' strike.

I have quoted some of these instances only to show how All India Radio and Doordarshan have become pliable tools, captive instrumentalities of the ruling party. The more ruling party . . .

**SHRI RAM PYARE PANIKA** (Robertsgang): Include Janata Party also. That was Advani Party at that time and Shri Chandrasekhar and you were there.

**SHRI E. AYYAPU REDDY**: According to Shri Panika, it is pliable. Do you admit it was pliable to the Janata or was it pliable to the ruling party? You are making out a case for making it an autonomous body.

**SHRI S. JAIPAL REDDY**: As Mr. Ayyapu Reddy has rightly pointed out with his vast experience of the law on the criminal side, then they have only strengthened the case, even if the allegation that the Janata Party misused the All India Radio or Doordarshan for its own purposes is correct. It only strengthens the plea behind the resolution.

I would like to ask the hon. Minister for information and Broadcasting to tell us as to the quantum of time which was given to Shri Rajiv Gandhi when he was nothing more than one of the six General Secretaries of AICC (I) on Doordarshan and all India Radio during 1982-83.

All India Radio and Doordarshan were used blatantly and nakedly, for projecting and perpetuating the dynastic rule of this country.

I think Mr. Rajiv Gandhi should not thank the ruling party but the All India Radio Doordarshan for the great success he had at the polls.

I may quote another classic instance to show the low credibility of All India Radio. Everybody knows that Mrs. Gandhi as Prime Minister of India breathed her last within one or two hours of that incident. Mr. Rajiv Gandhi who was away in West Bengal did not know what really had happened in New Delhi. So, he did not listen to All India Radio. He tuned into BBC, the accursed BBC! Can there be a more telling commentary on the kind of loss of credibility that these Organisations, the All India Radio and Doordarshan have suffered during the last so many years! And if this is not the reason why you should agree for an Organisation, I do not know what exactly would impel or compel this Government to agree to this idea.

Nothing in the last so many years has registered such phenomenal growth in our country as television. I am one of those who welcome this growth. But this TV net work has not been given this high priority, this pride of place, for educating the masses or getting the high tech across to masses but to propagate the message of the ruling party.

I may, in this connection, also refer to the manner in which the fake Congress—I Centenary was given the benefit of live telecast. (*Interruption*) Yes. I call it a fake Congress-I. That is my view. I am entitled to my view. The Congress I Party does not re-

resent that Congress Party. (*Interruptions*) This shows how All India Radio and Doordarshan are being misused not only for political misappropriation but for distortion of history.

The very fact that Congress-I Centenary was made to start on the birthday of Motilal Nehru shows what was the design, what was the purpose, during the whole programme of Centenary celebrations.

SHRI A. CHARLES (Trivandrum): This is only West Bengal culture.

SHRI JAIPAL REDDY: He does not know that I am from Janata Party and from Andhra Pradesh. He is mistaking me for a CPM Member from West Bengal.

PROF P. J. KURIEN (Idukki): We are surprised that you are saying this being in the Janata Party. It would have been understandable if you were CPM or any other Party like the Telugu Desam. How can you speak like that?

(*Interruptions*)

SHRI S. JAIPAL REDDY: That was a democratic Party. But yours is a dynastic Party. (*Interruptions*) The Prime Minister, whose speech was telecast live during the Centenary, has said, 'I am proud of belonging to that family which produced Motilal Nehru, Jawaharlal Nehru, Indira Gandhi,' and so on and so forth. . . . (*Interruptions*)

MR. DEPUTY-SPEAKER: Order, order. Mr. Reddy, Please wind up.

(*Interruptions*)

MR. DEPUTY-SPEAKER: I cannot hear anything. Nothing will go on record because of the confusion that is going on. (*Interruptions*)

MR. DEPUTY-SPEAKER: I will go through the record. Mr. Reddy, please-wind-up.

**SHRI S. JAIPAL REDDY :** Now that the ruling Party Members do not allow me to speak, I am compelled to conclude.

**MR. DEPUTY SPEAKER :** Your time is over.

**SHRI S. JAIPAL REDDY :** I would like to refer to the manner in which the news is collected by these institutions. As I have said earlier, in All India Radio and Doordarshan there is a news pool where the news is censored first. Secondly, they depend exclusively for remaining things on PTI and UNI which are reliable news agencies. I appreciate that. But there is also need for All India Radio and Doordarshan to draw upon the assistance of a number of language news agencies like Samachar Bharati, Hindustan Samachar, and so on and so forth.

With these few words, I can only say that the kind of resistance that is put up by the ruling Party is another clinching proof of the validity of the plea for autonomy of All India Radio and Doordarshan.

[*Translation*]

**SHRI HAFIZ MOHD. SIDDIQ** (Morabad) : Mr. Deputy Speaker, Sir, I am grateful to you for allowing me to speak on this Bill. I fail to understand the need and the reason for moving in this House the resolution regarding conversion of A.I.R. and Doordarshan into Autonomous Corporations. Ours is an independent country where AIR and Doordarshan have never been used as a propaganda medium by the Congress Party, as has been alleged by the Opposition.

The Opposition alleges that these bodies are the propaganda medium of the Congress Party, but it is not so. You might remember the role they used to play during the the Janata regime.

15.43 hrs.

## BUSINESS OF THE HOUSE

[*English*]

**MR. DEPUTY SPEAKER :** The Minister for Parliamentary Affairs wants to make a statement.

**THE MINISTER OF PARLIAMENTARY AFFAIRS (SHRI H. K. L. BHAGAT) :** I wish to make a statement. Because of urgent government business, the session is extended by a day. The House will sit tomorrow also.

Secondly, I wish to make a request to the hon. Members. To-day after the sitting is over, Parliamentary Affairs Department has made arrangements for dinner for all the members.

**MR. DEPUTY SPEAKER :** I hope the House agrees to it.

**HON. MEMBERS :** We agree. We have no objection.

15.44 hrs.

## RESOLUTION RE. CONVERSION OF AIR AND DOORDARSHAN INTO AUTONOMOUS CORPORATIONS CONTD.

[*Translation*]

**SHRI HAFIZ MOHD. SIDDIQ :** At that time the Janata Party Government had resorted to such propaganda which had created feelings of hatred among the people of the country. Today Doordarshan and A.I.R. are creating a very healthy atmosphere and they are broadcasting factual news. The manner in which not only internal news but foreign news is broadcast, is praiseworthy. But the allegations levelled in this resolution indicate that these people want to make them a company and when such bodies are turned into a company, it is well known that they cannot show good performance. I, therefore, feel that in this resolution there is nothing useful for A.I.R. and Doordarshan because now a days they

are giving very good programmes. All the present programmes on A.I.R. and Doordarshan, like it Krishi Darshan or Youth programme or Children's programme, help in creating a congenial atmosphere. Mr. Chairman, Sir, through you I would like to submit to the hon Minister that the Sunday Film on T. V. should be such as may help the children in building their character and increasing a congenial atmosphere. If we insist on such films, it will help in creating good feelings among children. Today such programmes are needed as may create a national feeling among children so that they may treat national property as their own property. Such programmes should be shown to them.

Mr. Chairman, Sir in the programmes broadcast by A.I.R. the name of the Prime Minister does figure. It does not mean that it is done simply to praise him, but it is done to cover Government activities and while referring to the various works executed by Government. His name is mentioned on behalf of Government. The allegation that it has become a medium of propaganda of the Congress Party is not good in taste.

With these words I oppose this resolution and feel that the programmes being broadcast telecast by A.I.R. and Doordarshan at present will continue to be broadcast telecast in future also. Besides, still better programmes will continue to be broadcast so that a national feeling is created among our children and they can rise to the occasion boldly. With these words I conclude.

**SHRI ANOOP CHAND SHAH** (Bombay North) : Mr. Deputy Speaker Sir I rise to oppose the resolution which is before the House for making AIR and Doordarshan autonomous bodies the hon. member Shri Jaipal Reddy questioned the stand taken by me. I would like to tell him that if a member from this side had moved it by mistake, he would have certainly opposed it.

**SHRI S. JAIPAL REDDY** : No, I would not have done so.

**SHRI ANOOP CHAND SHAH** : You would have certainly opposed it but we are not opposing it just because it has come from that side of the House but because we have given a lot of thought to it.

You know that after Independence, many Corporations were set up in the country. How are they working? If a Corporation does excellent work, even then you oppose us by saying that we want to adjust certain ruling party people and are, therefore, setting up new corporations. Just now some are said that Shri Chandrashekhar's 'Padayatra' was not telecast on Doordarshan. I would like to give another example here. Shrimati Mrinal Gore was a member of this House. When she was contesting elections to the Bombay Assembly, she was project in a discussions on the housing problem telecast by Bombay Doordarshan. Had the Congress Government wanted, they would not have allowed her to be projected by Doordarshan at the time. It was due to this that her chances of victory brightened and she won the election.

[English]

**SHRI S. JAIPAL REDDY** : You are only strengthening my arguments. Any party would tend to do that. Therefore, make it autonomous.

[Translation]

**SHRI ANOOP CHAND SHAH** : You say that the then AICC Secretary, Shri Rajiv Gandhi was shown on T. V. during his tour of Bombay but Shri Chandrashekhar was not shown. It might have been happened due to some reason but Shrimati Mrinal Gore was projected on T.V. at that time. Had Government wanted, this programme could have been postponed.

My submission is that when we oppose other corporations also, why should we support the demand for making it an autonomous body?

These cannot be the same medicine for all the diseases. You are comparing

All India Radio with BBC. Since 1980, when Shrimati Indira Gandhi came into power, again how much Doordarshan and All India Radio have proposed during these four years is to be seen.

Today you see Shri Gadgil or any other Minister on Doordarshan or All India Radio, that particular Minister is not projected on the media. It is the policy of Government of the principles on which Government work or the progress Government have made that is telecast Doordarshan or broadcast on All India Radio so that the people in living in every walk and corner of the country may come to know about that. You see only that Shri Gadgil or Shri Rajiv Gandhi have been shown on T.V. but you are not ready to listen to what they have said. The mover of the Resolution has heard many hon. Members. I think that you too would have felt that the Resolution for Conversion of Doordarshan and AIR into corporations is not good. You should withdraw this Resolution. This is what I am expecting from you. With this I would like to submit two or three things to the hon. Member.

Injustice is being meted out to the artistes by All India Radio and Doordarshan. You should think about this. So far as the Advisory Committee of Doordarshan and All India Radio is concerned, it is not functioning properly. The injustice which is being done to the artistes by giving representation in the Advisory Committee on the basis of popularity should be removed.

The progress made by All India Radio and Doordarshan should be made more and more known to all the people in the country. With these words I conclude and request the mover of the Resolution to withdraw his Resolution. I oppose this Resolution.

DR. G. S. RAJHANS (Jhanjarpur): Mr. Deputy Speaker Sir, Shri Jaipal Reddy has correctly said that Shri Nehru had stated in the Constituent Assembly that he wanted All India Radio to be like BBC. I want to say a small thing.

I have read the reference to the Constituent Assembly and after that he, till the end of his life had commended All India Radio thousands of times. If I say that I wanted to live in Simla in 1948 but more I want to live Delhi in 1985, which of the two will be accepted. My wish to live in Simla or in Delhi? It is no use quoting Shri Nehru out of context.

[English]

SHRI S. JAIPAL REDDY: For you has Nehru become outdated?

DR. G. S. RAJHANS: No, but you are quoting him out of context. He praised All India Radio several times after that.

[Translation]

The second thing he has said is about the Chanda Committee. In this case also he has quoted the Chanda Committee out of context. I would tell you some thing about this Committee the Chanda Committee was set up in 1962 when China invaded us. Many things were being said about AIR and it was being said that it did not report correctly. At that time, Chanda Committee was set up. The Chanda Committee recommended making it an autonomous body for the purposes recruitment and pay scales etc. It did not comment about the programmes. Later on the Verghese Committee was appointed. The Verghese Committee Report is on a very high pedestal. I have been a colleague of Shri Verghese. I have worked with him for many years. He is quite an idealistic person. If today he is asked to submit a report on this subject he will throw three fourth of his earlier Report into the dustbin. He is a thorough gentleman.

[English]

SHRI S. JAIPAL REDDY: He was not the only Member of the Committee. He was its Chairman assisted by various experts. It was a unanimous report.

DR. G. S. RAJHANS: I know what the Janata Government did.



[Translation]

Therefore, I have mentioned all these reports. When it is said that Doordarshan and All India Radio should be made autonomous corporations, I cannot heap laughing. Recently, you might have read in the foreign newspapers like the *International Herald*, the *Tribune* and *Times* lying in the Library that the people there are losing faith in BBC and they are feeling that BBC's functioning is not satisfactory. They are not happy with BBC's work. The people in England are not happy with BBC; even then Shri Jaipal Reddy wants that a BBC type corporation should be set up. There are H.B.C. and other Channels in America, which are private and, therefore, All India Radio and Doordarshan should also be handed over to a private body according to Shri Reddy. The concept of Public Corporations emerged after the Second World War. Its biggest supporter was Prof. Robson who said that the Public Corporations would do all those functions which neither Government nor private body could do. We have constituted many Public Corporations and some of them have functioned very well but of some others you yourself are seeing the condition. A few days back during a discussion a reference to the Rohtas Industries was made that its condition was pitiable. The Bihar Government say that they are not ready to take over. The Central Government are also not agreeable to acquiring it. The people of Bihar say that whatever you may do with it should not be converted into a Public Corporation. I am a supporter of the concept of Public Corporation but the way they are functioning, there is scope for many improvements. Just to say that All India Radio and Doordarshan should be modelled as Corporations on the lines of the BBC, is not proper.

Recently, the T.V. in our country has made much progress. I want to congratulate the hon. Minister for that. Before him, Shri Bhagat too has done a lot in this connection and extended the network to villages. Many T.V. programmes like 'Hum Log' are being appreciated. When we go to small

places and talk to the people, they complain that we do not have many programmes like 'Hum Log'. Now people prefer 'Hum Log' to the cinema. Therefore, I want to ask, what new thing will happen if it is modelled on the pattern of BBC. I do not think it is going to make any special change.

I agree on this point that improvement in the programmes should be demanded. You have recently started a new programme 'Janvani' or T.V. in which a Minister has to reply to the questions of people, face to face. This programme is very popular. All the newspapers and the people of the country have appreciated this programme. Had Government an iota of *mala fide* intention or suspicion, they would not have allowed it to be telecast on T.V. I would request that such programmes should be broadcast in those areas also where T.V. has not yet searched. When we go to our constituency, people ask us why we have not managed to get the railway lines laid or the trains started in that area. That day Shri Bansi Lal gave a very good reply in 'Janvani' by whom. Where was the money? Let the money be allocated and I shall start the new trains, get the new lines laid. If such programmes are broadcast on radio in the places where T.V. facility is not available, many of our difficulties will be solved.

Regarding improvement in the programmes, I would suggest to Shri Gadgil that in the programmes relating to International and National affairs, if instead of inviting scholarly persons such people are invited can explain the problem to the common man in the layman's language, that will be better. For example, take the problem of Sri Lanka which the people of North India have not understood properly. If one person or more persons could explain the problem in common language through a talk, then public opinion for that can be formed. Similarly, there are many other programmes which can be telecast in very simple and spoken language. J.N.U. or Delhi University professors hold the view that people know every

thing, but it is not a reality. The meaning of the problem must be explained to people in detail.

The T.V. programme "*E K Drishtikon*" was earlier telecast, in which information about current affairs was given in a very simple language. The problem and the solution thereof were explained in simple words. That programme was very popular. It should be started again. In addition to this, plays and other items of entertainment should be telecast more and more. Your programmes are very good and I would like to congratulate the hon. Minister for this. In the end I would like to say that the time has not come yet when A.I.R. and T.V. be converted into autonomous Corporations.

**SHRI S. JAIPAL REDDY :** You do not want to do so...*(Interruptions)*

**SHRI G.S. RAJHANS :** Time has not yet come and will never come. You are here because of the Congress Party. We know what your party has done. During the period of 3 years it ruined the entire country. You have talked about three generations. Had there not been Moti Lal, Jawahar Lal Nehru, and Indira Gandhi, the country would not have made so much progress and you and I would not have been here. It is a democratic country. That is why I and you are here and its credit goes to these three leaders...

*(Interruptions)*

*[English]*

**MR. DEPUTY SPEAKER :** Now Mr. K.D. Sultanpuri. Only five minutes for you. There are other Bills which we have to take up. Already, from four hours, the time for this subject has been increased to six hours. The Minister has also to reply.

*[Translation]*

**SHRI K.D. SULTANPURI (Simla) :** Mr. Deputy Speaker, Sir. I am very sorry to point out that the intellectuals from the other side made a reference to Andhra Pradesh and the rest of the

country and pleaded for converting A.I.R. and Doordarshan into Corporations. I would like to inform them that Corporations may not prove very useful. The performance of the Corporations functioning in Andhra Pradesh will also not be very good, no matter whether your party is in power there or not. The approach of our Doordarshan is very practical and right throughout the country. An hon. Member from the other side has said just now that the programme of the Prime Minister, who was General Secretary previously, was presented in a very good manner, which led to the defeat of Janata Party. I would like to inform him that every party is given an opportunity for propagating its views, etc. Time has been fixed for all the parties, be it, the Communist Party or the Janata Party. In 1977, you had formed a grand Coalition Government and the top leaders were associated with that. Wherever your party was in power at that time, you had taken an oath at Mahatma Gandhi's Samadhi not to live in palatial bungalows, not to fight with one another but to serve the country. But after a period of two and a half years your coalition came to end. In this way attempts were made to disintegrate the country. If we bring out forward a proposal for setting up a corporation, you will oppose it, because your only job is to oppose. No concrete proposal comes from your side. Our Minister is very efficient and an intellectual. By his efforts very good programmes are being telecast on Doordarshan. There are some programmes for the benefit of the farmers also. Song, dance drama and other programmes are telecast. I had said earlier also that aged persons are recruited in A.I.R. and Doordarshan Directorates. Young boys and girls should be appointed there. Some very good artistes with unexplored talent can be found in hill areas. Doordarshan should take steps to appoint them. Very good programmes are being telecast on T.V. throughout the country. It is not an easy job to provide T.V. facility to 70 per cent of the people. The various works and programmes executed after Independence go to the credit of the Congress Party and its

Plan. Our party is taking the nation on the path of progress in a planned way, I, therefore, would like to urge you to help them and not insists on the setting up of corporations. None of your purposes is going to be solved by the setting up of Corporations. However, there are a number of Corporations in the country, like the Scheduled Castes Development Corporations and many other public sector Corporations and undertakings, which are running in loss. I therefore, submit that A.I.R. and Doordarshan should be allowed to remain in the hands of Government. You will not get any complaint about any type of partial attitude under the existing system. Injustice will not be meted out to anyone. Our Government's policy is that injustice should not be meted out to anybody. You feel that injustice has been done to you because every time our party comes in a majority. This time 401 Members of our party have come to Lok Sabha. Your party-men were defeated everywhere. For this, we are not to blame. It is the people's mandate. A.I.R. and Doordarshan are not to blame for this. Why do you want conversion of AIR and Doordarshan into autonomous Corporations? A.I.R. and Doordarshan did not cause your defeat. The people have defeated you. You wanted to become the representative of the masses. Even your top leaders were defeated by the people. A.I.R. and Doordarshan are not to blame for this. A.I.R. and Doordarshan did not play any part in the installation of Shri Ramarao's Government in Andhra Pradesh. So, you should allow them to function as they are and withdraw your resolution because you are otherwise and intelligent enough. You should not insist on setting up corporation for everything. Instead you should make use of your energy in bringing about improvement in their working.

I take this opportunity to say something about Himachal Pradesh. Through you, I would like to draw the attention of the hon. Minister towards Kasauli T.V. Relay Centre. I had written many letters in this regard. Mr. Sathe

visited the place and assured the people that the work would be completed wether a period of one year. I have completed my last term and I was present at the time of its inauguration by the former Minister of Law, but it is lying as it was. I humbly request that in order to provide and expand T.V. facility in hill and border areas the work on this centre may be expedited. I know that you are trying to provide this facility in the areas where it is lacking and for this you deserve congratulations. I hope that you will take note of my submission and take steps to expand T.V. facilities in more and more areas of Himachal Pradesh. With these words I would like to tell Mr. Reddy that he is a good speaker and a man of wisdom. I would request him to withdraw his resolution as Government will definitely play attention towards it.

SHRI ABDUL RASHID KABULI (Srinagar) : Mr. Deputy Speaker, Sir, I rise to support the resolution under discussion in these House. Through you, I would like to draw the attention of Government and the hon. Minister towards two or three things. Firstly, under the present set-up in the country, the concept of regional parties has become a reality, there are many states in the country, where regional parties are in power and they are running governments there on the basis of regional culture and regional aspirations. For example, there is the Ramachandran's government in Tamilnadu, Telgu Desham government in Andhra Pradesh, Janata Party government in Karnataka and the so-called National Conference government in Jammu and Kashmir. I would like to inform you that regional parties are not anti-national. Instead, they have become a reality which we shall have to accept. The leader of a regional party, *i. e.*, Telgu Desham, which has 30 Members in this House has been given the states of leader of the Opposition in this august House as against any national party. Parliamentary set-up is a begacy and the propoganda being made in this regard is baseless. You should take care of regional aspirations, regio-

nal demand and regional culture upsurge. That is why we say... (Interruptions)... Region within nation... Our feelings are patriotic. We want to assure you that regional aspirations and regional parties have nothing to do with such things. There are regional aspirations for names sake only, but their feelings are not anti-national. It is a fact. You should not adopt a yardstick but which you term all the regional parties as bad and anti-national. Such propaganda should not be resorted to. It will be a wrong thing. Under the Constitution, more regional parties will emerge and they will form their governments. Nobody can challenge their coming to power. In this connection I would like to point-out that regional cultural ethos find little time in the national programme telecast by Doordarshan. Through you, I would like to request the hon. Minister that the regional cultural ethos should be given more time in the National Programme of T.V. with a view to develop them. The time for the National Programme is being increased. But a complaint is being received that the regional language and culture of the states find very little time on the T. V. programmes.

The third thing which I want to mention is that so far as giving jobs to All India Radio and Doordarshan is concerned, the regions are being given very low representation. Today, the way the officers are being brought from other States, is resulting in a sort of encroachment which has led to confrontation and an unsavoury situation. Therefore, I would request you that in the matter of appointments, more and more opportunities may be given to such writers who have rich knowledge of the respective local language and culture as they have a great importance.

The fourth thing which I want to point out is that a sort of cultural evasion is taking place in Kashmir, Punjab, and the north eastern provinces, Meghalaya, Himachal, Haryana and Rajasthan, because B.B.C. has installed very powerful transmitters in Sri Lanka and very near a State of our country due

to which this evasion is taking place and our people are being attracted to them. In this connection, I would like to draw your attention, particularly, to Punjab where your programmes are not of good quality compared to Lahore. Your television cannot compete with Lahore television. Your radio cannot compete with Radio Pakistan. Your radio station in Punjab is very small as compared to the Lahore Radio Station. Then, how will you compete with them? You will have to suffer a lot on this account because these countries are our neighbouring countries. Millions of our countrymen living in the rural areas will be carried away by their political propaganda. Besides, these programmes will be very harmful for us. Therefore, I would like to submit to the hon. Minister that powerful transmitters should be installed in the sensitive areas of the states of Punjab, Rajasthan, Gujarat (Kathiawad), particularly in Jammu and Kashmir as also in the areas bordering Bangladesh and more attention should be paid to the television network in these areas. Keeping in view the aspirations of the people of these areas as also to ensure that our programmes reach the neighbouring countries, the programmes should be relayed from these transmitters and television centres. Therefore, I support the Resolution moved here which seeks give it an autonomous states so that it may have more and more local representation.

[English]

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING (SHRI V. N. GADGIL): Sir, I am thankful to the Mover of the Resolution if not for anything else, for giving an opportunity to restate and reiterate the Government's point of view on the question of autonomy. It is not as if this is raised for the first time. It was raised several times in the past and the Government had made its stand clear. One hon. Member of the opposite side said that it was not clear, but the stand was made clear several times. For example, it was stated and I will read out the reply given at that time :

AIR and Doordarshan have been providing due coverage and certain guidelines are followed.

I will come to that later on. But I would like the House to permit me an indulgence and that indulgence is not to reply to each individual point or to individual cases. Unfortunately, this year my Ministry was not discussed and it was guillotined. Naturally, some Members have taken the opportunity to project their demands or their grievances. With your permission, I propose to reply to those individual cases to Members individually. Here I want to confine myself to the broad aspect.

I would like the House to view this question in a broader outline and in a larger canvas. That canvas I find in the Preamble of our Constitution. Sir Earnest Barker, who thought political science for 30 years in Cambridge, reflected, pondered and considered various aspects of democracy. And I had the opportunity to learn from him in my student days. When Sir Earnest Barker wanted to write a book which is his *Magnum Opus*, which is called *Introduction to Social and Political Theory*, he says in its introduction: "I wanted to find where the soul of the western democracy as developed over the years" He says: "I have found it in the Preamble to the Constitution of India." As a preface to that book he had just reproduced our Preamble—We, the people of India, adopt, enact and give to ourselves this Constitution in order to establish Sovereign Socialist Secular Democratic Republic. That is the canvas on which whether autonomy or not should be looked. And for that my charter for Doordarshan is to inform educate and entertain. Both these things have to be seen. The text of the Resolution has to be read in the context of this canvas and this charter. If that is the correct approach, then you will permit me to say in broad outlines what I regard as the role of AIR and TV. I would say that if this be the object which is mentioned in the Preamble, then the structure of AIR or Door-

darshan or the programmes that are to be produced, broadcast or telecast, have to be looked from that point of view. If that is correct, let us judge the performance not by what happened, whether this incident was covered or that was not covered. That will be going in comparatively insignificant things. May be this was covered and that was not covered; this item was highlighted and that was not highlighted. That is not the approach. The approach I request the House to take is what I have indicated about.

Let me start with Doordarshan. I would divide my intervention in four or five aspects. Everyone in the House has said that there has been a tremendous expansion of TV. I would submit that what is important is not expansion as such. That, of course, is remarkable. Something the House and the nation should be proud of is that this whole concept of low power transmission, which is nowhere else, is designed by our own engineers departing from the international standards. If we had gone in all for high power centres which costs crores of rupees, it would have taken years and the people of India would not have got the benefit of T.V. viewing. So, this concept is Indian in design. Then, almost the entire equipment is produced in India, no imported equipment, and the implementation has been the record times. As you are all aware, in four months 116 transmitters have been installed in almost all parts of the country—a unique record unprecedented in the history of the world. Such an expansion has been there for which our engineers, our administrators and our staff deserve our congratulations.

There is another remarkable thing also. The normal experience of any organisation is that when it expands, the quality goes down, at least in the initial stages. But here is case where expansion has taken place, viewing time has been increased, yet the quality has not only not gone down, but the other day there was a slapping, applause in the House that the quality has, in fact improved. That again is an achieve-

ment for our engineers, our administrators, I am not claiming for myself. It is an achievement for our engineers, our programme planners and all the staff members for which again they deserve our congratulations.

There are various aspects of the programme. I can give all the details but that will be taking too much of the time. Take the variety. We have to provide for all strata of the society. Some hon. Member said that they are no programme of folk lore or for rural areas. Let us see what is the variety provided and then the constraint we have. The constraint is that time available is very limited. There are number of claimants that the time should be allotted to this programme. Within the time available, see the variety. We have provided programmes trying to cater to all the strata of the society. There is 'Panorama' which is once a fortnight. This is a current affairs programme giving the people an idea as to what are the current important issues before the nation.

Then there is 'Jana vani'. About that I will come later. That is also once a fortnight. In this programmes there are points and counter-points, *Paksha*, *Pritapaksha*. Somebody presents one point of view, another person gives the other viewpoint. So, both points of view come before the public. It is both in Hindi and English—point, counter—point; *Paksha*, *Pritipaksha*. Then, we have have 'Folk Lore and Traditional Arts, frequency is 28 minutes. It is once every fortnight. I can read out the list. I will omit my own State :

Folk lore and Traditional Arts of West Bengal. Baul songs, Jatra, Boat songs.

Madhya Pradesh : Pavithi Dance, Pandvani, Alha Udal.

I can give the whole list. Every fortnight there is one programme of 28 minutes duration, giving folk arts of

Then, there is a programme called 'Folk Instruments of India'. It is once a week—a series of programmes showing various folk musical instruments. Then, there is a programme named 'In This Our Land.' This is once a fortnight. It features the arts, crafts and the cultural heritage of various parts of India, including Jammu and Kashmir, Andhra Pradesh, Karnataka. There is a full list. Another programme is 'Kavi aur Kavita'. This is once a week giving exposure to various forms of poetry of various languages, Bengali, Hindi..., I have got the whole list. Then, there is a programme 'Charal Music'—(Interruptions). I have not interrupted, you also kindly don't interrupt. After I have finished, you can ask the questions.

*Choral Music*—this again is once a week.

*Places of Tourist Interest*—once a fortnight.

*Customs and Traditions of India*—Once a fortnight.

*Year of the Youth*—a weekly programme.

*Partivartan*—shows how the rural scene is changing. It is a programme only for that. It is once in fortnight.

*Regional Light Music*—once a week.

One hon. Member mentioned that we are not showing what our public sector has achieved. The programme called *Towards Progress* is a programme entirely meant for showing achievements of the public sector. This is once a *Issues and Approaches*. This also discusses various problems before the country. It is once in fortnight.

*Looking at Art*. Here various forms of art all over the country are projected. It is once a fortnight.

*Premier Institutions in India*. I do not state to claim that this is what I started.

There are a number of institutions in India like the Tata Institute of Fundamental Research which have got some magnificent achievement. Why should they not come before the people? Therefore, we have started this particular programme called *Premier Institutions in India*.

Another remarkable thing that we have done is a programme called *Great Masters*. It is every fortnight. The idea is that today we have people like Pandit Bhim Sen Joshi, Kumar Gandharv and Lala Amarnath. These people were at zenith of their career. A few years later the new generation may not know anything about them. Therefore, we have this programme called *Great Masters*. The idea is not only to show to you and to me, but also to preserve it in the archives so that the later generations will know what were the achievements of these great masters. I can read out the list. Already we have got seventeen, including the two-three names that I have mentioned.

Then there is a programme called *States of The Union*. This is once a month. It shows various aspects of geography history and problems of each State of India.

About another aspect of JANAVANI, I want to speak later.

Then there is a criticism about objectivity. I do not propose to deal with one question raised by an hon. Member opposits about the Chief Minister of Andhra Pradesh. Already there was a Calling Attention debated and discussed in this house and the facts and figures were given. If I deal with that, I will be only repeating what I had already said. Therefore, I do not think there is a point in this. If you ask me in a non-partisan way, I would like to say I think there is a case for complaint by the ruling party. I will show you how. Take the news analysis that I have got it made. In the AIR news bulletins between the period 25-11-1984 and 24-12-1984 for the election, the number

of lines given to the Congress Party was 1, 054 and to the Opposition 1, 189. They start with an advantage. If I divide equally, the ruling party will get one line, but because they are ten, they get ten lines. So they have an advantage. As they break up and form new parties, they will get more lines.

**SHRI S. JAIPAL REDDY :** If you yield, I would like to have one clarification. In this calculation the time taken by the Prime Minister and the Ministers is not included. Therefore, the whole statistics is misleading.

**SHRI V. N. GADGIL :** The Prime Minister is the Prime Minister of the country. Therefore, he cannot be included in one party or another. He is Minister of the nation.

**SHRI BASUDEB ACHARYA (Bankura) :** The Minister is a Minister, he cannot be included. Similarly, the Chief Minister is a Chief Minister and he should also not be included.

**SHRI V. N. GADGIL :** If the Prime Minister inaugurates a river project, is it a party matter?

**SHRI BASUDEB ACHARIA :** Are Minister also included in this?

**SHRI V. N. GADGIL :** Now, you see the figure for the period between October 1984 and December 1984. Time given to the Congress Party by All India Radio was two hours fiftyfive minutes and thirty seconds, time given to Opposition parties was four hours twentyeight minutes and twentyseven seconds. It is double.

**SHRI S. JAIPAL REDDY :** It is a misleading classification.

**SHRI V. N. GADGIL :** There is no question of misleading. I know it has hurt you, therefore, your reaction is like this.

**SHRI BASUDEB ACHARIA :** Can you give partywise break up?

**SHRI V. N. GADGIL :** At the moment I do not have. I do not have party-wise just now.

Doordarshan time given to Congress Party—79 minutes; time given to Opposition Parties—163 minutes and 30 seconds. (*Interruptions*). You are not satisfied by this ?

**SHRI S. JAIPAL REDDY :** There are three kinds of lies—white lies, damn lies and statistics.

**SHRI V. N. GADGIL :** Henceforward do I take it that he will never quote any statistics ?

(*Interruptions*)

**SHRI BASUDEB ACHARIA :** It is a jugglery of statistics.

**SHRI V. N. GADGIL :** You can always say that. 'If it is inconvenient to you, you can always say it is jugglery.'

Let us take the second aspect. From January till last month various programmes were there—Issues before Parliament, Reaction to Budget, Janavani, Panorama, Current Events—I myself collected the list. And do you know, I have got 25 Members of Opposition on the TV in these programmes and the number of Congress Members was much less, not even half ? When I got a programme on corruption, whom did I invite ? Did I invite any member from the Congress Party ? No. Mrs. Mrinal Gore and Mr. Krishan Kant—both of your Party—were invited and no Congress (I) member was invited to discuss on corruption. Still they will say, 'You are partial.'

**AN HON. MEMBER :** Experts were invited.

**SHRI V. N. GADGIL :** Apart from M. Ps., a lot of independent journalists were brought who made critical comments about the Congress (I) Party both on AIR and Doordarshan. I can

Assembly elections were analysed, one of the commentators was critical of the decisions taken by the Central Government, by the Congress Party, on the analysis.

Then take the issue of Punjab. Some Party were unhappy, but we allowed a programme on Punjab, a discussion in which the commentary was not only critical of Government, but perhaps exceeding the limits or the guidelines issued by the Media Advisory Committee. But still we did not interrupt, we did not cut out.

Then, again there are a number of other programmes in which you find a large number of Opposition Members' point of view—Point Counterpoint, Current Events and other things. In fact, as I said, there may be some case for Ruling Party Members to complain that they are not getting enough time. We are bending over backward to give Opposition a chance to project because they appeared to think that only when they come on the TV they win elections. So, have your chance

**SHRI E. AYYAPU REDDY :** There was white man's burden and now this is Congress Rule's burden.

**SHRI S. JAIPAL REDDY :** It is a case of kettle calling the pot black !

**SHRI V. N. GADGIL :** You are a Professor in English, you can go on talking, but I confine myself to substance and not the language.

I do not wish to refer to individual points, but since the matter has been raised, I want to make it clear that Doordarshan did cover Mr. Chandrasekhar's *padayatra* and he was interviewed by Doordarshan. Then again, one hon. Member carried the impression about these reports. About Chanda Committee Report, one of my colleagues has already replied, I need not repeat it. The Verghese Committee started on the assumption that there must be autonomy, they did not recommend



autonomy is to be there and the structure that should be there. So, the Verghese Committee is irrelevant. Then, about the Joshi Committee, again what one hon. Member said is not correct. It does not recommend an autonomous corporation. What it recommends is that the Ministry of I and B should be restructured on the lines of the Railway Board with Information Board comprising of professional heads. Let me share my experience. I was the Minister for Defence Production, there is the Ordnance Board; I was in charge of Communications, there is a P. and T. Board, and you have the Railways Board. I do not want to give any views on Joshi Committee's recommendation. But one thing is certain that a Board is a different structure, and an autonomous Corporation is totally different structure. Joshi Committee has not recommended autonomous Corporation.

Many people here and outside of waxed eloquent about BBC. I am sorry to say that some people may not agree with me but, there is a section in the middle class in this country which unfortunately still has the hang-over of the British empire. Westminster type, wonderful, British democracy, what a wonderful democracy, the British democracy is very responsible; the British judiciary is very independent; the BBC is impartial. These three myths, Mr. Reddy, I can explode with documents and facts and figures. About the first two, this is not the occasion. About BBC, let me tell you.

You think it is very credible. It is very impartial, very independent, no interference with Government. All this is baseless. First, you kindly read James Margach book. He was a London Times correspondent, political correspondent for 50 years. What is his conclusion? His conclusion right from Lloyd George up to recent years, Wilson and beyond, is that every British Prime Minister interfered with the media.

He has quoted documents of Cabinet minutes which showed this trend from Lloyd George onwards. He has made

only two exceptions. One Mr. Attlee and the other is Mr. Hume. These two only did not.

Lord Hill, as you are aware, you are a student of these things, he was a Chairman of BBC and he has written a book "Behind the Screen : Broadcasting memoirs of Lord Hill". What is the experience? When Conservatives are in power, the Labour say that the BBC is pro-Conservative. When Labour is in power, the Conservatives say there is a bias against them. I will read to you only one sentence :

"Recent and new development has been the criticism attracted by bias by the news itself."

Its news is biased. That is the allegation, criticism, against BBC, by their own people. But our people say, "Nothing. All India Radio is useless. Doordarshan is useless. BBC is credible".

Again you see Lord Hill :

"Broadcasting demands not only a wide range of professional skills but a capacity for instant decision."

Somebody on the spot has to take a decision to do or not to do. He is not politically motivated. He takes a particular decision. Then political motivation is attributed to him. It is such a race against time.

You say All India Radio was very good before Congress Government. I would like to mention to you an example from the history of old AIR. Before independence and after 37 years and from then onwards, Mahatma Gandhi met the 10 Viceroy. And the Viceroy's Office wanted it exclusively to go on AIR.

PROF. MADHU DANDAVATE (Rajapur) : You say that the Viceroy met Mahatma Gandhi.

SHRI V. N. GADGIL : Then the person in charge was so affected by the

importance of the event that he started producing a draft on how it should be given. First he wrote "Mr. Gandhi called on the Viceroy. The meeting lasted 30 minutes." He said "No, no. It is not correct. The Viceroy gave audience to Mr. Gandhi for 30 minutes." He said "No, no." Like that four or five drafts were prepared. The time was running out. The 9.0' Clock news was to go on the AIR. As he was thinking, the chaprasi picked up all the drafts and handed over to the reader and he read all drafts on AIR. Ultimately the same news was given in five times.

This is what happens. Therefore, there is an instant decision and if you think that I set in my office or residence all the time telephoning Doordarshan or AIR and say give this, don't give this it is a false picture.

PROF. MADHU DANDAVATE (Rajapur) : I remember the news. Ultimately it was "Mahatma Viceroy met Mr. Gandhi."

SHRI V.N. GADGIL : May be, I read it long back. You may be right. So, the point I am making is this: just because a particular news is given or not given, please do not attribute political motives. The man on the spot has to decide in a minute or even half a minute. May be, his judgment is wrong. You can say that the judgment is wrong. But to say that somebody from above instructed him to give this or not to give this in my submission, is giving a false picture.

Hugh Jenkins, who was a Minister in the British Government, while talking about BBC, says :

"BBC itself was a part of the establishment and those who ran it knew their place in the scheme of things as well as the leaders of the Church or the directors of the Bank of England. Their role was to be independent inside the aviary, to fly about freely but not to question the shape of the cage and, preferably, not to be aware of its existence."

This is the BBC's objectivity as given by a person who was a Minister in the British from 1974 to 1976.

This is from The Economist of 10th May. What does it say about the BBC

"It is too big, too arrogant, too ambitious, too unpatriotic too elitist too unprepared for the new technology. If it does not behave better, it will be punished."

It also mentions of "the government-of the-day's attempt to manipulate it".

It also says :

"...neither leading political party likes the Beeb, each seeing it was partisan to the other..."

The best is this :

"A Labour MP . . ."

Because they are nearer to you.

A Labour MP says this :

"BBC is run largely by people who do not know the working class...but are seeking evidently to mould the working class"

These are the who run the BBC. And you say that BBC is very credible and that the AIR is not.

MR. DEPUTY SPEAKER: Sir, you will permit me some extension of time; I may be exceeding my limit. But this is a quotation which I would like to read out. Some people may think that I should not read this, but I feel that I should point out. It is a little vulgar ...

PROF. MADHU DANDAVATE : The Minister in U. K. might be quoting our AIR in the House of Commons.

SHRI V. N. GADGIL : Some Dandavate there may be replying to that.

Mr. David Scott, who was a famous producer, as all of you know, found the working conditions in BBC so bad for a creative artist that he resigned; and his letter of resignation has almost become an important part of history. He says :

“To work for the BBC was like\*\* for three reasons : first because there was no possible pleasure involved; secondly because of the grave danger of being overlaid; and thirdly because there was no possibility of seeing any results for twenty-one months.”

This is BBC ! Some people who are eloquent about BBC say that it is a great institution, it is credible, it is very beautiful and all that. Let them listen to the BBC; let them not listen to the AIR. (*Interruptions*)

MR. DEPUTY-SPEAKER : Already the Minister has mentioned. I do not want to create any precedent. If it is unparliamentary, it will go. That is all that I can say.

SHRI. S. JAIPAL REDDY : There is nothing unparliamentary.

SHRI V. N. GADGIL : As I was saying, we are trying to accommodate, as much as possible, the other point of view. I have given various instances.

Now let me say a little about the Janvani Programme. This was Prime Minister's idea. His idea was that each Minister should come face to face with people. The idea has been worked out by us. And from the reaction that I have seen in the press, it is welcome. I must say that my colleagues people have also welcomed it. We come to know where the weakness of our administration is. People bring their grievances to us. Let me remind this House that it is not at all one-sided. You have seen in one programme that the bad sugar which was distributed was brought; we had a visual there. About the telephone not working, that was shown. It is not as if we are trying to

conceal something and only have one-sided propaganda. The whole effort has been to increase the credibility of AIR and Doordarshan, to accommodate as far as possible all points of view in the various programmes that I have mentioned. Therefore, it is not fair to say that we are using it as a ruling Party machine or some kind of a platform.

About the rest of the matters, as I have pointed out at the initial stage, I will seek the indulgence of the House to reply to it individually. There are more than 25 speakers. Each one has made on an average about 5 points. If I have to say whether a TV station should be set up here or not, it will take a long time. So I will reply to them individually.

Let me conclude like this, I mentioned at the outset the canvas against which it must be seen and the charter which is given to me and the Ministry. It is in this context that we have to judge the performance of AIR and the TV. I do not think that by mere autonomy the whole problem will be solved. If I have to interfere, whether it is autonomous or not, I will go on interfering. If I do not want to interfere, whether it is a Government Department or an autonomous corporation, that makes no difference and I will not interfere. There are certain guidelines, very carefully worded guidelines and formulated after careful consideration—not now but several years ago. There was the Modia Advisory Committee and our functioning is editorial freedom within the framework of those guidelines. If the House wants, I will read out those guidelines which are very detailed and which have lasted 20-25 years.

As far as the election time is concerned and as far as the party broadcasts are concerned, the whole scheme, as you know, was evolved in consultation with all parties and with the approval of the Election Commission and we have not deviated in a single way from those guidelines. Therefore, we have to judge it against that canvas.

I would say this. I am not one of those so-called middleclass cynical intelle-

ctuals who say that everything in this country is bad and everything in that country is good. I say this is a great country, a powerful country, a progressive nation, a throbbing nation, a pulsating nation which is marching ahead evoking the admiration and respect of the whole world and it is the job of the AIR and the Doordarshan to project this country, to project this nation, to help in its advance and to help the people in their advance. This is the national effort and I do claim that AIR is making its contribution to that great national effort.

**SHRI M. RAGHUMA REDDY** (Nalgonda) : As many as 25 members took part in this discussion. I must thank all the members who have participated and who have given valuable suggestions 18 from the Congress (I) and 6 from the Opposition took part in the discussion.

Just now the Minister replied. I never said in my resolution that the autonomous body should be of the BBC type or Voice of America I only said that it should be an autonomous body. It should be set up by an Act of Parliament. It should be an independent, autonomous body. I want to make that clear.

The Minister and many Congress Members who spoke criticised the BBC's functioning or the Voice of America's functioning. But as Mr. Jaipal Reddy pointed out, when Indira Gandhi, their beloved leader was assassinated, that message came on BBC at 10 or 10.30 a.m. while the AIR gave it only after 6.30 p.m. . . (Interruptions) It was the BBC which gave the correct picture. Again when the TDP got the majority on the 6th, AIR announced it only on the 7th of March. Why this delay? Whenever a Congress member gets elected, they give history of that Congress Member and whenever a Congress Member gets defeated, then also they give the history of that particular person. For example, I will cite the example of a member who is sitting by my side. He defeated some big man but they have not given his name but

they gave the name of the person who was defeated. Why? Sir, it is not All India Radio, it is All Indira Radio, All Indira Congress Radio. That is a fact. Sir, on 4th and 5th of this month, the Doordarshan showed a live telecast of the AICC session. Now, are you going to telecast the sessions of the other parties also? (Interruptions)

**THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING (SHRI V. N. GADGIL)** : Live telecast was given for the Centenary Celebrations of the Congress Party. when the other parties celebrate their Centenary functions, we will telecast them.

**SHRI M. RAGHUMA REDDY** : It is the Indira Congress which celebrated the Centenary function. It is National Congress. The National Congress is split into a number of parties like Congress (S), Congress (J) Congress (R) and Congress (I). (Interruptions). Sir, the Doordarshan should be effective, impartial and independent. Now, we find that it is not independent and impartial. It is depending upon the Minister, depending upon the Ministry. They will work for their party, they will project their policies and propagate the image of their party. Now, the hon. Minister has given misleading statistics. You would say that the Minister means Government, Prime Minister is for India and the Congress Party is for Indian people. That is what you propagate. But what about the other parties? You have not said anything about the other parties. You are showing the leaders of your party, the working president of the Congress Party, General Secretary of the Congress Party and even for the appointment of the President of the Youth Congress, they have mentioned under 'news heading' that so and so person has been nominated as the President of the Youth Congress-I. Why are you not taking other parties into consideration? Every party is electing its President and its Party Secretary. Why don't you mention their names and show their photographs in the TV? (Interruptions). All these things show that you are partial. They are not

independent because they act as per the wishes of the Minister. I am not finding fault with the officials. If a particular officer does not oblige, he will be shifted to some other place. I would therefore request the hon. Members of this House to support my resolution so that the TV and the A. I. R. can function impartially and independently without any interference from the Government side. If they are autonomous bodies, they can be impartial and independent, not under the Ministry, under the Minister, under the Party to which he belongs. My Resolution is for converting the TV and the A. I. R. into autonomous bodies.

MR. DEPUTY SPEAKER : Mr Moolchand Daga, are you withdrawing your amendment ?

SHRI MOOL CHAND DAGA : Yes, Sir. I withdraw my amendment.

MR. DEPUTY-SPEAKER : Is it the pleasure of the House to allow Mr. Mool Chand Daga to withdraw his amendment ?

SOME HON. MEMBERS : Yes.

*(The amendment was by leave withdrawn)*

MR. DEPUTY SPEAKER : The question is :

“This House resolves that the All India Radio and Doordarshan be converted into autonomous corporations to ensure objectivity, impartiality and independence of the mass media.”

*The motion was negatived.*

16.55 hrs.

RESOLUTION RE : RELIEF TO  
FARMERS AFFECTED BY  
DROUGHT

[English]

SHRI JANAK RAJ GUPTA (Jammu) :  
I beg to move :

“That this House recommends to the Government to give adequate relief to farmers affected by drought in various parts of the country this year, particularly those in the State of Jammu and Kashmir and ensure regular supply of water for irrigation and drinking purposes.”

MR. DEPUTY SPEAKER : The House has to allot time for this resolution. We have to take up Half-an-Hour discussion at 5.30 today. That is the time available to us. Therefore, we can proceed with the discussion upto that time. I would request the hon. Members to be very brief.

Shri Gupta may continue.

[Translation]

SHRI JANAK RAJ GUPTA (Jammu): Mr. Deputy Speaker, Sir, due to the vagaries of nature, every year our country faces floods, droughts, storms and cyclones in different parts which cause a heavy loss in the entire country. A loss of about Rs. 2,000 crores is suffered due to drought every year whereas the annual loss suffered due to floods is to the tune of about Rs. 1200 crores. There are no two opinions that our Government at once depute special teams for survey of the affected areas and the quantum of loss suffered is assessed by the Central as well as State Governments through different agencies and they provide a lot of relief on the recommendations of such agencies. Government spend about Rs. 200 crores annually on this account.

Some areas, some States of the country are such that they have suffered heavy damage due to drought this year. These are Himachal Pradesh, Haryana, Madhya Pradesh, Rajasthan and many other States . . .

AN HON. MEMBER : Uttar Pradesh is also one of them.

SHRI JANAK RAJ GUPTA : Yes Sir. Uttar Pradesh is also one of them. But, in my Resolution, I have specifically

mentioned Jammu and Kashmir, because first I come from that State and secondly you know this country is like a human body. When any part of the body is heavy pain.

16-58 hrs.

[SHRI ZAINUL BASHER in the Chair]

The entire body feels the pain. Our Jammu and Kashmir State is a very backward and hilly State. The people of the "Kandi".

17.00 hrs.

Area of the State mainly depend on such crop as cannot be grown without rain. Canal or "Koohl" water cannot reach there. Most of the people depend on tourism. The State has a few plains on the border, but the canal water does not reach there, on account of which the people cannot raise crops. They also depend mainly on rain. You go to any hilly area, viz., Poonch, Bhadarwa, Rajauri, Kishatwad or Doda, the people have to walk up to 10 kilometres downhill to get 10 kilograms of wheat or maize. There are some areas where neither horse nor any other mode of transport is available. They carry foodgrains on their back or on sheep or goats.

17.00 hrs.

But as ill luck would have it, there is drought all around due to snowfall deficits rainfall so much so that there are areas where the people do not have anything to eat. It is true that the Central Government assist by sending a fairly good amount of foodgrains which do reach there. Nobody dies due to non-availability of goodgrains. The foodgrains are carried on sheep or through some other means. The problem which we are facing today is that first, there has been no crop in the State and secondly, there is no hope of increase in foodgrains production in the near future, whether it be Kashmir, Jammu or Ladakh. You might have read in the newspapers that our State Government have

issued directions telling the people to sow seedlings of paddy at their own risk as there is shortage of water in the paddy season also. It is in this context that I am referring to irrigation. Irrigation is necessary for agriculture. If there is no water for irrigation, I think, it is very difficult for the farmer to produce foodgrains. As far as I know, there is still about 70 per cent of land in the country which is un-irrigated. The problem is particularly acute in Jammu and Kashmir, where the sources of water are not many. Only the rivers are there and the canals from the rivers serve only the plains. Through you, I want to bring to the notice of Government one thing to drive my point home. The Ranbir Canal that originates from the Chenali irrigates plain areas. Generally during this season, that canal has enough water. Its capacity is 1000 cusecs of water. But these days, it has not more than 400 or 500 cusecs of water. Recently, one of our experts teams surveyed the hills through helicopter to have an assessment of our snow reserves and the period for which we can get water from there in future. The report of the team says that if there is not immediate snow fall, there are not enough snow reserves there to give us enough water in the coming days. Therefore, I want to say that Government should pay more attention to it and should take some steps to supply water to the areas which face scarcity of water. As long as we do not install tube wells, as long as we do not provide the latest type of rigs, as long as we do not construct small ponds in the hilly and "Kandi" areas for storage of water, or do not formulate schemes for lift irrigation or do not take other similar measures, in my view, in the coming days I am afraid the people of these areas will be facing a lot of difficulties.

I have another suggestion to make with regard to irrigation. So far as our area is concerned, there are some states which have, perhaps, surplus water. If possible, we should make arrangements to supply water from the surplus states to the neighbouring states which face scarcity of water or are drought-prone.

Besides, I want to make another suggestion. If we take the country as a whole, if I am not wrong, the production of foodgrains is about 180 million tonnes. On the other hand, a State like ours which has a large area, produces only one per cent of the total production in the country. If irrigation facilities are provided to the farmers there and steps are taken to supply water and the farmers are able to use that water in the fields, I think a lot of foodgrains can be produced there because the farmers of that area all are quite hardworking and the uncultivated land can be brought under cultivation.

So far as the question of drinking water is concerned, we have many such areas like the "Kandi" area, if you go there, if you go to some areas in Sambha or Udhampur in Shri Dager's constituency, you will find that the people have to walk down up to 15 Kilometres to fetch drinking water. The women bring water from 15 Kilometres carrying 2 to 3 pots on their heads. But, we are grateful to the Central Government that they have taken many steps as a result of which we have received some water. The ground water level in these areas is so low that even wells cannot be dug there. Water is supplied there through tankers. Still, there are some places where fodder and water for cattle is not available, as there have been no rains. I request that such arrangements should be made there so that the people could live conveniently. Otherwise, Mr. Chairman, Sir, the people of the "Kandi" area in the upper region who do not get water, come down hill and keep their cattle along the canal banks 20 to 30 kilometres away from their place of born. They make their cattle drink water from the canal. What happens as a result of it is that the banks of the canal are damaged, they are washed away at some places and consequently the canal water do not reach the farmers, thereby leading to a number of difficulties. Thus, the whole system collapses. Therefore, I would like to request that, as our great leader, Prime Minister Rajiv Gandhi has also announced a relief of Rs. 200 crores for them—he has full sympathies with the

affected people who are now suffering—a team should be sent there soon to assess the loss suffered by different states, particularly Jammu and Kashmir which is a border and hilly state so that more and more relief is given to us. In addition to this, you know the situation existing there. Therefore, if a decision is not taken in this season itself, then we may have to face lot of hardships during the sowing of paddy crop, particularly in the Kashmir valley. Today I was reading that the Jammu and Kashmir Government had asked the people to sow some other crop instead of paddy. That is what I have read today. The State Government had asked its revenue staff, i.e., from Patwari to Tehsildar to advise the people to go in for some such crop which may require less water instead of the paddy crop. I think very few people will accept this. You know that the staple food of the Kashmir Valley is rice and in Jammu also most of the people are rice-eaters. Therefore, if water is not available, it will create difficulties. I think due to this season there will be demand for more rice from there and you will have to send rice from here. Therefore, there is still time to make some arrangement by way of sinking wells, constructing "Kooht" by lift irrigation etc. to supply water to the people there. I would submit that there is need to constitute a study team which may go to all the States, and study the situation particularly in the hill areas and find out the extent of damage or different places. I also suggest that the local M.L.A.s and M.P.'s of the area should be associated so that each and every place is visited and the damage assessed. Besides, a job oriented scheme should be implemented for unemployed landless farmers and agricultural labourers.

Lastly, I would submit through you that it is a temporary relief and we need source permanent solution so that arrangements to check the floods as also to give protection from floods are made. I feel that for this purpose a separate board should be constituted and other countries should be visited to find out what measures are taken there to check these calamities. Some way should be

found out to check coming floods and droughts. Though it is correct that these are natural calamities and one feels helpless against them but it is only duty to try to check them. While man reached even the moon, it does not look proper that we are not taken steps even to prevent these things. If we take such steps under the leadership of the Prime Minister.

[English]

SHRI MOOL CHAND DAGA (Pali) :  
 I beg to move :

That in the resolution —

(i) after “farmers” insert

“and other economically weaker sections.”

(ii) after “year” insert

“as well as those who may be affected in future”

DR. G. VIJAYA RAMA RAO (Siddipet) : I rise to support this Resolution. There are acute drought conditions both in the north and south and a large part of the State of Andhra Pradesh is affected.

[Translation]

MR. CHAIRMAN : The time has not been allotted for this item.

SHRI MOOL CHAND DAGA : Two hours may be allotted.

MR. CHAIRMAN : Two hours are enough. (Interruptions)

[English]

MR. CHAIRMAN : There seems to be some misunderstanding. Forty-five minutes have already been allotted.

DR. G. VIJAYA RAMA RAO : In Andhra Pradesh the State received a deficit rainfall during the South-West monsoon of 1984-85 in all the districts. The rainfall was also erratic with long dry spells and caused considerable

damage to the crops sown. The total failure of rains in August 1984 in all the districts resulted in wholesale failure of crops, causing undue misery and distress not only to small and marginal farmers. Because of the uneven, scanty gappy and deficit rainfall received during the season most of the minor irrigation sources did not receive any supplies. Owing to the continuous dry spell and withering of crops, agricultural labourers were thrown out of employment. On account of the wholesale failure of crops the rural economy received a great set back during 1984-85. Purchasing capacity of the weaker sections of the community has registered a steep decline and there was all round distress in the affected areas of the State.

Taking into consideration all the relevant factors like rainfall, the periods of dry spell, and crop conditions in various parts of the State, the Government of Andhra Pradesh notified in all, 201 taluks—171 taluks in full and 30 taluks in parts—in 10 districts of the State as drought affected and relief operations were started.

During November 1984 almost all the districts in the State excepting Nellore and Chittoor which received heavy cyclonic rains from 12th to 17th, received deficit rainfall ranging from 12 per cent to 100 per cent over the normal. Regionwise the Coastal Andhra region registered a deficit of 16 per cent, the Rayalaseema region 26 per cent and the Telangana region 57 per cent over the normal. The State as a whole registered a deficit of 22 per cent over the normal.

The December month registered a deficit of 8 per cent for the State as a whole as against the normal rainfall of only 12 mms. The deficit rainfall received during the season was also characterised by prolonged dry spells, the number of rainy days being few. During October 1984 the periods between 1st to 4th, 12th to 22nd and 25th to 31st were the dry spells almost throughout the State. During November



and December the rainy days were still fewer and period between 5th to the 31st of the month was almost dry.

Due to deficit rainfall received during the north-east monsoon period the minor irrigation sources did not receive further supplies and the available water was not adequate for raising Rabi paddy. Due to near failure of north-east monsoon, dry weather is prevailing from December, 1984 onwards.

Transplantation of Rabi paddy was taken up under major and also medium irrigation sources. Under major irrigation sources, however, transplantation took place to the extent water was available. The State Government sought for the assistance of the Government of India, for an amount of Rs. 365.90 crores for relief measures and an amount of Rs. 50.68 crores towards loan assistance, the total being Rs. 416.58 crores, for combating the present drought in all the 22 affected districts of State, till the end of March, 1984. Government of India sanctioned an assistance of Rs. 54.42 crores including Rs. 7.84 crores towards loan assistance. The State Government released the amount to various implementing agencies, for undertaking the drought relief operations including provision of drinking water, fodder for cattle and contingency agricultural production programme, etc.

As on 31.3.1985 the State Government have spent an amount of Rs. 53.795 crores on drought relief works. As the works are showing brisk progress, the balance amount has also been incurred by now on works.

The relief measures already undertaken for providing employment to the unemployed agricultural labourers, small and marginal farmers, have further to be intensified during the ensuing months of April to June, 1985 as they are normally lean months, when agricultural labour will have no employment of any sort even in a normal season. This year both the kharif and

rabi seasons not being normal, the situation has worsened as compared to what was obtaining at the time of presentation of first memorandum on account of poor precipitation during October and November, 1984 and almost negligible rainfall during December, 1984 the hot weather period covered by January and February, 1985 not being significant at all. The distress among the people has further got aggravated during the months of April to June, 1985 till the onset of the next monsoon, as they are going through the harrowing experience of a continuous drought and are subsisting only on the employment provided through execution of relief works. The position will be very acute both in rural and urban areas with the advance of summer. Equally grave will be the position of availability of fodder to the cattle in the scarcity areas.

Government of Andhra Pradesh has, therefore, decided that the relief measures undertaken should be continued without any interruption and the tempo of execution of relief works should be maintained to arrest the likely migration of rural population in search of employment.

As per the norms adopted during the year 1984-85 it was considered reasonable to pay at least Rs. 10/- per day per labourer for 25 days in a month during the period April to June, 1985. In all 109.41 lakh affected labourers including small and marginal farmers need to be provided employment for 75 days at a total of Rs. 273.525 crores.

In the areas identified as drought affected in the State, a sum of Rs. 30 crores would be available as labour component under on going plan and non-plan schemes for 1985-86 for generating employment. Taking into account the labour component under plan and non-plan schemes that would be available for providing works to the affected labourers, a sum of Rs. 243 crores would be needed for taking up employment generating schemes.

Lastly, I feel that it is a very bad situation in the country. The Government should immediately come forward and take drought relief programmes in the country particularly in Andhra Pradesh.

[Translation]

**SHRI VIRDHI CHANDER JAIN** (Barmer) : Mr. Chairman, Sir, I support the Resolution moved by Shri Janak Raj Gupta. The drought conditions today are not confined to Jammu and Kashmir, these conditions prevail in Andhra Pradesh, Himachal Pradesh, Karnataka, Madhya Pradesh, Rajasthan, Orissa, Maharashtra and U.P. as well. Every year efforts are made to fight the drought conditions. Every year one or the other place is affected by drought and the Central Government sends a Study Team to study the situation. The Study Team submits its report and the Central Government after taking a decision provides relief. My submission is that there are two different norms for giving relief in case of drought and flood. In the case of floods 75 per cent of the damage caused is compensated but in the matter of drought some ceiling is fixed. For example, Rajasthan Government had demanded Rs. 150 crores as drought relief but the amount provided is Rs. 25 crores only. I want to submit that drought relief should be provided on the same lines as flood relief. The damage caused by floods should surely be compensated and the provision of 75 per cent compensation is quite reasonable. The remaining 25 per cent is compensated for by the State Government. But a similar provision should be made in the case of drought also.

Today in Rajasthan, thousands of villages are in the grip of famine but Government are short of funds to fight it. Such a situation has arisen that the relief works which should have been opened in December have not been opened even upon February not to speak of December. If relief works are not spend in time upto what time will the poor have to go on starving. They shift to other States like Gujarat, Haryana, Punjab etc. Consequently, they do not get any relief. Presently, the situation in Rajasthan is

that the works to fight drought were started on 15th April and than too in a very small number because the State Government do not have sufficient resource. This creates problems for the poor and he has to abandon his work and shift to other places with the cattle. I have been repeatedly pressing here that drought relief should be provided in the same manner as is provided in flood relief. In the case of floods, loss occurs once and some times next crop grows very well but in the case of famine, such things do not happen. The farmers become destitute, people die of diseases, the cattle also die. In the 1967-68 famine, the number of cattle in Barmer, Jaisalmer districts was reduced to one-thirds and one-fourth respectively. For this relief, it is necessary to find out some permanent measures to fight the famine.

In this connection I want to submit that the construction of the Rajasthan Canal was started in 1957 but till now it has not been completed. If we really want to provide relief to them and want to find out some permanent solution, then the permanent solution in this desert area is the Rajasthan Canal which is now known as the Indira Canal. On our request on addition at amount of Rs. 200 crores has been provided in the Seventh Five Year Plan for Rajasthan Canal. We thank the Central Government for this. The type of work which is required for the Rajasthan Canal needs Rs. 1,500 crores. The work can be completed with this much amount. The Rajasthan Government do not have that much of responses to spend. I have repeatedly raised this question. The Central Government should get this work completed in the Seventh Five Year Plan by providing 90 per cent grant and 10 per cent loan under the Desert Development Programme. First we should complete those works which we have already taken in hand. We take in hand many irrigation schemes or other schemes and allocate just Rs. 1 crore for one year but the works remain incomplete. Our Prime Minister has also emphasised that there is need to change this policy. Those schemes, which are considered important should be taken in hand and

completed during the Seventh Five Year Plan. After completing these schemes only we can find a proper solution for the problem of famine. During famine, there remains acute crisis of drinking water. To solve this crisis, water is being supplied through tankers in the Barmer, Jodhpur and Pali districts. The tankers too are in a bad condition because of which the full requirements of water are not met. Earlier also we had requested and the Central Government had sent military tankers there. They had arranged for water for our border areas also. We had got some relief from this arrangement. Even today the situation remains the same. Now once or twice water is supplied by tankers and some time even that is not done. Ten gallons of water per person should be provided but even one gallon per person is not being made available. This is the situation. My submission is that unless you make some permanent arrangement for drinking water

[*Interruption*]

only in a very few pockets, under-ground water has been found and with that only a few villages will be covered. The problem should be solved permanently by accorded priority to the supply of drinking water through the lift canal rather than to irrigation from the Rajasthan Canal. One crore of rupees had been sanctioned for Jodhpur city but this amount has not been spent so far. If arrangement is made at this tardy speed, the way the population of Jodhpur is increasing, the situation will become explosive after some time. Even otherwise also, the water crisis in Jodhpur has already started. What I mean to say is that even in those places where there never used to be water crisis, there also water crisis has arisen because due to scanty rains during the last three to four years the water level of the wells has gone down. Therefore, to solve the drinking water problem of Rajasthan there is need to formulate a plan utilising the Rajasthan Canal. The Rajasthan Government have actually formulated a plan. I want that it should be executed at the earliest. I have already requested the Central Government that the Desert Deve-

lopment Programme should be equated with the Hill Area Programme and assistance should be provided with 90 per cent grant and 10 per cent loan. Only then the drinking water problem can be solved there. In addition, the Programme of irrigation through the Rajasthan Canal should be expanded further and implemented. With these words I support the Resolution.

[*English*]

**SHRI CHINTAMANI PANIGRAHI** (Bhubaneswar) : Sir, I support this Resolution which has been moved by Mr. Gupta.

Sir, this problem of drought has now become a serious problem and almost 8 States in this country have been affected including my State, Orissa. From the report it appears that a total crop area of 320.84 lakh hectares and a total population of 991.28 lakhs and a total cattle population of 308.15 lakhs have been affected in the 8 States by this drought.

Sir, to meet this problem of drought in different States, every year the Centre by way of relief is advancing an average Rs. 500 crores to various States. Recently in Orissa, added to these drought conditions, a cyclone has taken place where about 5 districts have been affected. They are Sambalpur, Keonjhar, Cuttack, Balasore and parts of Puri. So, the drought condition was very serious and now the cyclone has also affected about 5 districts in Orissa and more than three lakhs of people have been affected and thousands of houses have been completely devastated and immediate relief is required, though the Central Government is also doing something.

We are grateful to the Central Government for meeting the drought conditions in Orissa. They have sanctioned about Rs. 85.9 crores. We have requested the Government to at least sanction Rs. 200 crores. In two-thirds of my State, Orissa, out of 314 blocks, almost 200 blocks have been affected. I would request

the hon. Minister that if they reconstruct them, it will be better.

The immediate problem before Orissa today is drinking water. Though the Central Government has sanctioned thousands of tubewells for providing drinking water in the villages, yet it so happens that perhaps the tubewells were not dug to the depth that was required or the water level has gone down to such an extent that almost 40 per cent of the tubewells are defunct because the water resources have gone down, though the Central Government has spent crores of rupees for providing drinking water. I hope immediately some solution will be found for meeting the drinking water crisis in Oriss. Added to this, there is shortage of power and it has so happened that perhaps 75 per cent power-cut is there in industries, villages and towns. So, a very serious situation is developing in our State. I would like to submit to the hon. Minister that there was thinking on the part of the Central Government to have some long-term measures to assist the State Government in facing the natural calamities. Every year they are spending Rs. 500 to Rs. 600 crores. I hope the Central Government is seriously thinking to have a kind of permanent measures to avoid this kind of natural calamities every year, for which the Central Government is spending about Rs. 500 to Rs. 600 crores.

I request the hon. Minister that permanent assets should be created for the programmes like NREP and RLECP that the Central Government is funding because crores of rupees have been spent by the Central Government. We create permanent productive assets so that these natural calamities like drought and floods are prevented.

MR. CHAIRMAN : You will continue next time. Shri Janardhana Poojary to make a statement.

17.41 hrs.

STATEMENT RE. D. A. OF  
CENTRAL GOVERNMENT  
EMPLOYEES FOR PURPOSES  
OF RETIREMENT BENEFITS

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : While presenting the Budget for 1985-86 I had stated that the entire dearness allowance sanctioned upto the average consumer price index level of 568 would be treated as pay for the purpose of retirement benefit for employees retiring on or after 31st March 1985. Certain doubts have been raised regarding the operation of this concession in terms of the orders that have been issued. Before the announcement of this concession in the Budget speech, dearness allowance upto the average consumer price index level of 320 was taken into account as pay for purposes of retirement benefit. Clarifications are being issued to enable the dearness allowance sanctioned upto consumer price index level of 568 to be taken into account for the purpose of retirement benefit for all employees retiring on or after 31st March 1985 with effect from the dates on which they have drawn such dearness allowance. This will be a one-time concession given to the retiring employees and no past cases of employees who had retired prior to 31st March 1985 will be reopened on the basis of this decision.

17.43 hrs.

HALF-AN-HOUR DISCUSSION

[English]

Streamlining of Gramin Banks

PROF. NARAIN CHAND PARASHAR (Hamirpur) : Sir, in answer to the Started Question No. 509 on 19th April, 1985 the hon. Minister of State for Finance Shri Poojary gave some information regarding the functioning of rural banks and stated therein

that it has been decided by the Government to transfer the supervision and control etc. of the RRBs to the NABARD.

To one of my Supplementaries as to whether the granting of licences for opening of the Branches or RRBs had also been transferred to the NABARD, the information was given that it had not been done and that continued to be with the Reserve Bank of India.

Basically, now there will be two banks controlling RRBs. First is the Reserve Bank of India which will determine at which place to open a Branch of the Rural Bank and secondly, the NABARD which will control the functioning or which will supervise the functioning. This is adding quality to the control aspect.

Secondly, what is most defective about these rural banks is the aspect of their functioning. The resource base of these banks is very poor with the result that the loans they have to advance on differential rate of interest are either nil or very much limited.

I will give you the figures as to what is the resource base of these RRBs. 35% of the funds of the RRBs come from the Government and 70% from NABARD. 15% come from the commercial banks which sponsor them and 30% are raised by the RRBs. This means they have to depend upon these four important agencies, the Government, the NABARD, the commercial bank and ultimately on themselves and the functioning has not been satisfactory. There has been a very stiff competition with the commercial banks. The former Finance Minister, Shri Pranab Mukherjee, had said in Calcutta that no branch of the Regional Rural Bank would be allowed to be converted into a branch of a commercial bank though there might be a demand for this. So far so good. But what is the condition of the RRBs? Their condition is so unsatisfactory that Government have appointed a Working Group with Mr. B. K. Dhar as Chairman to look into the various

aspects. Giving loans is only one aspect of the situation. They are not able to satisfy all the persons who want loans under the DRI because the resources are limited. The sponsoring banks would not like their lead banks to remain behind and the RRBs to shoot up. There is unfair competition. Secondly, the deposits are very poor. According to one study, the average per account in the RRBs is Rs. 691. Then, the persons who are appointed there are supposed to be local persons, from the same State. This is a very good idea that persons from the same State will be appointed in these RRBs. But what about their training? What about their future prospects? There is deep resentment among the employees working in the RRBs because, compared to their counterparts in the commercial banks, they have very poor chances of promotion. Since the chances of promotion are very poor, the functioning of these Banks has remained poor. People have become dissatisfied.

Now I am quoting from the editorial of the *Economic Times* dated the 11th October, 1984, in which it has been stated that in seven years these banks have lost Rs. 561 crores and the accumulation of losses in the case of 15 Regional Rural Banks has wiped out their entire share capital. This is one of the observations.

But the most disquieting aspect of the functioning of the RRBs is their poor coverage. In my own State Himachal Pradesh, only three districts are covered by the RRBs, and the total number of districts there is 12. In our country we have more than 400 districts and I think, not more than 288 or 300 districts have been covered. And whichever districts have been covered there has been an unfair competition with the commercial banks. So, it is high time that the Government came in with an amendment to the Regional Rural Banks Act, so that the balloon that is floating for the public good does not ultimately fall down and get crashed, so that the people do not lose whatever hope they have in the function-

ing of these banks. Even some of the commercial banks are attracting a bad light. You know that happen in some of the banks ; the Government have declared a moratorium on them on issuing loans, etc. ; three banks, I think, have come under this moratorium.

So, what I want to know is what is the effective restructuring contemplated by the Government in order to make these RRBs self-supporting. Why should they look to the sponsoring banks ? Sponsoring banks help them only to some extent. I would like to know what is the total advance in the sector of DRI given by the RRBs in the country to the people who are eligible for it. Secondly, what is the ratio of the loans under DIR to those given by the commercial banks ? I would also like to know what is the Government going to do over the question of competition because in the districts you have the RRBs and you have also the commercial banks ; and any person who wants to have an account would prefer to a commercial bank than to go to a Regional Rural Bank because the RRB does not have even the facility of issuing drafts, it does not have so many other facilities, it lacks in the service facilities. The commercial banks are more advanced. The personnel and the employees working there are well trained. They have better knowledge. They have better chances of promotion and all this is resulting in frustration and the Government is sitting tight over the report. Every time where the report is coming. A Working Group has been set-up. Similarly there are various amendments under consideration of the Government for improving the functioning of the RRBs. It is high time that a clearcut policy regarding the functioning and scope of the RRBs vis-a-vis the commercial banks is laid down so that there is no unfair competition between them and these RRBs which were floated by the Government in order to help the rural poor are actually able to help the rural poor. What I want to stress in this argument is that the rural sector requires more facilities for banking and you should have given more facilities

to the RRBs than to the commercial banks. What is happening now is just the reverse RRBs are functioning at places where there are no metalled roads and where perhaps there would be no telephone facility and commercial banks are coming up fast. So in case you are going to transfer the control and supervision of its functioning to the NABARD, is it fair that you should continue also the policy of getting licence from the Reserve Bank of India ? The Reserve Bank of India has its own wise ways of dealing with these problems. If you look at some of the answers given by the Minister himself, a large number of surveys were conducted by the banks in the districts and the Reserve Bank of India is very stingy in the grant of licences. So the result is that the poor people continue to clamour for more branches. But whether you give an RRB or a commercial bank, the Government should be clear as to what are their functions, how to avoid the adverse competition developing between them, and how to do away with the frustration that is creeping up among the employees and lastly how to benefit the persons who are meant to be benefited, that is the weaker sections of the society,, who are eligible for loans under the differential Rate of Interest scheme.

These are some of the points for elucidation and clarification and effective intervention by the Government if you are to save the future of these banks. Otherwise, they will collapse one day and you will find that the commercial banks will be able to swallow them and the Rural Banks will disappear.

THE MINISTER OF STATE IN THE  
MINISTRY OF FINANCE (SHRI  
JANARDHANA POOJARY) : I am grateful to the Member for giving me an opportunity to remove the doubts about the functioning of the RRBs.

The Renional Rural Banks have been set up in the country to ameliorate the conditions of the people residing in rural areas. The persons who are getting benefits from rural banks are

people whose income does not exceed Rs. 6500/- per year. This is a low cost structure bank. Here I want to make it very clear that while we compare them with the commercial banks, the commercial banks are looking after the trade and industry and other commercial dealings in the country. The need was felt that when it was found that the scheduled commercial banks are not in a position to cater to the needs of the weaker sections and the Government has come forward with the RRBs in the country. During the Sixth Plan it was the intention of the Government to set up 170 Regional Rural Banks in the country covering 270 districts. Here the involvement of the State Government is also there. In the share capital 50% is coming from the Central Government, 35% is coming from the sponsoring bank and 15% from the State Government. Sir, what was the performance during the Sixth Five Year Plan? The target was to set up 170 Regional Rural Banks in the country covering 270 districts. The performance at the end of March 1985 is like this. We were able to set up 183 regional rural banks as against the target fixed at 170. We could cover 323 districts as against 270 districts to be covered as per the target. Now, what is the cash deposit ratio? If the deposit is Rs. 100, the regional rural banks are giving more than the deposit amount. Now, in some cases, for example in Karnataka, the credit deposit ratio is 190%. If the deposit received is Rs. 100, the loan advanced by the regional rural bank is Rs. 190. So, this is meant for the weaker sections and in order to develop their economic conditions, these banks have been set up. At the time of the appointment of the staff, so far as the service conditions of the employees are concerned, it was clearly made known that the operation of these banks is confined to the people whose income does not exceed Rs. 6500 and small operations are taking place. The operation of these banks is in the districts and in rural areas. Even at the time of the passing of the Act, when the regional rural bank was being set up, it was made very clear to the employees that it is a low cost

structure and their salary would be on par with the State Government employees as also their service conditions. Now, he says that there is frustration among those people. We have to consider the plight of the people who are residing there in the State, in the rural areas.

The hon. Member has mentioned about the percentage of funds deployed for the purpose of giving advances. He has mentioned the ratio as 35%, 26% and 15%. He has said that 30% of the fund is coming from the R R B. The ratio figure given by him is not correct. The amount that is coming from the NABARD is 50% and the sponsored bank is 35%. The balance is coming from the RRB. The hon. Member says that the power to open the branch should be given to NABARD. So far as the regional rural banks are concerned, he says that the NABARD should be given the powers to open regional rural banks and not the Reserve Bank of India. As the hon. Member is aware, there is a Bank dealing with the licensing policy for the entire country. For this purpose, there could be only one agency. The Reserve Bank of India, on the basis of the recommendations from the State Government, grants the licences. The identification of the branches to be opened as also the place is done by the District Consultative Committee. It is the machinery that has been set up by the State Government. In that Committee the representatives of the banks are also there. They recommend the places where the branches should be established and it is routed through the statement Government. On the basis of the recommendation of the State Government, the R.B.I. gives the licence. Now, for branch licensing, during the period from March 1982 to March 1985, the target was set that there should be one branch for 17,000 population in rural and semi-urban areas.

12.00 hrs.

So, the Reserve Bank of India will find out how many branches are to be given to how many banks. Cooperative

Banks, private banks and commercial banks are functioning in the area. While giving branches to the particular areas, the Reserve Bank of India will take into consideration all the factors as to whether branches are required in that area, whether the branches which are functioning are adequate for the region, whether there is one bank for 17 thousand population or whether it has exceeded or whether there are more branches and so on. There is one agency for taking into consideration all these factors and this one agency after taking all the factors into consideration is granting the licences. For example, so far as the Regional Rural Bank is concerned, if this power is given to the NABARD, there will be conflicting views and where no bank is required in the region, a regional rural bank could be opened by NABARD. In order to avoid this duplication, in order to avoid these distortions, the power is given to the Reserve Bank of India. The Reserve Bank of India is taking all these factors into consideration and then only it is giving the licences. That is why last time also I have submitted that there is no such proposal so far as this aspect is concerned and the Reserve Bank of India alone is the central agency which is going to look after the branch licensing policy. That is what I have said. So, there was no ambiguity so far as that position is concerned. The hon. member has given some of the points last time also and I had told him that we would take all these suggestions made by him into consideration. There will be a comprehensive Bill, which has been suggested by NABARD. It is under the consideration of the Government and definitely, the suggestions of the hon. member will also be taken into consideration at that time and the Bill will also be introduced in the Parliament.

**PROF. N.G. RANGA (Guntur) :** They say there is a loss of Rs. 400 crores. Is it so ?

**SHRI JANARDHANA POOJARY :** Sir, some Regional Rural Banks are incurring losses, but the fact of the

matter is this. We have to see the objective for which it has been set up. As I stated earlier, we are giving more loans, even if the deposit is Rs. 100. All these factors are there. In addition to that, the hon. member was pleased to make a point stating that something more should be given to the employees. Then there will be a more difficult position and ultimately, it may lead to the closure of the banks also. We should not go for that. The hon. member also should cooperate with us because it is meant for the weaker sections. We have to keep in mind for which purpose we are doing this. We are creating employment in the rural areas and if more and more services should be provided for the rural folk, it will be better. I appeal to the hon. member to advise the rural bank employees also to come forward with dedication and commitment to serve the rural folk. They are mostly marginal and small farmers and they belong to the weaker classes as they work as agricultural labourers.

**MR. CHAIRMAN :** There should be the same pay for the same work.

**SHRI JANARDHANA POOJARY :** The State Government gives the same salary and other service conditions. Sir, you know the commitment we are having.

**PROF. N. ARAIN CHAND PARASHAR (Hamirpur) :** The Minister has not answered my basic point. I asked him for the figures about the advances given by the Gramin Bank vis-a-vis the other banks under DRI. That is very important.

**SHRI JANARDHANA POOJARY :** Under differential rate of interest, we have so far given Rs. 444 crores from commercial banks and regional rural banks. To how many people; and how many accounts are there ? The number of persons is 42.95 lakhs. Out of these, 49% goes to Scheduled Castes and Scheduled Tribes. The amount that is given by this regional rural bank is coming from the sponsoring Bank. They



are routing it through the regional rural bank, and the sponsoring banks are giving to the regional rural bank at the rate of 2%. The regional rural banks are giving it at the rate of 4%. We have to take into consideration not only the regional rural banks in the district. We have in the district all the commercial banks, including private and public sector banks. The amount that is given is Rs. 444 crores, as I have already stated.

Regarding the percentage to be given, the target is 1%. We have already given 1.17%. So, in respect of the amount that is given by the RRBs., I will place before the House the figure that is available. Rs. 35.207 crores have been given to 36,44,344 persons.

**MR. CHAIRMAN :** You can supply the figures to the hon. Member.

**SHRI JANARDHANA POOJARY :** Subject to correction, when I reply to another Member, I will give the correct figure.

[*Translation*]

**SHRI VIRDHI CHANDER JAIN (Barmer) :** Mr. Chairman, Sir, the rural banks have done a very commendable work in our country. If regional rural banks had not been set up, then commercial banks or nationalised banks would not have been set up in the desert areas. The setting up of regional rural banks in areas which are hardly accessible has benefited those areas much. The area of Jaisalmer District is about 17,000 sq. miles and according to the norms fixed by you there must be one bank each for a population of 17,000. The population of our district is two and a half lakhs whereas its area is 17,000 sq. miles. In other words its area is 38,000 sq. km I would like to know whether keeping in view the circumstances prevailing in our area, Government propose to relax the norms fixed for the whole country in respect of our area. I do not want to say about my area alone. Do you propose to set up more branches by re-

laxing the norms fixed on an all India basis for all those places where the population is less but the area is more ?

Secondly, I would like to submit that the regional rural banks have been set up for providing help to the poor people and the poor farmers. When I met the Hon. Speaker to elicit further information on this point, he put the question to me whether they were meant for the poor people and or the rich people. He is also right. But in his reply the hon. Minister has said that only those persons will be provided with help whose income will be upto Rs. 6,500. The rich persons can make alternate arrangements. Other wise the marginal and small farmers may not be able to take advantage of them. The arrangements made are perfectly all right. The Land Development Banks are not encouraging loans for works under I.R.D.P. I have seen that they hesitate to sanction even one loan for any work under I.R.D.P.

Thirdly, I would like to say something about the differential rates of interest. These banks are authorised to give a differential rate to extent of 1 per cent only where as the nationalised bank can give upto 1.7 per cent. I would like to know. Why one per cent has been fixed ? The poor people live in the rural areas. They must be authorised to give 3 per cent what to speak of one per cent.

**SHRI HARISH RAWAT (Almora) :** Sir, I would like to know from the hon. Minister whether it is proposed to sponsor rural regional banks through the lead bank in the district. Our experience is that where there is a lead bank, they say, the Bank of Baroda, the work of sponsoring R.R.B. there is headed over to the State Bank instead of that bank, which leads to lack of coordination in sanctioning and distributing advances under R.L.D.P. and other types of advances in the district. Under this system, certain areas get benefit whereas others are deprived of that benefit. I would like to know whether it is proposed to sponsor R.R.B. in future through the rural lead bank ?

Secondly, I do not plead that the pay of R.R.B. employees may be increased but I do plead that their promotional avenues should be made better. They have got no other means of promotion at present. So, I would like to know what steps are proposed to be taken by you to increase their promotional avenues as it is not a temporary issue. It relates to their whole career.

Thirdly, Sir, I would like to point out that the employees appointed in R.R.B. are given inadequate banking training. I would like to know the duration for which they are being given training at present. After training they are posted in different branches. I demand that their training period may be increased so that after getting training they may be able to perform the job of disbursing loan etc. in various branches.

The setting up of rural banks should be purpose oriented. It seems that wherever these banks have been entrusted with the responsibility of sponsoring R.R.B., they have become security-oriented instead of purpose oriented. Since you propose to formulate the licensing policy for the future, I would like to point out that the existing norms are very rigid due to which the far off places, particularly the hilly areas, where road and other facilities have not yet been made available, are not getting any benefit from R.R.B. I would like to know whether you propose to relax the norms for the hilly areas while formulating the new policy.

[English]

SHRI CHINTAMANI JENA (Balasore): I would like to ask the hon. Minister only one or two question. While replying to Prof. Parashar on the 19th April, 1985, the hon. Minister had mentioned that the beneficiaries in order to get loan from the RRB or other facilities, should have an income of not more than Rs. 6,500 per year. In this connection the Hon. Speaker also, on that day, while Prof. Parashar was putting the supplementary, had observed one thing. That also was replied partly by the hon.

Minister. I want to ask one question. Suppose one person, Mr. X has landed property of 40 acres. If he has got three or four sons, in the name of family partition by mutual understanding they will divide the property into four or five shares and by that their income, individually, will be less than Rs. 6,000 per year or so. So by one transaction four persons will be eligible for the loan. So, to avoid it what is the action taken by the Ministry or the Government to prevent such division into four shares?

Secondly, another hon Member also said that the scope for promotion is less. I want to know about that also. The hon. Minister has already mentioned that the transfer and promotion of the staff of the RRB will be in that particular district. But we have noticed in the field that some managers or other staff member of RRB are continuing in one place for more than five, seven or ten years, because they are local people. They have got some vested interests to continue. Apart from that there is some similarity between the bank employees and other commercial banks and RRB. The local people are mostly illiterate people, or they have no knowledge about banking business. With their help these people are continuing in one place. May I know from the hon. Minister why their transfer and promotion are not made thought out the State instead of staying in the lead bank in a particular district. Their transfer and promotion etc. may be considered from that point of view.

Thirdly, while replying to the question, the hon. Minister had cited the example of Karnataka where the investment is 190 against a deposit of 100 I fully agree with the Minister but when we are only accommodating the beneficiaries who are small marginal farmers land less labours we have to do something for them, as they have no scope to make deposits. May I know from the hon. Minister whether such incidents are brought to his notice or his Ministry? Also there are some RRBs which are insisting on deposits. That is, unless certain amount of deposits

are there they are not going to disperse the loans. Is it a fact? If is a fact? that what is the remedy of it?

We are accommodating rural artisans as beneficiaries under IRDP and ERDP in Orissa. But they cannot take the benefit of this scheme because they have no landed property to stand as surety. Some of the rural banks insist on deposit as well as surety. In case somebody does not have landed property, he has to produce another person, who has landed property, to stand as surety on his behalf. Is it a fact? If so, how can the poor artisans who are landless labourers, be accommodated and benefited under IRDP?

**SHRI JANARDHANA POOJARY :**  
The hon. Member, Shri Parashar, asked for the figures of DRI loan given by the RRB. In the year 1984 an amount of Rs. 5.26 crores was given by RRB to 41157 accounts.

The hon. Member, Shri Jain has said that the rules for opening of branches in hilly, tribal and desert areas should be relaxed. Already there is such a rule. While considering opening of branches in such areas, Reserve Bank relaxes its rules. They consider the plight of the people, economic condition of that area and also the developmental activity. After considering them, they grant licence for opening of branches. He has made some suggestions. Definitely those suggestions will be conveyed to them. For the information of the hon. Member I have asked the Reserve Bank people to listen to this discussion. They are nothing all your suggestions. Definitely I am going to give directions to take up all your points and suggestions.

The RRB's share in IRDP is 33 per cent. The hon. Members, Shri Rawat and Shri Jena, also made certain suggestions. They have said that the people at the RRB are taking securities and also that they are not giving loans to the weaker sections. Here I want to make it very clear to the RRB and also to the commercial banks that they

dering loan applications from the weaker sections. If they demand, action will be taken against those people. I request hon. Member, Shri Parashar, to advise the employees to help the poor people when they come forward for assistance from banks whether it is RRB or commercial bank.

18.24 hrs.

[SHRI SHARED DIGHI *in the Chair*]

Under IRDP or even under Differential Rate of Interest, whether it is for the priority sector or for the weaker section, no bank officer can demand any deposit from these classes for giving loan. Under the Differential Rate of Interest and also under the IRDP we are touching the poorest among the poor people, those people who do not have clothes to wear, who do not have two meals per day, who do not have shelter. In order to lift them above the poverty line, we are giving something to them and asking them to generate income out of it and then to pay back. Commitment and education is required among the employees, whether it is Regional Rural Bank or whether it is a commercial bank. When these people come to bank for assistance, these bank people should work with commitment and education. The poor people in this country hesitate to go to the bank and get the assistance. The atmosphere is not satisfactory inside the banks. When the poor people come to the bank, the bank employees think that they are the beggars and most of the bank employees do not have the mind to talk to them also. What is required today is guidance to that class. They are illiterate people. They do not know anything about bank. They do not know even how to fill up the forms. They do not know what are the norms. They do not know whether the security is required. Now the commitment is required from the bank employees to guide them properly, to love them. The bank employees should love these weaker sections and they must tell them that no security is required up to Rs. 5,000 for productive purposes. Unless this message is given to the weaker sections, I do

the Government can effectively implement this programme. I request hon. Member Shri Indrajit Gupta also that when he went to Bangalore to attend the bank employees conference, he should have made this point when there was criticism against me for going to the banks and telling the employees about all these things. I always give respect to the hon. Member Shri Indrajit Gupta. If he would have given advice to the bank employees to help the weaker sections with commitment, that would have served some purpose.

I think, Sir, I have touched some of the points.

MR. CHAIRMAN : We will go to the next item now, discussion under rule 193. Shri K. P. Unnikrishnan.

18.29 hrs.

DISCUSSION RE: ALLEGED  
FRAUDS IN NATIONALISED  
BANKS IN THEIR BRANCHES IN  
INDIA AND ABROAD LEADING  
TO LOSS OF HUNDREDS OF  
CRORES OF RUPEES

[English]

SHRI K. P. UNNIKRISHNAN (Badagara) : Mr. Chairman, Sir, as one who had ardently advocated and fought for the nationalisation of banking industry in 60's, after sixteen long years I must confess to a feeling of deep pain and anguish and disappointment at the dismal state of the nationalised banking industry today. Although there have been many achievement like considerable branch expansion and deposit mobilisation and also a perceptible shift away from earlier urban bias and new lending priorities in sectors like agriculture, small-scale industry, and weaker sections in general, but I have honestly to admit today that the social goals of nationalisation still remain a distant goal. Management norms in nationalised bank have almost collapsed,

ministerial and bureaucratic interference has increased and a permissive environment deliberately allowed to grow, and training and discipline neglected. Frauds are ever on the increase with disastrous consequences. It is a frightening scenario today. It is as though wanting to subvert and discredit the goals of nationalisation and nationalised banking system and its larger social goals. They have almost succeeded at least in a large measure. The truth is that these banks have been taken over by cliques who have climbed up to the top most through the game of sycophancy while the honest and competent executives have been reduced to irrelevance in the nationalised sector. When social goals and purpose of nationalisation are lost and side-tracked this is what happens.

We know the story of ENI in Italy which was nurtured and nourished by Senor Mathe. The moment he disappeared, it was taken over by cliques of officers with disastrous consequences. This is not the first occasion when nationalisation has done this trick, but we want to avoid it here.

There are over 45,000 branches as you know of the nationalised banks with deposits around Rs. 55,000 crores as against the well entrenched money-lenders, who—the Reserve Bank will shyly admit—are around 30,000 while the real number is much more. Their lending is about Rs. 45,000 crores on exorbitant rates fleecing the poor and the needy.

With the Banking (Amendment) Act which we passed in 1984, this sector will now go underground and will continue to fleece the poor. The private banks, as they are also in fraud, following the example of the nationalised banks and the cooperative sector with few exceptions in some States—whatever the Minister might say,—are in a total mess. This is the outline of our banking system today, the pivot of our national economy. It is as though a mafia has taken over mafia of these banks for

for the benefit of highway robbers and parasites of the Indian economy Rajinder Sethia is only a symbol of this decline and degeneration. The household sector, the poor artisan, the poor worker which has helped us achieve remarkable growth rate during the last few years with its savings has also helped the nationalised banks to grow. If their trust in nationalised banks is reflected in the growth rate of deposits there has been a parallel growth in the ability of the highway robbers like Sethia to manipulate the banking system to fill their coffers with rare ingenuity; unfortunately with cliques of Bank Managers and Executives, as accomplices.

The dossiers of bank executives with the CBI and the Central vigilance Commission are growing at an alarming rate, more than, let us say other major public undertakings, or the Railways and the Posts and Telegraphs. Between 1969 and 1984, during the post-nationalisation phase, the number of cases which have attracted the attention of the Vigilance Departments in the nationalised banking sector has grown up to 1968. In spite of this and in spite of numerous recommendations of the CVC, the nationalised banks managements have refused to wake up because there are wheels within wheels and cliques within cliques. Like Bournbourns they refuse to learn or forget anything of the 1968 cases that came to the attention of the Central Vigilance Commission there were 753 cases of abuse of power, 439 cases of undue favour, 257 cases of making use of false records, 197 cases of misappropriation and so on, besides other forms of fraud and abuse of authority. These are the crimes which have been detected.

PROF. N.G. RANGA (Guntur) :  
Published by whom ?

SHRI K. P. UNNIKRIISHNAN : The Central Vigilance Commission. I do not want to mention any names, but according to very reliable and dependable sources in the Ministry and in the bank-

ing industry only ten per cent of cases are detected out of which less than half are pursued and processed.

How did this happen or how was it allowed to happen ? That is the question.

Here is a classic case of abdication of crucial responsibility and authority by the Department of Banking and the Finance Ministry and the Reserve Bank of India which is again prevented from playing its pivotal role. It is as though these Ministries and the Reserve Bank of India have adopted the posture of proverbial the monkey—and let down the people and Parliament.

With the expansion of our international trade, Indian banks have made a half-hearted attempt to explore the possibilities of expanding their business abroad. This meant opening up of new foreign branches, and we have succeeded in opening around 150 branches. But the truth is, that we did not evolve proper management norms for the branches abroad. With our ill-equipped personnel sent abroad—more out of favour than for their real worth and competence—and consequent fall in standards of performance and integrity and functioning in a wheeler-dealer environment, insistence on norms has totally disappeared. Foolishly, we have allowed an arena of competition among Indian banks to develop as in the U K. operating independently of one another, with no efforts at coordination, or credit intelligence or client evaluation. This has cost the nationalised sector heavily as in the Sethia case where three of these different bank branches together committed a colossal sum of 300 million dollars in favour of one single business house and created an unprecedented crisis for our banking system. The decision to close down the office of the Reserve Bank of India in London was unfortunate. On the contrary, if we want speedy branch expansion abroad, then we should have at least three or four offices of the Reserve Bank abroad, manned by executives of a high level,

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of Rupees

known for their integrity, of not less than the Executive Director, to oversee operations of the nationalised banks abroad, and coordinating with the Reserve Bank of India and the Department of Banking.

Our experience reveals that these branches have operated with wide powers, with the Head Office supervision totally absent. Attracted naturally by the high profitability of speculated and volatile currency transactions, these banks have gone amuck. Sethia case makes a revealing case study. As early as December 20, 1983, Mr. A. Ghosh, Deputy Governor of the Reserve Bank, in his Secret D.O. letter DBO No. CCSIC C.747 (10)—83 was warning Mr. Sonalkar, Chairman of the Central Bank of India about the enhanced limit of credit given to ESAL Commodities and its associate companies, without any Head Office approval. It makes an interesting reading.

PROF. N. G. RANGA : How much the advance ?

SHRI K P. UNNIKRISHNAN : I will just come to that.

I quote :

“Thus it will be observed that between 1981 and 1982 the total accommodation to the ESAL Group increased from 9.56 million pounds to 34.5 million pounds. Further, between 31st December 1982 to 31st May 1983 the total of securities (including cash deposits) registered a marked decline from 16.31 million pounds to 6.03 million pounds.”

And the letter went on to say—I am quoting from the letter of Mr. Ghosh, Deputy-Governor of the Reserve Bank.

SHRI SURESH KURUP (Kottayam) : Will the Member lay it on the Table of the House ?

SHRI K P. UNNIKRISHNAN : Yes. [Copy of No Letter placed in Library : See LT. 1131/85].

I quote :

“The Deputy General Manager, London, exceeded even the powers of Chairman and Managing Director in allowing the above facilities.”

But the Chairman remained mum. At whose instance ? Was there any political intervention at this stage ? Was any meeting held at 1 Akbar Road, to discuss this ? In spite of regular flow of information relating to unauthorised business entertained by the London Office of the Central Bank through office notes, memoranda etc., Mr. Ghosh, Deputy Governor, RBI records :

“No action has been taken to regularise the position and prevent extension of unauthorised advances without proper security by the London executive.”

And what is more alarming, the bank's statutory auditors in U.K. namely Messrs Touche Rose & Co., had made certain remarks in their reports for the years ended 31st December, 1980 and 1981. And Deputy Governor of RBI notes :

“These reports had not been placed before the Board of Directors had no effective follow-up action was taken.”

And what is more shameful, after all this, the Chairman even on 31st March, 1983 wrote a DO letter to the then Additional Secretary, Banking Division, Ministry of Finance proposing continuation of the services of Mr. Patankar. The Board which could neither stand up to its Chairman nor Mr. Patankar, now proven to be on the pay rolls of Sethia, abdicated its responsibility and waited for a Government's reply and as usual,

the Department of Banking did not reply to this letter. So, we find the spectacle of a Chairman of the Bank turning into a conspirator and the Board constituted as they are with political favourites and the Department of Banking failing in its primary obligations as the loot goes on of the poor depositors' money and subversion of the nationalised banking system. What is more alarming, in spite of the facts being placed before them on 30th May, 1983 the Banking Department informally told the Chairman that there would be no objection to continue Mr. Patankar in his London branch. The date is important, 30th May, 1983. Mr. Patankar had, however, retired from bank service to join Sethia's global operations on 31st May, 1983. If this is the anatomy of a fraud, there are so many other skeletons in the cupboards of most of these banks. Even in the Central Bank, there was an earlier case of fraud in its Doha-Qatar branch of Rs 10 crores. The Punjab National's story is no different. (*Intrreptions*)

I do not have all the time. I am trying to reduce. But I must place certain facts before the House.

In the South East Asia sector, the Indian Overseas Bank has been traditionally active. Led by the Indian Overseas Bank, other nationalised banks pumped in over 300 million dollars or Rs. 350 crores and down the drain it went. In Indonesia alone, the State Bank of India put in about 190 million dollars in just 6 business companies while banks continue to play merrily with depositors' money.

According to 'The Week', in just one account, BT TEXMACOTAMAN Synthetics, Indian Overseas Bank advanced as much as 32 million dollars out of a total of 62 million dollars given by a consortium of Indian banks for launching a synthetic yarn mill in 1979. The money has not been realised.

In yet another case of "Five-Star Industries" making bed-sheets and

terry-towels, Indian nationalised banks advanced about 38 million dollars. In "Gokak Indonesia", IOB, Indian Bank, Bank of Baroda, Central Bank and the Punjab National Bank together pumped in 15 million dollars with hardly any chance of recovery of these advances. This company's Chairman, Mr. Khandwala, committed suicide recently involved in a smuggling case. Prof. Mampilli, formerly of the Indian Institute of Management, Ahmedabad, conducted a study of Texmaco Group of Industries in 1980 and suggested that the management control of these companies be taken over and some of them sold; but no action was taken. The game merrily continues at the expense of the poor depositor and subversion of the nationalised sector goes on.

The story of the Indian branches is no better, whether of the Syndicate Bank or the Union of India or the Central Bank or the Allahabad Bank or the Andhra Bank or the Indian Overseas Bank, the banks which were once renowned for their considerable expertise and integrity of their officers and soundness of their management. They are in a shambles today with total loss of direction and control.

The Syndicate Bank has become a veritable beehive of cliques, one clique operating for the present Chairman Shri Krishna Rao under the direction of General Manager (Credit), Shri K. Manmohan Shenoy, who is also the Chief Vigilance Officer. I shall come to that later on. Yet another clique is supporting the former Chairman, Mr. Raghupati, who was sacked and who was sacked and who is still under the CBI scrutiny, also Mr. K. Lakshmi Narayan, General Manager. The honest officers of the bank, who very often, I know, run to Mr. Poojary and who were running earlier to Mr. Pranab Mukerjee, are pushed around in this jockeying for control. This Bank which had acquired a pride of place once among the scheduled banks— thanks to the dynamic leadership of

the Pais of Manipal—is in a shambles today.

There is a classic case of M/s. Global Linkers, Amrit Industries and Amrit Refractories of Delhi and Gurgaon who were advanced Rs. 1.50 crores far in excess of the sanctioning powers of the executives. In this case the reputed Chartered Accountants of Delhi, M/s. B. Goyal and Associates, at the instance of the Bank, gave a detailed report detecting the fraud and fixing the responsibility and culpability on 4th July, 1984. But the bank management chose to ignore it and appointed yet another Accountant who was paid Rs. 2 lakhs in advance to whitewash the whole deal. In this Bank, the executives whose actions are *mala fide* are switched overnight as officers in charge of Vigilance or Inspection or they retire with their booty and go scotfree.

Prof. Ranga is here ! he is one of the veteran freedom-fighters and leaders. He knows the sacrifices that Dr. Pattabhi Sitaramaiah had made ; apart from being a greater patriot and a great nationalist leader, he also founded the great Andhra Bank. Now I am only quoting one or two small instances. In one of these, the General Manager of this Bank has advanced as much as Rs. 5 crores to one M/s. National Spices in Ernakulam; it is out of order to the tune of Rs. 3.5 crores; and when stocks were checked, there were no stocks except for a few lakhs worth. I do not want to go into all these details.

In 1982, the CBI had recommended prosecution of two officers of the Union Bank of India whose actions had resulted in a fraud of Rs. 26 lakhs. Against the advice of the CBI and the CVC, the bank management decided only to initiate departmental action rather than criminal action against these officers.

One Allahabad Bank case of 1977 investigated by the CBI is equally interesting. The Bank accepted deposits of Rs. 6.5 crores from a cooperative bank

at an exorbitant rate of interest of 17.5 per cent after paying a brokerage amounting to Rs. 1.22 lakhs to firms owned by one of the Directors of the cooperative bank concerned and his family members. At the same time, the Bank transferred Rs. 35.56 crores to another scheduled bank at the rate of 13.5 per cent per year. In spite of pressure from the CBI and the CVC, the management reported to the CVC that "three of the four officers concerned have already retired and there was no scope for filing a civil suit" and the case was closed.

Sir, retirement is used as a ruse and excuse to drop disciplinary action or processing of cases against delinquent executives and the CVC, in a report submitted to this House, have repeatedly been saying to have the rules amended so that proceedings could be initiated against an officer even after retirement. Three years have elapsed since this recommendation of the CVC went to the Government in the Department of Banking. The proposal is probably gathering dust in the shelves of the Banking Department.

The internal control systems of the banks, that is, the internal audit, inspection and scrutiny of the periodical reports, are almost compromised to-day in the rationalised banks. In the context of the limitless possibilities of branch expansion, internal control system are of paramount importance if nationalised banking is to survive. It is tragic and highly deplorable that it has become a regular feature of the management practices of the banks to recruit defaulting officers for their inspection and vigilance staff. I warn the Minister to do a case study on this as to who are on the vigilance and inspection in the nationalised undertakings so that he can satisfy himself whether my charge to-day is correct or not. You will find 80% of them are people who are guilty and are in collusion. That is why I said earlier that they have been taken over by cliques. This game



of favourites must stop if the banking system is to be cleansed of the frauds and parasites. The Finance Ministry and the RBI must immediately examine the feasibility for an independent autonomous agency of combined cadre of officers drawn from different nationalised banks known for their record of competence and integrity, to be deputed for audit and inspection and detection of frauds with enough levers of control.

Credit intelligence of the nationalised banking system has been woefully inadequate. In the United States and UK there are specialised credit investigation agencies, collecting and disseminating credit information. A Credit Intelligence Bureau has to be established at the earliest under the supervision of the Reserve Bank, fully computerised. Here I am prepared to go along with you, Mr. Poojary, in computerisation. It is for the Banking Department to consider the form and structure of this organisation, whether it should be a statutory corporation or some other form. As the Banking Commission has pointed out—it is not only my suggestion, but something similar was recommended by the Banking Commission—that the bureau should be statutorily armed to collect information and disseminate the same to the banks and other financial institutions and it should be fully computerised to enter the upto-date data of companies and clients and prepare dossiers and carry on research and evolve a uniform system of assessing the credit-worthiness and credit rating, and for scrutiny of advance proposals speedily and effectively.

The Banking Department, I regret to say, has been evading its responsibilities to this House far, far too long. In 1980 they sought nationalisation of the Andhra Bank and 5 or 6 other banks and now the Banking Department and the Reserve Bank have declared moratorium on the Bank of Cochin and two other Banks. The Bank of Cochin is now to be integrated with the Syndicate Bank. As one who had sought stern action against the erring Bank of Cochin sources in the Ministry and in the bank

as early as 1982 in a letter I wrote to the then Governor of Reserve Bank, Mr Manmohan Singh, may I ask whose misdemeanour is greater? That of the Syndicate Bank or the Bank of Cochin? How do you expect the depositors of the Bank of Cochin to have confidence in the Syndicate Bank management? I would like the Minister to answer this—whether the proposal to integrate this Bank with the Syndicate Bank has been finally decided upon.

The infectious example of the nationalised banks it appears—I thought and I hoped that it would be the other way round—has spread to the minor sector banking, the private banks. The Bank of Cochin falls in this category. But if only the Reserve Bank had taken action in 1981-82, based on the inspection reports, this situation would not have arisen.

Therefore, the gravaman of my charge to-day is that this government has given up the social goals and basic assumptions of nationalisation of banking and allowed it to be turned into a pasture for fortune seekers and free-booters, out to make a pile at the expense of the people at large. Your concern for the small man, Mr. Poojary, I have always appreciated. But it should not begin and end with loan melas when the ground is slipping from your feet, and the nationalised banking sector faces its gravest hour of trial.

[Translation]

DR. G. S. RAJHANS (Jhanjharpur) :  
Mr. Chairman, Sir, first of all I could like to read a news item that had appeared in yesterday's "Economic Times" published from Calcutta. It says—

[English]

"Lakshmi Commercial Bank—Depositors are panicky—Calcutta—May 15.

About 15,000 depositors, most of them small scale industrialists and traders in Calcutta are panicky-stricken following the decision of

the Union Government to declare the moratorium on payments by Lakshmi Commercial Bank Limited for a period of four months with effect from April 17, this year."

[Translation]

Recently, a good amount of discussion has taken place on the Lakshmi Commercial Bank. Before proceeding further I would like to point out to the hon. Member that in the discussion that to the place in Rajya Sabha a few days back it was said that a Congress M.P. was the Director of Lakshmi Commercial Bank. Is it true? Secondly, I would like to know whether talks are underway to merge the Lakshmi Commercial Bank with a nationalised bank, and if, so, why.

Sir, in our country the bank frauds have assumed alarming proportions with the result that the common people have lost faith in the nationalised banks, I remember the day when Shrimati Indira Gandhi nationalised the banks in 1969. The people had a lot of expectations from them. After that the banks have played and are playing a vital role in the economic development of the country. But there is no doubt that many officers of the nationalised and scheduled banks have indulged in misappropriating crores of rupees of the banks in connivance with certain people. I would like to ask who pays for the frauds and losses in the banks? It goes from the tax-payer's pocket. There is not the case of Rajendra Sethia only. There are many people in our country like Rajendra Sethia. The only difference is that his case has come to light. Other cases have not come to light. I would like to urge the hon. Minister to furnish detailed information in this House about the basic frauds committed in this country during the last 6 months. For example, I would like to narrate a very interesting incident that took place in a nationalised bank in Chandigarh last month. The General Manager of the said bank, though I know his name yet I will not disclose it,

instead receipts for bogus fixed deposits to the tune of Rs. 84,000 in the names of his three nieces. After two days they came to the bank with the fixed deposit receipts and they were given a loan of Rs. 75 thousand against that. It happened not only in Chandigarh, but it happened at Aligarh and other places also. An incident has taken place in Jabalpur also. When the case was detected the bank officer said that their draft book had been misplaced. False drafts were prepared in Jabalpur bank and they were deposited in many banks in the country. With great difficulty the case was detected. The bank suffered a loss of lakhs of rupees in it. *Benami* deposits and *benami* advances have become the order of the day in the nationalised banks. The number of such cases is not decreasing. A more serious thing is developing towards which you might have paid attention. This thing had appeared in the press also. It is not known how it has been hushed up. Ram Bahadur Rai was found dead in Ram Manohar Lohia Hospital. The poor fellow had come here from Azamgarh for employment. When he came out of the Employment Exchange, he happened to meet certain persons, who assured him that they would provide him with employment. They told him that his only job would be to encash cheque from the bank. The people of that gang used to issue bogus cheques and get them encashed from the bank. One day Ram Bahadur Rai was arrested. The people of that gang thought that he would disclose their names. It is not known how Ram Bahadur Rai was kidnapped. Later on his dead body was found. It is also not known how this case has been hushed up. Hundreds of young persons like him come to Delhi, Calcutta and Madras and they fall a prey to such gangs. A report had appeared in the press. You might have seen that the police officers in Bombay were in collusion with the underworld criminals. It had rocked the entire country. The story of the film 'Ardh Satya' reveals not only half truth but naked truth. If the hon. Minister gets the matter investigated, frauds which are ten times bigger than the "Ardh Satya" case can

be defected. It will be in the interest of both the country and the society to unearth all these frauds. I would not like to say much in this respect. An I.A.S. Officer has found in Aligarh that hardly 20 per cent of the total amount spent on implementation of the 20-point programme has been given to the poor. The rest 80 per cent of the amount has been pocketed by the bank officers in collusion with certain people. Such incidents are not taking place in Aligarh or Azamgarh only but are taking place throughout the country. It will be in the interest of the country to pay attention towards it as early as possible.

\*SHRI P. APPALANARASIMHAN (Anakapalli) : Mr. Chairman, Sir, I want to bring to your notice the fraudulent transactions by some nationalised banks which have taken place in Andhra Pradesh and especially in my district of Visakhapatnam. Many Hon. Member who have spoken on the subject have already covered a lot of ground. Shri Uanikrishnan spoke in depth about the fraudulent transactions which are taking place in the nationalised banks today. Our late Prime Minister, Shrimati Indira Gandhi nationalised the banks with a definite purpose to serve the poor, the weaker, and other neglected sections of our society. She had many hopes when she nationalised the banks. But unfortunately all her hopes are belied now. Now these banks have become the haven for corruption and fraud. I want to tell you how these banks have become the breeding grounds for corruption. The officials of these banks while granting loans for hotels, industries, lorries, buses etc. Keep their own interest in their mind. There are cases where the persons draw loans from more than one bank and disappear. In such cases the bank officials allow the persons who have taken loan to go scot free and catch hold of the surities. The property of surities will be attached and auctioned in order to realise the loan amount. The person who draws

loan is let off without any punishment while an innocent person who stands as surity is being caught. This is how our banks are functioning today. Such cases are many. The bank officials are committing fraud in many ways. There are many cases where the Date column is not filled while advancing the loans. This they do, in order to avoid the expiry of the date. This gives the scope for many manipulations. I am bringing this fact to your notice, Mr. Minister, so that you may take steps to remedy it. There are many cases where the persons who have been granted loans by nationalised banks, declare themselves as paupers so as to avoid repayment. These very people acquire properties in the name of their wives, kith and kin. Thus the amount is not only lost as far as the banks are concerned, but also not serving the progress in our economy in any way. It is only enriching certain people who commit frauds. Again, in these cases only the surities are caught. The bank officials have no qualms of conscience while advancing huge loans to rich people, they have no money for the disbursement of loans to small farmers and other weaker sections of the society. When the small farmers and other weaker sections of the society approach banks for some loan, their request will be turned down on the plea that they have no surity. Such is the functioning of the nationalised banks. Another incident I want to bring to your notice. There is a person in Vijag. He wanted to run a poultry farm. He happened to be a near relation of a bank official. Within no time and without complying with the rules and regulations he secured a loan of Rs. 10 lakhs from the bank and disappeared. The only action that the bank has taken in this case is that they transferred the agent to some other place. It shows how callous and lukewarm the banks are against their erring officials. Here transfer of such corrupt officials won't do. There must be a stringent punishment for them. Sir, the Reserve Bank of India takes a serious view when the states go in for overdraft when their

position is very tight. RBI has not allowed overdraft by States in many cases. The States request for the overdraft of only a few hundred crores. But in the case of frauds amounting to thousands of crores of rupees, the RBI officials just ignore them.

They keep silent when loans worth thousands of crores are granted to some capitalists and other influential people who are not eligible for such loans at all. There are many such cases which have occurred in Visakhapatnam district. Sir, banks advance loans for setting up new industries. When the amount is not repaid they attach the property and auction it in order to recover the amount. But what is happening now is that some bank officers take away the parts of the machinery and auction the remaining useless parts. In these cases also the banks attach the properties of the sureties. All these frauds are taking place in our banks with the active connivance of corrupt bank officials. Sir, unless the Government takes stringent measures very urgently it would be very difficult to put them back on the rails. I hope, the Hon. Minister will take necessary steps in this direction. The Government should punish the bank officials who are corrupt. They should not be let off under any circumstances. Sir, there are some more cases in Visakhapatnam district, where the signatures of the deceased were forged. Some of such cases are pending before various courts. Even the heirs of the deceased are wilfully involved by forged signatures. I hope, the Hon. Minister will take note of it. Sir, these nationalised banks are of no use at all to the poor. They cater to the needs of only the rich. These banks act according to the whims and fancies of the capitalists and the rich. These banks are being run according to the wishes of their officials. Hundreds of crores of rupees is being lost through the fraudulent transactions of bank officers. So, Sir, kindly ponder over the matter. Take concrete steps. If these officers are allowed to go unpunished, if their activities are not checked in time, the entire economy would be in sham-

bles. How can the RBI which refuses a hundred or two hundred crore rupees overdraft, can allow the nationalised banks to misuse or swindle thousands of crores of rupees. Unless you keep these corrupt officials in check, you can not control the fraudulent practices of those banks. The Hon. Finance Minister is very much here. I tried to bring all these fraudulent activities to his notice. I hope, he will go through all such cases personally and take appropriate action. Or a Committee can be appointed to go deep into the functioning of these banks. Their recommendations be studied thoroughly and implemented. Then only, I feel, Sir, such malpractices of the banks will come to an end. I hope the Hon. Minister will take note of my suggestion. Sir, thanking you for giving me this opportunity, I conclude.

[English]

SHRI SAIFUDDIN CHOWDHURY (Katwa): Much has been spoken till now. I want to confine myself to certain aspects.

To-day, we have 28 nationalized banks controlling the overwhelming majority of the banking industry. Nationalization was done to promote economic growth, and to achieve the aim of distributive justice. There is no doubt that nationalization of the banks had contributed its bit to the declared objectives, but the painful thing is the growing frauds in nationalized banks, and the dishonest practices by the higher-ups among the bank officials. That is growing very much, against all the declared objectives, and is undermining and subverting the nationalized banking sector.

In a reply given by the Government in the other House on 26th March 1985, it has been stated that frauds are increasing. In 1981, the number of cases of frauds was 1891, in 1982 it was 2065, and in 1983 it was 2365. About the amount involved, Government stated that in 1981 it was Rs. 2034.21 lakhs and in 1983, Rs. 2961.58 lakhs.

This is not the whole picture. There are more cases which are not revealed. Government has given a definition to fraud. Government says that fraud generally covers instances of misrepresentation, breach of trust, manipulation of books of account, fraudulent encashment of cheques, drafts and bills of exchange, unauthorized handing of securities charged to banks, misfeasance, embezzlement, theft, misappropriation of funds, conversion of property, cheating shortages, irregularities etc.

We all know this. We are not discussing anything new. I do not know whether the hon. Member Mr. Unnikrishnan referred to that, viz. to the very famous Nagarwalla case. In that case, Rs. 60 lakhs were taken away from the State Bank. I am not going into the details of it, but what we found was that one telephone call from the Prime Minister's house went to the Chief Cashier, and he took that money from the box in the strong room. That is the allegation. I am not going into the merits of it, but the point is that the mind of the higher-ups in the banking sector is so acting to the particular voice of people in ruling circles, that when that voice is heard, they do not consider other things. Even without signing the voucher, he took away Rs. 60 lakhs.

(Interruptions)

AN HON. MEMBER : It was His Master's Voice.

SHRI SAIFUDDIN CHOWDHURY : It was Her Majesty's Voice then.

We all know about it. I am not going into details. Recently, many startling revelations have been made about the Sethia case, which has already been spoken about.

Now there is another case which has come in the papers. I think you have also seen it. It concerns the branch of

the Canara Bank at Colaba, Bombay. One fake company, viz. Intercorp Associates has drawn out of this branch, money amounting to Rs. 3 crores. For this, they, submitted fake bills to the Bank which discounted the same without verifying the antecedents, credit-worthiness and repayment capacity against the loan. Reports indicate that there is complicity between high level bank officials and the swindlers. Now, how did this happen? What is the guideline under which big officials act in this nationalised banking sector? About Sethia's case, it is not your government that came of its own and took action against all those three Chairmen, but when everything got revealed, then you came and did it. How did they dare to do it without someone in the higher echelon of the ruling circle directing and encouraging they just cannot do it. Then it is due to the complicity of the ruling circle with these people that is making all these frauds possible in the nationalised banking sector.

There is one instance with me about Andhra Bank. Here the bank has been cheated and frauded by a company namely Progressive Construction Private Ltd., Hyderabad. Its Director was a leading Congress I leader of Andhra Pradesh.

\*\*He became Director of Andhra Bank in 1982. After that he resigned from the bank but has high stakes in the company and his near and dear men are shareholders.

Apart from drawing from the Andhra Bank this company has drawn advances from the Reserve Bank (Saifabad Branch Hyderabad) about Rs. 2 crores and offering the same assets as account it has received advances to the tune of Rs. 6 crores from various departments of Madhya Pradesh, Uttar Pradesh and Central Bank. In addition to this, this group of company secured loans from other nationalised banks like State Bank of India, Bank of Maharashtra, Banks of Baroda, Syndicate Bank, Corporation

Bank and IDBI repeating same assets as security. What have you to tell about these things? This is a clear proof how people of the ruling party are encouraging and taking active part in all these things. This is my charge and you have to refute it. What I have said, if it is not all true, I will be very happy, but the Minister has to come out and tell us about it.

(Interruptions)

PROF. N. G. RANGA : If you don't bring in politics, then we can understand it.

SHRI SAIFUDDIN CHOWDHURY : Without politics, there cannot be any scandal. Either there can not be any scandal or these scandals can be prevented if there is a good politics.

Among the many companies floated by the hon. gentleman whose name I do not want to tell to my colleague, the Director of one such company is the son of an hon. Minister of the Union Cabinet now. I want the government to reveal the truth. What is the policy of the Government regarding appointment of people in the Board of Directors or as Chairmen? How many politically known people are there as Chairmen of the different branches or in the Board of Directors in the nationalised banks? Are you going to put a ban on politically known people for this? I want the Government to enquire into these two things. There is another instance given by Mr. Suresh Kurup. I can give this to you Mr. Poojary. Dhanalakshmi Bank is a Schedule Bank. They are also doing like this.

And one gentleman there gave fictitious loans to fictitious people amounting to about Rs. 12 crores.

(Interruption)

If the nationalised sector is so scandalous and scandalised due to certain ill-influence then we should locate

what is the influence. Now we have a private minded Government. You are all nationalised Government, you are all full of privatees and all that.

(Interruptions)

Now, I want to know whether you can reveal the truth or not about so many scandal which have come to the notice of the people, whether you are going to accept the suggestions made by Shri Unnikrishnan and you are taking some measures, institute an inquiry to reveal the truth and dispel the apprehensions and misgivings that are there in the minds of the public of the country. That is all what I have to say. I think the hon. Minister will consider these points and come out with concrete replies.

[Translation]

SHRI HARISH RAWAT (Almora) : Mr. Chairman, sir, when the hon. Member, Shri Unnikrishnan of the Opposition initiated this debate, I was hoping that some suggestions would come from our friends in the Opposition, because the banking industry is not exclusively their concern alone, but we are equally concerned with it. None of the Opposition Members has shown any enthusiasm in suggesting improvements in the working of banks, whereas even the Minister incharge of Banks himself has not lagged behind in this respect. The submissions of the hon. Member Shri Chowdhury have pained me a lot. He has tried to convert the entire debate into allegations and counter allegations. But, I am not going to take inspiration from what he has said, I want to make some submissions to the hon. Minister through you.

When the banks were nationalised, the people were full of enthusiasm and zest and the banks had also fulfilled the hopes and aspirations of the people to some extent. But, it seems that gradually some how or the other, a lobby has been formed in each of the 28 nationalised banks—the lobby of vested interests. They have become so

influential that they are able to get each and everything done. These do not include your ordinary employees, they are your Bank Managers, Senior officers and the people belonging to the upper class who have their dealings with the banks, they are also in connivance with them. Therefore, the frauds being committed in the banks cannot be committed without the connivance of the bank officials in one way or the other. The situation today has worsened to this extent that the contagion has spread even in the branches of the banks abroad what to talk of those inside the country. Therefore, a challenge has been posed to Government. The impression which was created among the people about banks after Bank's Nationalisation should once again be re-affirmed.

The banks have their own vigilance cells, but I do not know how vigilant they are. The hon. Member, Shri Unnikrishnan has just now given figures in this regard and I do not want to repeat them. But, I would certainly like to say that in spite of giving repeated assurances in Parliament that the Reserve Bank has been cautioned, that we are making the law more stringent, that prompt action is being taken to check it, the cases of fraud are increasing. The involvement of officials has increased and so has the amount involved in these frauds. No big people have come into the dagnet, but only petty officials have been caught. The Sethia affair is the first case in which action at top level is being taken. This is a symbol of your Government's awakening. But, at the same time; there are other banks where such frauds have taken place. You should look into them.

We find that the traders in connivance with the bank officials manage to get the rotten goods hypothecated to the bank and get loans against them. They get such standard goods pledged with the bank. Thereafter the trader withdraws from the scene and the godown is placed under the lock of the bank. When the godown is opened, it comes to light that the goods were rotten. In the

meantime, the employees involved retire and no action can be taken against them. Sometimes the documents on the bank of which loan are given are found invalid and have no legal standing. The banks give loan against false bills and that loan is not recovered subsequently. All types of business tricks are used. Till now, Natwar Lal topped the list of frauds, but I do not know how many Natwar Lals are there in the banks. How will you apprehend this army of Natwar Lals with the existing laws, and how will you check them ?

If you start doing some work by making some banks as targets, keeping in view the frauds being committed in the banks in the country, perhaps, the number of cases of fraud will come down, but, what will happen in respect of the foreign branches which are far away from direct control, because any information in their respect cannot come to you easily. There are banks where internal audit is not done. There are some foreign banks which have their own audit system. If you want, you yourself can have information from the Reserve Bank. We have read in the newspapers that there are banks which have not got their accounts audited for the last 5 to 7 years. When their internal audit has not been done, how will you get information ? I would like to request you to strengthen the audit system in the banks. There should be a permanent commission attached to each bank which should exclusively see these matters. I should do the monitoring of advances and look into the irregularities committed therein.

Today, the difficulty is not confined only to big advances and frauds with big businessmen. There is another major problem which bothers the entire country and, I think, it also bothers you. I am referring to the behavior of bank employees with the common man. The rest of the things have been pointed out by Shri Unnikrishnan, but the frauds which are being committed by the bank employees on your own schemes and national programmes should also be

taken note of Mr. Poojary when you say here in anguish that the employees all indulging in the type of bungling, that your instructions are not being followed our sympathies are with you. We appreciate the hard work you do. But, it will not help if you address us; if you and we go on addressing one another, it is going to be of no use. The need of the hour is to address the Reserve Bank officers, the offices of your Ministry. Tell them to find a solution. You have made provision for a loan of Rs. 25000 under the Self Employment Guarantee Scheme, but how far is it being implemented? They recommend and these recommendations go to the bank, still, those seeking loan have to take two to three rounds to the bank. The officers of the bank bargain with the borrower and you can guess the amount that would have been disbursed after such bargaining. Perhaps, three

19.30 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

would not be even five per cent people about whom we could say for certain that they get the exact amount sanctioned for their project. The number of such people is very small. The banks are playing a fraud on the Government policies and the national programmes. You will have to take firm steps to check it. We do not say that you interfere in the matters of transfer etc., but you should see to these cases on which rests the success of the programmes aimed at the emancipation of the poor in the country. I thank Shri Unnikrishnan for ranny discussion in the House. At the same time, I would like to tell my friend Shri Choudhury that he should not think that he alone is worried, we are also worried. The only difference is that we are in a position to advise the bank employees. The people of your party are occupying various posts in the Union of Bank Employees. I only want to tell him that they should advise the office bearers of the Union so that the national programmes could be implemented properly.

[*English*]

SHRI S. JAIPAL REDDY (Mahbubnagar) : Mr. Deputy Speaker, Sir, I do not want to traverse the grounds that have already been covered by my colleagues led by Shri Unnikrishnan Ji, nor do I want to refer to the many new directions that have to be initiated with a view to regulating the functioning of banking system in our country. But I would like to take this opportunity to draw the attention of the Government and the House to the doings of one company in Andhra Pradesh.

This House had earlier discussed the scandalous manner in which Mr. Rajinder Sethia could swindle the bank funds to the tune of hundreds of crores. It is not one Sethia, there are many Sethias. And I will refer to one such Sethia, I will not refer to many. There is one company known as Progressive Constructions Private Limited, Hyderabad. I will refer to a few facts and figures. I am really pleased with the speech made by Shri Rawat. He did appeal to us not to approach the subject in a partisan spirit. I completely endorse his line. This is not an issue which is concerned with any party. According to the balance sheet shown by this company to the Income-tax Department, as on 30-6-1984, the value of the assets of the company was Rs. 2.477 crores. But the charges registered in the Registrar of Companies, Hyderabad show that the value of the fixed assets of the company is of the order of Rs. 7.52 crores. The wide gap between the record of the Income-tax Department and that of the Registrar of Companies is there for everybody to see.

It is further interesting to note that the same assets of the company were offered to various nationalised banks, such as, the Andhra Bank, the Corporation Bank, the Reserve Bank of India, IDBI, Indian Bank Syndicate Bank, Bank of Baroda, Bank of Maharashtra, and various departments of Madhya Pradesh Government, as security assessed at a value of Rs. 1.2



or odd crores. In securing all these loans and advances, I need not say how all the fundamental bank regulations were violated. So, as against the assets of Rs. 2.477 crores shown to the Income-Tax Department, the loans that have been secured from the institutions I have referred to are of the order of Rs. 18.4 crores. How did that happen ?

Now, I refer to a little of the correspondence that went on within the banks about these deals. The General Manager of Andhra Bank, \*\* in a letter bearing No. 6(66)16/4308 dated 23-8-1982 to Sultan Bazar Branch remarked the total value of securities pledged by the company was observed to be Rs. 155 lakhs as per the statement submitted by the Bank branch. On scrutiny it was found that the securities had been highly inflated. It was an observation made by the Bank Officer on record.

The machinery and fixed assets of the company were hypothecated simultaneously to various institutions. Some of the properties sold away earlier had also been hypothecated.

I may now refer to the quarters and flats of the Mayur Apartment valued at Rs. 1.23 crores pledged to Andhra Bank. These had been sold away one year earlier.

Another method that the company adopted was to float about forty sister concerns in which the Directors of the main companies figured as shareholders Partners. The sister concerns drew huge amounts on the basis of fake bills and fictitious properties. I am not saying this. The fact of fake Bills was referred to by a Bank Officer in an official communication. According to the RBI inspection Report as on 30-6-1980, M/s. Yuva Bharati Chemicals, which is one of the sister concerns of M/s. Progressive Constructions Limited reported the manner in which supply bills drawn on private parties had been

purchased without confirmation. While referring to the ten Bills purchased between September 1980 and January 1981 it said that one of the drawees not only denied the receipts of the materials, but also the bills were fake.

I will now refer to the manner in which various cheques were discounted without adjustments. I will refer to concrete cases. One \*\*

MR. DEPUTY SPEAKER : Mr. Jaipal Reddy, please be brief. You can bring all these details to the notice of the Minister. Take some examples, but not details. There are other Members also participating in this.

(Interruptions)

SHRI S. JAIPAL REDDY : I am merely referring to some facts.

SHRI NARAIN CHOUBEY (Midnapore) : As soon as the Minister told you something, you are coming out with this.

MR. DEPUTY SPEAKER: He merely asked when it is going to end because dinner is also to be served.

THE MINISTER OF PARLIAMENTARY AFFAIRS (SHRI H.K.L. BHAGAT) : I did not speak anything to the Deputy-Speaker. I do wish to point out to the hon. Members that I do not want them to stop at any point or on anything, but in the course of the discussions, Members take too many individual cases. That will take lot of time. That is the problem. This should be seen. I am leaving it to you. I am not interfering at all. And secondly, (Interruptions). I am not interfering, Mr. Reddy. I assure you that I have not said a word at all about it, I am not interested in shortening the debate, I am only interested that this debate should take place, after that you should take your food and go home. There is some problem of transport also which I

am trying to solve. This is not to interrupt you in your debate.

(Interruptions)

MR. DEPUTY SPEAKER : Mr. Reddy, I tell you, and many Members would have noticed, that I give more time to everybody. In your case also there is no problem. But when we are following certain norms according to the Party....

SHRI S. JAIPAL REDDY : Be generous in giving time.

MR. DEPUTY SPEAKER : That is why I am requesting you to be brief.

SHRI S. JAIPAL REDDY : Sir, now I want all the Members to listen to this.

MR. DEPUTY SPEAKER : Everybody is listening. Don't worry. You address me.

(Interruptions)

SHRI S. JAIPAL REDDY : One cheque issued by one \*\* on 11-1-82 was purchased by the State Bank of India branch for Rs. 50,000....

MR. DEPUTY SPEAKER : Are you expecting the Minister to reply to all the individual cases ? It is difficult.

SHRI S. JAIPAL REDDY : I am not expecting him to reply to all individual cases. I am merely drawing his attention to them so that he can reply generally with regard to them. The Minister of State in the Ministry of Finance (Shri Janardhana Poojary) : Sir, this is Parliament. The hon. senior Members are also there. The question is whether we can convert the Parliament into a forum to discuss individual cases. After all, the dignity and decorum of Parliament is involved. (Interruptions). Whatever references the hon. Members make, they can pass

them on to me and we will take action. (Interruptions). I will leave it to the senior Members to decide as to whether to discuss individual cases or not.

MR. DEPUTY SPEAKER : You don't refer to all the individual cases.

SHRI S. JAIPAL REDDY : I will refer only to two or three cases.

SHRI S. JAIPAL REDDY : It all relates to only one Company, namely, Progressive Constructions Private Ltd. This cheque of Rs. 50,000 was cashed on 11-1-82, but the amount was adjusted on 22-7-82.

I will refer to two more cases. One cheque issued by \*\* on 14-3-83....

MR. DEPUTY SPEAKER : Don't mention the individual names, I will not allow.

(Interruptions)

MR. DEPUTY : How can you give the names ? You are mentioning individual names.

SHRI S. JAIPAL REDDY : I am prepared to produce photostat copies of all these documents.

MR. DEPUTY SPEAKER : You have to take permission from me. I have not given permission. You have not also taken permission.

SHRI S. JAIPAL REDDY : If you don't allow \*\* name....

MR. DEPUTY SPEAKER : It would not go on record. The other name also would not go on record.

SHRI S. JAIPAL REDDY : If you don't allow us to give the names...

(Interruptions)

MR. DEPUTY SPEAKER : He has not given any notice to me.

SHRI A. CHARLES (Trivandrum :)  
Mr. Deputy Speaker, a number of refer-  
ences have been made about the persons  
who are not in the House. I request  
you have them expunged.

MR. DEPUTY SPEAKER : I have  
already told him.

SHRI S. JAIPAL REDDY : This is a  
cheque issued by\*\* on 14-3-83 for  
Rs. 4 lakhs on Cooperative Urban Bank,  
Bapatta.

MR. DEPUTY SPEAKER : Names  
won't go on record.

(Interruptions)

SHRI INDRAJIT GUPTA : The  
names can be expunged.

SHRI S. JAIPAL REDDY : It was  
purchased on 14-3-83 ...

PROF. N. G. RANGA : How can  
cheques be purchased ?

(Interruptions)

SHRI S. JAIPAL REDDY : The sum  
was adjusted on 28-1-84, that is after  
nearly one year.

There was the case of two other  
individuals (Interruptions) whose cheques  
were purchased on 9-1-1982 for Rs 5  
lakhs. The amount was adjusted on  
23-3-1984. (Interruptions).

Two of the sister concerns of the said  
main Company are M/s. Yuva Bharti  
Chemicals and M/s Yuva Bharati  
were charged with unauthorised removal  
of stocks worth Rs 20 lakhs pledged to  
Andhra Bank under the lock and seal of  
the Bank itself by the Bank Officers.  
I can produce telegrams to that effect  
for you.

Another ingenious method by which  
huge sums running into several crores  
of rupees drawn from various Bank by  
the partners, shareholders, Directors.

Employees and third parties of M/s.  
Progressive Constructions Private Ltd  
and its many sister concerns, was to  
get numerous, fictitious accom-  
modating cheques discounted and  
accomodated for a number of years.  
Nobody can total up the whole amount  
involved in this scandal !

One of the important figures of this  
Company is\*\* He was made the  
Chariman of Local Board and Director  
of Central Board of State Bank of India.

May I also say that one of the  
Congress-I M. Ps. from Andhra Pradesh  
was associated with this Company as  
M. D. to begin with and is now a major  
shareholder? I do not want to level alleg-  
ations. I do not want to refer to the  
name of the individual.

I only want the Finance Minister to  
tell us that he will have the scandal  
enquired into without fear or favour  
irrespective of who is involved in  
this.

Many allegations levelled against the  
Company were never enquired into by  
the Central Government though many  
memoranda were submitted.

SHRI K. S. RAO (Machilipatnam) :  
The people of this country have given  
the vote and expressed their desire  
through vote, for socialism in a peaceful  
way and to reduce the gulf between the  
rich and poor in a peaceful way.

Based on this, the Congress—I has  
taken a decision to nationalised the  
banks and it is true the principle is  
certainly to take this money which is in  
the hands of a few to the rural folk, the  
poor and all that.

But in the process there may be  
certain lacunae in the banking system  
which are to be plugged in which we  
appreciate the suggestions both from the  
official benches as well as from the  
Opposition. But I am sorry to see the

tendency of the Opposition Members in making this valuable forum of Parliament into a Branch of a Bank. More so, I appreciate with due regard to the Opposition Members, their desire to bring the fraud of any Company to the notice of the public as well as Parliament.

Some of the Private Members are not going into the details whether they are facts or, they are all concocted, whether they have been brought by vested interests about whom I say, in fact, there is a rumour in Delhi that the vested interests are quoting (*Interruptions*) paying Rs. 10,000/—for each person.\*\* and I say . . .

SHRI K. P. UNNIKRISHNAN : You have not heard what he says. He says that the information is that.\*\* are being paid Rs. 10,000/—and Rs. 20,000/—

MR. DEPUTY SPEAKER : I will go through the record.

SHRI K. P. UNNIKRISHNAN : This is what he said. It is a very serious allegation.

(*Interruptions*)

MR. DEPUTY SPEAKER : I will go through the records.

SHRI K. P. UNNIKRISHNAN : It is unparliamentary.

MR. DEPUTY SPEAKER : I will see if it is unparliamentary. I will see.

SHRI K. P. UNNIKRISHNAN : You expunge this and call him to order.

(*Interruptions*)

MR. DEPUTY SPEAKER : I will go through the record. Please sit down.

(*Interruptions*)

MR. DEPUTY SPEAKER : I will go through the record, and if there is any-

thing unparliamentary, that will not go on record.

(*Interruptions*)

SHRI K. S. RAO : I can say this to Mr. Jaipal Reddy. The name which he wanted to mention was K. S. Rao. Rao. If what all the Members on the Opposition side have said in this august forum were proved correct,

\*\*

(*Interruptions*)

SHRI S. JAIPAL REDDY : \*\*  
SHRI K. P. UNNIKRISHNAN : O, a point of order.

SHRI S. JAIPAL REDDY : I have been referred to.

\*\*

(*Interruptions*)

SHRI K. P. UNNIKRISHNAN : I am on a point of order.

MR. DEPUTY SPEAKER : Mr. Rao, please sit down. What is your point of order ?

SHRI K. P. UNNIKRISHNAN : I do not know any of these things. There have been challenge and counter-challenge . . . (*Interruptions*) The Deputy Speaker has called me. I am explaining my point of order.

If there is a debate and in any matter that is referred to in a Motion if any Member has any financial stake or interest, then that Member cannot use this forum. It is very clear. If a Member has a financial interest in any matter that is discussed by this House, then he cannot take part in that discussion. If he has nothing, he can talk about other things. But if he has any direct or indirect financial interest, then your illustrious predecessors have laid down this. I would refer you to Mudgal's case. When Pandit Jawaharlal Nehru moved the Resolution for removal of Mr. Mudgal from this House, then this

question was raised and settled in this House that such a Member cannot take part in such a debate. (Interruptions) It shall be a matter of branch of privilege.

THE MINISTER OF PARLIAMENTARY AFFAIRS (SHRI H. K. L. BHAGAT) : It is an accepted rule of procedure in this House that nobody can be named and no allegation can be made without notice. No allegation can be made against anybody without notice to you, Sir, and notice to the person concerned with your approval. Against that ruling if anything has happened, you will go through the proceedings and expunge it . . .

(Interruptions)

MR. DEPUTY SPEAKER : That I have already said.

SHRI INDRAJIT GUPTA (Basirhat) : That is a different point. What about Mr. Unnikrishnan's point—the point of financial interest.

SHRI H. K. L. BHAGAT : Not like this you can raise a point. If you raised it in the proper manner, we can answer it . . .

(Interruptions)

MR. DEPUTY SPEAKER : This is, I think, a general debate and not any particular case we are discussing. A general debate is going on. I do not know whether he is involved or somebody else is involved. We cannot specify. Therefore, we cannot stop him.

(Interruptions)

MR. DEPUTY SPEAKER : This is my observation. This a general discussion. We can not stop him. He has every right to speak in the House. That is my observation.

SHRI K. P. UNNIKRISHNAN : If he has any interest in the matter referred to.

MR. DEPUTY SPEAKER : This is general discussion.

SHRI H. K. L. BHAGAT : You cannot refer to matters like this. You cannot take a man by surprise . . .

(Interruptions)

SHRI S. JAIPAL REDDY : I am on a point of order. When I referred to the case, I did not mention anybody's name.

(Interruptions)

MR. DEPUTY SPEAKER : At that time when he mentioned two names, I said that those names will not go on record.

SHRI S. JAIPAL REDDY : Now I do not want to go into the technical position. Now that one hon. Member has come forward with\*\*.

Will the Government agree to constitute a Committee of the House ?

(Interruptions)

SHRI K. S. RAO : In case it is proved\*\*

(Interruptions)

SHRI INDRAJIT GUPTA : Both of them are agreeable. Let there be a committee of the House.

SEVERAL HON. MEMBERS : Why not ? . . .

(Interruptions)

MR. DEPUTY SPEAKER : I would request all the hon. Members to resume their seats. I do not want any challenge here. . . . No challenges. I do not want any challenge. Nothing of that sort. Mr. Rao, you please proceed.

SHRI K. S. RAO : Lakhs of officers are involved. Lakhs of employees are involved in the banking system. There are always people in every walk of life who are committing certain mistakes. But we shall certainly take the suggestion of the Opposition Members or if

the Government is aware that there are some mistakes. There are some mistakes somewhere. Government is

20.00 hrs.

taking all efforts to correct them, but still we come across one or two incidents. Particularly, in the recent past we find certain fraud occurring in some banks. Even though sufficient laws are framed under which action can be taken and punish the erring employees, I would submit that it is not sufficient to take immediate action against the erring staff. I would therefore request the Government to go into this matter and bring forward a new legislation so that if an officer is proved that he has committed gross mistake, whoever it is, immediate action can be taken against him. Immediate action can be taken against the officer concerned only under the new legislation, not with the present laws. The moment the Opposition comes to know that something has happened somewhere, not knowing the facts, they are keen to raise the issue in a big way.

(Interruptions)

MR. DEPUTY SPEAKER : No challenges. I don't any challenges here.

(Interruptions)

MR. DEPUTY SPEAKER : Mr. Reddy, don't interfere. Please sit down. Challenges will not form part of record.

(Interruptions)

SHRI K. S. RAO : There are always people in every walk of life who sometimes commit certain mistakes. But certainly we take the suggestions of the Opposition Members and the Government is always making all out efforts in correcting these mistakes. If some mistake has occurred due to some circumstances, the officer concerned should not be put in an embarrassing position without knowing position and character of the officer and whether he has got vested interests in other things or not. The Opposition should not waste the time of the entire house in raising such

waste the time of the House in regard to one lone case in a Bank. The Government look into this case. I would, therefore, request the hon. Members not to dwell much time on this point and waste the time of House as well as other Members also. Thank you.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : Mr. Deputy-Speaker, Sir, under the Banking Act the House Committee cannot look into the bank transactions. There is a statutory prohibition. This is for your information.

SHRI INDRAJIT GUPTA : I agree with Mr. Poojary. The job of the House Committee is not to look into the banking system. But here the purpose for which we want the House Committee to be set up is to find out whether a particular Member participating in this debate has any direct or indirect connection or financial interest, in the matter which is being discussed here. That is all.

MR. DEPUTY SPEAKER : There is nothing of that kind of problem. Now, Mr. Narayan Choubey to speak.

SHRI NARAYAN CHOUBEY (Midnapore) : Mr. Deputy Speaker, Sir, I don't want to take much of your time. I would simply like to point out that except the hon. Member on the Treasury benches who just now spoke, even the Congress Member who spoke earlier had pointed out many maladies in the banking system. Most of the Members of this House including the Members from the ruling party side excepting Mr. Rao, had shown an accusing finger at the banking system. It has been very correctly said that the purpose for which banks were nationalised was not fulfilled. Today it is a matter of great regret and I do not blame the hon. Minister who is sitting here. He is a good man, he is sincere and he wants to improve things. I do not doubt it. But,

become a grazing ground for the multi-millionaires and that should be taken note of. I do not want to bring in names. Everyday when we go through the newspapers, we find many frauds here and there. We know that and the Minister also knows that, but perhaps he is a helpless captive in this entire system. There is a definite method in this. Those who commit these frauds are mostly rich persons and they are not caught. But there are not many cheats in the common men for whom our Minister really feels, for whom the Minister wants to give more services. They are mostly in the rural areas. They get loans of Rs. 20 00, Rs. 40 00, Rs. 5 000 or so. To what extent can they cheat? Only recently, the Business Standard stated on 11-2-1985 that three Calcutta based branches of Bank of Baroda have been cheated to the extent of Rs. six crores, and the CBI has noted the involvement of bank managers as also big parties like R. K. Jain, J. P. Poddar, S. K. Poddar, Nandlal Poddar, Poddar Jute Trading Co., Poddar and Sons, Poddar and Company etc. It has also come in the press that the Poddar family have agreed that they will pay back Rs. 1.5 crores to the Bank, I do not know why they came forward with this offer when the CBI started cases against them. Many such cases can be cited, but I do not want to take much of your time. These banks are giving huge loans to these rich parties. As has been mentioned earlier, against one property they get loans from a number of banks, five, six or seven. But on the other hand, how do they behave when a common man or a common artisan goes to the bank for loan, or an agriculturist goes to the bank for loan? Such people need these loans in a greater measure, and they are cheated to the maximum possible extent. While on the one side, the banks get cheated by the richmen, and our country loses, on the other hand, these bank officials and managers cheat the poor people.

Under the NREP and IRDP schemes, as many hon. Members have stated from both the sides the money which is

supposed to reach the poor persons does not reach them. Our colleague, Shri Vijay Kumar Yadav had given a long list of cases concerning the Nalanda Gramin Bank. The Minister was saying the Parliament should not be a forum for discussing small matters. We do not want to discuss small matter.

**SHRI JANARDHANA POOJARY :** I did not say 'small matters'; I said 'individual cases'.

**SHRI NARYAN CHOUBEY :** But the pity is that when we bring individual cases to the notice of the Minister and Government, they are not looked into. Nalanda Gramin Bank is one such case. Chairman of that bank has swindled several lakhs. The people of that area have given you complaints. When the ex-Finance Minister, Shri Pranab Mukherjee was there this hon. Member had given him the report, but no action has been taken. It was given to the present Minister also and he knows that. I met him and mentioned to him about these fraudulent practices a number of times, but he has not taken any action. I brought to his notice the case of Punjab and Sind Bank of Kharagpur how a number of people and poor women had been cheated, but he could not take any action.

Therefore, even when these cases are raised on the floor of the House, no action is taken. Why? Prof. Ranga may or may not agree, but the fact remains that there are certain other big persons sitting behind the scene who pull strings and hence such frauds take place, otherwise such frauds can never take place. If that is not there, why his letters are not given due respect?

Shri Rawat, the hon. Member, wanted some suggestions or *updesha* to be given. What *updesha* shall we give you?

*updesho hi moorkhanam, Prakopai na shantaye.*

He wants us to give you some *updesha*.

[Translation]

SHRI HARISH RAWAT : I had only said that you should give *updesh* to those unions in which your party men were holding offices. I had not said that for all. There are some people because of whom they earn bad name.

SHRI NARAYAN CHOUBEY : We also say that neither all the Communists are dishonest nor are all the Congressmen. Some are good and some are bad.

[English]

So Sir, this is one thing on which I would like the Minister to be strong. He must have the political will. He will be finding many obstructors from that side, from his own side but not from our side. He will find support from us. We will take up all those matters. . .

MR. DEPUTY SPEAKER : You can take up this matter also. Why only one side ? As a Member of Parliament you have a right.

SHRI NARAYAN CHOUBEY : Day in and day out, we are going on making complaints. No action is taken.

MR. DEPUTY SPEAKER : No, no. They are taking action.

[Translation]

SHRI HARISH RAWAT : In the beginning the hon. Minister started visiting Banks and he ... (Interruptions)

[English]

MR. DEPUTY SPEAKER : Mr. Harish, please sit down.

SHRI NARAYAN CHOUBEY : He is telling that when the Minister started going to the Banks, we started *halla qulla*. But really, when we found Bank *Melas* in the Ram Lila Ground before Elections, we had started *halla qulla*. I agree that persons in genuine need must get the loan. I have full faith in him. Let him make inquiries and find

out whether many persons who were unfit to get the loans have secured them whereas those who were genuinely in need of assistance were not given the loan. He should inquire and find out whether it is a fact or not. He is a truthful man. He must have political will.

Regarding the Lakshmi Commercial Bank, my leader has said. What is being done by the Minister ? If you think that they are wrong, turn them out of Congress. We will be happy. Why do you not do it? Make it clear. To do this, you must have the political will. I hope the Minister will have the political will to do all these things. Of course, you cannot just make this bank system totally free of frauds. After all it is a capitalist system.

AN HON. MEMBER : So, you started the sermon.

SHRI NARAYAN CHOUBEY : I am not sermonising. If a man calls a demon a god, I cannot help it. Shri Vishwanath Pratap Singh was saying that this was socialism. Is growth of black money socialism ? Shri Sathe said that 54 thousand crores of rupees worth black money operates in this country. Is it socialism ? God help us from this socialism.

(Interruptions)

I beg to submit that we are really concerned that people should get loans from the banks. But these are looted and defrauded. And if you want to minimise this thing, the Government and the Ministry must have the political will. When this Government first came in the month of December, we were told that a clean Government was coming. Very good. We will support this clean Government with two hands. Perhaps, would it mean that the previous Government was not clean? If a clean Government is going to come, that means the previous Government was not so clean, because all these scandals took place during the time of previous Government.



SHRI INDRAJIT GUPTA : That was clean and this one is cleaner.

SHRI NARAYAN CHOUBEY : This Government will stay in power for five years and we will certainly help you in detecting the frauds. I demand that in respect of whatever cases I have given to him, he should make a thorough enquiry. He must have the political will to fight these frauds. (Interruptions) For that, he must call a spade a spade. Thank you.

[Translation]

SHRI RAM NAGINA MISHRA (Salempur) : Mr. Deputy Speaker, sir, I am very grateful to you that you have given me an opportunity to speak for a few minutes. I did not want to speak, but I was listening to the views of the Members of the oppositions as well as the ruling party. We had hoped that this being a problem concerning the exploited and the poor people of the entire country, the Opposition Members will give suggestions for the good of the whole country and Government will be about improvement by implementing those suggestions. But I am disappointed. There is a saying that there is milk in the udders of the cow or the buffalo but the worm called 'leech' such the blood of the cow or the buffalo instead of the milk. Exactly the same situation we have seen here. The Opposition sees nothing but evil. They are just fantastic. Similarly, there is another story. Once, both Yudhishtira and Duryodhana went to Lord Krishna's Court. After giving a hearing to both of them, Lord Krishna told Yudhishtira to be a person who told a lie. He further told Duryodhana to bring someone who spoke truth. Neither Duryodhana could find anybody who spoke truth nor Yudhishtira could produce a person who told a lie. Similarly, nobody is good in the eyes of the Opposition. Incredible indeed.

This is such a problem on which either side is talking of corruption in

banks. I want to ask, whether there is any department where there is no corruption. What is the reason for this? The reason is—I do not name anybody that this is an evil associated with democracy. Whether it is village or city, there are very few people who may be advising their children not to accept bribe but to earn their livelihood honestly. There are very few children who may be advising their parents not to do unlawful activities for earning money and not to accept bribes and who would tell them that they would eat a little less but would like to live honestly. The entire society is afflicted with this disease and it has spread in our society like leprosy. How to cure it?

The leaders of the country are sitting here in this all powerful Parliament. We should all think over it. We start fighting over a particular case that is not good. I did not want to mention but if a corrupt bank-employee is dismissed, the employees will resort to strike and the Opposition leaders will support them and threaten not to touch that employee.

Not only that, only yesterday when the conductor and the driver of a bus were mildly punished for nearly killing a person, the conductors and drivers went on strike. No Opposition party came forward to say that it was wrong and it should not have been done.

SHRI INDARJIT GUPTA : Who supported the strike?

SHRI RAM NAGINA MISHRA : That I do not know.

But I am the sufferer. In this discussion, I had hoped that our Opposition Members would propose before Government that the rules made for giving loans and grants to the poor are not being properly observed and these should be properly observed. Not a single proposal of this sort has been given. On the contrary, individual,

cases have been referred to saying that such and such a person has done a wrong thing and should be sent behind the bars. Only particular names have been mentioned. One or two names have been repeatedly mentioned. For example, mention of Nalanda has been made time and again.

I live in a village. Government provide Rs. 2,000 to the graduates and Rs. 5,000 to Rs. 7,000 to the less educated villagers for self-employment. It is a fact that the bank employees do not want to provide money to the poor but harass them in many ways. The poor have to grease their palms. You tell me way out. In my own area, Rs. 20,000 were sanctioned to a person but when he went to take the money, his documents were thrown and he was refused the loan.

SHRI NARAYAN CHOUBEY  
 What action did the Minister take ?

SHRI RAM NAGINA MISHRA :  
 We have all to think over it. This evil is not confined to one place; but it exists in many places. If some employee is suspended for his misdemeanor, he gets immediate stay from the courts. If an employee misappropriates lakhs of rupees he is suspended and a case is instituted against him but after 10 years of litigation, he not only is acquitted, but he also gets a decree with pay in his favour. Therefore, we all should sit together and should amend the law in such a way that the corrupt should get no protection whatsoever. Such a suggestion, you cannot give. You can only criticise Government. What I want is that the Opposition and the Government should discuss the matter collectively. You have never appreciated the good work of Government. You always criticise Government. Earlier, the banks used to give loans to the millionaires only and the farmers were a non-entity for them. I want to ask whether it is not a fact that thousands of bank branches have been opened and farmers have been provided with loans

by these banks. Does it not benefit the poor ? You do not suggest how to remove the faults and discrepancies. You should give suggestions about this.

You are talking of Opposition parties have been given due importance by the Constitution as well as by the Government. A poet has said :

*"Nindak niyre rakhtye, agan  
 Kuti Chhawae"*

(Interruptions)

SHRIMATI GEETA MUKHERJEE :  
 What have you to say about frauds ?

SHRI RAM NAGINA MISHRA :  
 You are in the Opposition. If you have certain pieces of information, submit them in public interest. Government will endeavour to improve. I want to know whether your leaders have any programme through which the corruption transport in the country may be eradicated ? Have you ever thought about it in your life ? No, you have not and you should think about this. If you give any suggestion Government are ready to put that into action. What type of law should be framed to remove corruption in the country ? I do not want to mention the name... (Interruptions) You had mentioned the name of a person. When he replied to that you reacted as if you were stung by a scorpion. (Interruptions) Suppose, you come to power. How will you run the country ? How will you remove the corruption ? Is it not your duty to give suggestions in this regard ? You do not give suggestions but only criticise Government. You complain that in such and such bank the Congress (I) men are indulging in misdeeds. There is democracy in India but you people have no faith in democracy even for names sake. Your policies have been accepted only by a few and there is no place for democracy in it. In that system, the opponents are done away with. This is your idealism shall you want to teach us idealism. I say that

the reply of the hon. Minister is apart. You should also admit that such and such facilities are being provided by the banks to the poor. But you criticise it. The hon. Minister has said that loans upto Rs. 5,000 do not require any security. But the truth is that after getting the votes, after fighting the election your parties and my party forget the actual thing. They remain concerned about getting T.A., D.A., pension and other facilities for their staff from Chowkidars upto the high officers. For them, the farmers may go to hell. I would request my friends to find out some way to remove corruption in the country. Banks should frame such rules as may benefit the ordinary farmers. I also appeal that these things should be discussed for the benefit of the country as a whole and should not be reduced to a personal level.

With these words I would request the hon. Minister that such rules should be framed as may eradicate the corruption rampant the banks.

SHRI ABDUL RASHID KABULI (Sri Nagar): Mr. Deputy Speaker, Sir first of all I would submit that in 1969 the Congress Party decided to nationalise the banks and this move impressed the people so much that in 1971, the Congress Party had a glorious victory in the elections. The expectations of the people of the country from Government rose very high because with nationalisation, the common man, the poor labourer, the artisans and the backward class people started expecting that they would be benefited more and more. But I am sorry to say that after nationalisation corruption has crept in banks on such a large scale that gradually all their hopes and expectations have been deduct. Natwar Lal affairs and other scandals have been mentioned here. I do not want to go into them but in the last few days the case which has startled the country and has made the people's hair stand on their ends is the Sethia case. From the newspapers we have come to know

million dollars in such a way to a party that the banks became bankrupt. This pained us because the money in those banks which was to be used for the betterment of the common man, the workers and the unemployed youths was instead spent on capitalists, monopolists and for personal gains.

Shri Unnikrishnan has mentioned many incidents relating to banks. I will not go into their details but I will give certain suggestions. Firstly, Government should check the corruption prevailing in the banks and their tendency to give benefits to the capitalists and other unauthorised persons.

Presently, the maximum amount is deposited by the poor with the hope that they will earn some interest on their deposits and also that money will help in improving the lot of the poor but the position is somewhat different. I am telling you on the basis of my own experience in my own State that certain loans were sanctioned by the banks to the educated unemployed youth on interest. Some of them could not repay the loans within the stipulated period and committed suicide. I think this tendency will continue for quite some time not only in Jammu and Kashmir but in other parts of India also. The restrictions on the loans given to the unemployed youth are so strict and the rates so high that these youth have no alternative but to commit suicide. These things are happening not only in banks but in certain private corporations also which are money a parallel economy. Certain banks are illegally lending money at 25 to 30 per cent interest. They get duly written bonds from the loanees. Later on those poor people become their target who are unable to pay their money. Through courts they get their property attached. It is very dangerous. In the whole of the country this thing is going on. One more very unfortunate thing, towards which the attention of the hon. Minister has not gone is the functioning of the Chit Fund Companies. I fail to understand who is allowing them to function. They have been established

the country. In every State, these Companies are functioning. The people who are taken in by their tricks, think that they will be getting more interest and profit. In this way those people invest their money and later on find that the company concerned was bogus. I know about one company which failed recently. Its headquarters are in Indore. It collected Rs. 50,000 from Jammu and Kashmir. It aroused high hopes in the minds of the depositors, and certain people did benefit from that but later on it vanished and the people came to know that a suit was going on against it in a court in Indore and the company had been declared bankrupt. There are many such companies towards which I want to draw the attention of the hon. Minister. I want that strict action should be taken against them and the concerned persons should be arrested for cheating and fraud. Government have nationalised the banks. In spite of this, why are such transactions going on at the private level and how is a parallel banking system being allowed to function? A complaint is made that in the nationalised banks the loans are given on the basis of political influence and acquaintance. Government should ensure that there is no political involvement in the functioning of the banks. It is creating many evils. The influential people, the people who have influence in the political parties or who are the functionaries of Government, manage to get loans sanctioned to the big businessmen and the more deserving and eligible people face difficulties in getting finance. I had said earlier also and I am saying again that in Jammu and Kashmir there are thousands of craftsmen who, if provided a loan of Rs. 10000 to Rs. 20000 by the banks with some concessions and subsidy, can run their business with ease. Not only can they earn their livelihood but they can earn foreign exchange also. They can expend their business and can earn more profit but it is not being done. I would like to say something about Jammu and Kashmir. The big hoteliers and business magnates have taken crores of rupees from Government. I fail to understand how

Government give subsidy to them. They have constructed huge mansions. Big hotels have been constructed in Boliward on the bank of the Dal Lake and at our tourist resorts. Black money worth crores of rupees has been spent on the construction of big mansions. Government gave money to them also and provided subsidy, loans and other facilities. As against this, the working class, the craftsmen, and the peasants are being neglected. It is a big contradiction because when we say that we have nationalised the banks, that means the wealth of the country should be utilised for the benefit and upliftment of the poor, the working class, the downtrodden and the backward classes, and not for the benefit of the capitalists. Presently, what is happening is just the opposite of what was conceived at the time of nationalisation of the banks. Instead of the poor, the rich are harvesting the crop. Therefore, I want that Government should endeavour to remove these evils because the Government are quite alive to the problem. I have heard the full discussion in the House and on that basis I feel that I should give a suggestion that a Joint Committee the two Houses Parliament should be formed which may go into the conditions prevailing in the 28 nationalised banks and may also look into the corruption and other evils spread in the banks. In that Committee, Members from both sides i.e. from the Ruling Party as well as from the opposition should be included. This Committee should take the House into confidence and submit their recommendations to solve the problems. This is my suggestion and I submit it before the hon. Minister.

[English]

THE MINISTER OF STATE IN THE  
MINISTRY OF FINANCE (SHRI  
JANARDHANA POOJARY) : Sir, I  
have heard the hon. Members on the  
subject of frauds in the public sector  
banks within this country and outside  
this country. It is true that it is a  
forum where the hon. Members, being  
the representatives of the people,

express their opinion, express their anguish and also their concern. It is the duty of the Government of India to take note of the feelings and also the concern of the hon Members and I assure the hon. Members that the Government fully shares the concern expressed here. As I submitted earlier, it is a forum where we need not go into details about individual constituents and we have got limitations also, that is the law, and the hon. Members are fully aware that the law is enacted here in this highest forum of the country, the Parliament. If we obey the law of the land, definitely the people at large will also obey the law of the land. The banking laws prevent us from discussing the individual constituents. The hon. Member Shri Unnikrishnan Ji has given the notice and in respect of some of the...*(Interruptions)* If you are to make fun of me, I will sit down and you can do it. Afterwards I will stand up.

Sir, it is a very serious matter. Unnikrishnan Ji has given the notice and as per the rules, he has made his points. Some of the hon. Members, without giving the notice, brought in the individual constituents. Dealing in this highest forum of the country, whether it is lawful, whether we can do it, is for us to think.

SHRI S. JAIPAL REDDY : I am on a point of order. I have referred to a particular case. I did not level allegation against any individual. When the individual came forward, naturally I was chivalrous enough to respond. I do not know why the Minister...

MR. DEPUTY SPEAKER : I may tell you, what the Minister in the beginning had said was that due to the bank laws and statutory provisions certain transactions were not known. So, how are you discussing those points? That is why he is raising it. In the beginning itself he made this observation.

*(Interruptions)*

SHRI S. JAIPAL REDDY : I wanted the Minister to assure this House that  
~~from both the sides the Ministry was~~

this case will be looked into without fear or favour.

MR. DEPUTY SPEAKER : Financial transactions are bank secrets. And then you have brought all this without notifying. That is the point.

SHRI SAIFUDDIN CHOWDHURY : But when a fraud is committed; this has to be brought out.

MR. DEPUTY SPEAKER : For that you have to seek a permission and then you can refer to it.

PROF. MADHU DANDAVATE : It is not a point of order, but it is a point of explanation.

SHRI SAIFUDDIN CHOWDHURY : What I am saying is that we did not mention any name.

MR. DEPUTY SPEAKER : Even in transactions you are referring cheque numbers and other things.

SHRI S. JAIPAL REDDY : I can refer to any document you cannot challenge that.

MR. DEPUTY SPEAKER : Mr. Reddy you are telling the cheque number. These are all bank secrets. How can you mention that?

SHRI K.P. UNNIKISHNAN : You cannot challenge that. Any secret document can be quoted in the House.

MR. DEPUTY SPEAKER : For that you have to get permission.

SHRI K.P. UNNIKISHNAN : No I am sorry, I would like to enlighten you on this. It is not the practice. The Member is entitled to quote from any secret document in this House. If he lays it on the table on the demand in the House or on his own, then he has to authenticate that as per the directions of the Speaker.

MR. DEPUTY SPEAKER : But it is with the permission of the Chair. He has not sought the permission of the Chair. That is the point we are discussing.

SHRI JANARDHANA POOJARY : The hon. Member Unnikrishnan Ji has clearly understood what is the requirement of the law and rules here. He has clearly understood that and has clearly presented the point of view that secrecy could be secured from any corner and could be presented here and a case could be made out. But the question is whether it is permissible under Rule 353. Here it is left to the Chair. For that a notice should also be given.

MR. DEPUTY SPEAKER : I will go through the records and if I find anything which is against the rules, I will expunge that.

SHRI S. JAIPAL REDDY : If anything which is unparliamentary, you can expunge from the records. I have no objection to that. But if you go through the records every time to expunge it becomes a Damocles' sword.

MR. DEPUTY SPEAKER : I will go through the records and if there is anything which is against the rule I will not allow that. I cannot take a stand that simply I want to expunge.

SHRI K. P. UNNIKRISHNAN : Making an allegation under rule 353 bars it without a notice. Let us not confuse that and make use of it in regard to reference to secret documents. These are two separate issues. The chair has to see to it.

PROF. N.G. RANGA : This Chair has to decide. You have to get prior permission or give prior notice.

SHRI K. P. UNNIKRISHNAN : Only he has to authenticate it. So, don't be unreasonable.

SHRI JANARDHANA POOJARY : When the Banks were nationalised or

19th July, 1959), there were about 8,262 branches. Today we have got 48,128 branches throughout the country. When the Banks were nationalised, their deposits amounted to Rs. 4,646 crores. Today we have got deposits which have crossed the figure of Rs. 72,000 crores. This is not the only achievement. When the Banks were nationalised, before that the advances that were given to the nation by the Banks amounted to Rs. 3,599 crores. Today the figure has crossed Rs. 5,000 and odd crores. More than seven lakh employees are working in the banking sector. These banks have been spread throughout the country.

(Interruptions)

MR. DEPUTY SPEAKER : I would request the Members to please listen to what the Minister is saying.

SHRI INDRAJIT GUPTA : We are feeling hungry now.

MR. DEPUTY SPEAKER : That is why I told them to be brief.

SHRI JANARDHANA POOJARY : Here spectacular expansion has taken place during this short span of fifteen years.

Sir, it is true that in every system there are blacksheep. (Interruptions). I know the anxiety of the Parliamentary Affairs Minister. I will conclude my reply as early as possible.

(Interruptions).

Sir, now we don't say that there are no frauds in the banking sector. There are frauds. I have been talking about frauds since 1982 and in fact, I went to the banks and while checking I found that the inter-branch reconciliations have been pending since 1972, for 12 years. If banks' transactions are reconciled, more frauds will come to surface. Today we find that more frauds are brought to light. Afterwards we started making this inter-branch reconciliations and there what had happened? Because of the check and counter-checks because

of the steps we have taken, now the frauds are coming to light and it is because of the action taken by the Government, more frauds are coming to light.

(Interruptions)

AN. HON. MEMBER : More will come.

SHRI JANARDHANA POOJARY : Hon'ble Members may laugh away. The question is very pertinent today. Because of the action taken, because of the steps taken, more frauds are coming to light. Earlier they were there without the knowledge of the people. When the frauds are coming to light, we have to take action. Here, see Rajendra Sethia's case. It was discussed here and the hon Member, Mr. Indrajit Gupta also participated in the proceedings. We had discussed it in detail.

MR. DEPUTY SPEAKER : I request the Members to be serious. If the Minister is speaking, you have to listen first and any comment you can make afterwards.

SHRI JANARDHANA POOJARY : There also we have taken action against these people. Rajendra Sethia was arrested. Not only that. The Chairman of the Bank was removed, the involvement of the Chairman or any other person is being looked into or investigated by the CBI. Has not any action been taken ? Hon. Member, Mr. Choubey, has referred to the Bank of Baroda's fraud case. We have taken action. The CBI is investigating. An hon. Member from the Opposition has referred to a fraud case in Canara Bank also. There also we have taken action. Not only that. We have requested the Chief Secretary of the Karnataka Government to take immediate action and even after lodging of the FIR—the FIR was registered, but they were not able to arrest the concerned proprietors of the Company. We have in mean time got the SBI officer arrested and we have also taken action against the official, but the State Government was not able to

arrest the accused. What we can do there ? And in the meantime, the accused persons mentioned there have gone to the high Court and they have sought anticipatory bail. Their presence was there. But the State Government could not arrest. These things are also happening. The implementing machinery is the State. I am not blaming any person. But let us come to the issue. Let us face the problem.

Some of the issues have been raised here. Last time, the hon. Member Shri Indrajit Gupta made one point saying that there was one Rajya Sabha Member, Congress—I M. P was involved. He was a Director of the Bank. Today the hon. Member from this side has raised one objection saying that, whether there was involvement, whether there is any person from Rajya Sabha or from Congress—I, any person who was acting as a Director. I made enquiries. There was no Director from Congress Party or from any Party Members from Rajya Sabha. So, we should be very careful.

SHRI INDRAJIT GUPTA : On this point, I would just like to say. In fact, that gentleman whom I have referred to, with your permission I have referred to that.

MR. DEPUTY SPEAKER : On that day, I told you that if there is anything, I will expunge it.

SHRI INDRAJIT GUPTA : I have got some information which may not always be correct. That is gentleman came to me actually. It is good of him. And he explained to me that he had never been a Member of the Board of Directors of the Bank. I accept his word. If I have made a mistake, I am willing to withdraw this, (Interruptions). He is in that House. He said "I have never been a Member of the Board of Directors. Only some relatives of my family are Members of the Board." I said "I am sorry. I made a mistake. I am prepared to correct that." But his family members are there, he says. They are there.

§13 Discussion re : VAISAKHA 27, 1907 (SAKA)  
*Alleged Frauds in  
Nationalised Banks in  
their Branches in*

*India and Abroad* §14  
*Leading to Loss of  
Hundreds of Crores  
of Rupees*

**SHRI JANARDHANA POOJARY :**  
The hon. Member Shri K. P. Unnikrishnan brought out another case from Andhra Bank. We are reviewing the accounts there, accounts of the particular Party. The hon. member Shri K. P. Unnikrishnan has made another point regarding Syndicate Bank. There also, we will go into the allegation. Now, people may say :

“What steps have you taken ?  
You have been talking about  
the steps only.”

When the offences are brought to light, immediately we are taking action and earlier also we have stated that no person would be spared and firm action would be taken. Here is commitment given by the Government, the present Government, to the nation that we will give clean administration and we are committed to that and for that, the bank people or in any other Department, if some things are there, definitely identify them and we will take remedial measures. Not only that.

If the hon. Members are having any information about any fraud or malpractice or case of corruption, they can bring to my knowledge, so far as the banking sector is concerned. We will order for inquiry. Not only that.

In the case of Shri Narayan Choubey, he stated “that he has given complaint and other things. There must be specific instances and we can take action. Not only that.

Investigation could also be ordered.

But, if the complaint is of general nature, then it will be very difficult.

You know the judiciary. We have to follow so many rules. We cannot, all of a sudden, take action against anybody and if they go to court, then there will be strictures also. We have to follow the rules also.

Coming to the last point, I am not going into the details because all the people are saying I am going to be very lengthy.

About corruption, let us not make a political issue out of it. Corruption is there. Even in State Governments ruled by Opposition parties. In the Revenue Department, in the Police Department, in the Transport Department, corruption is there. Have the State Government which are ruled by the Opposition Parties been able to root out corruption in their Departments there ? So, it is a malady. We have to face it. It is national issue. We have to consider it cutting across Party lines. We have to sit together and consider how we can face this problem.

With these words, I conclude my speech.

(ends)

**SHRI K. P. UNNIKRISHNAN :** He has not answered any of my points.

**SHRI JANARDHANA POOJARY :** Which point have I not answered ?

**SHRI K. P. UNNIKRISHNAN :** I referred to the question of having a common cadre for Inspection and Vigilance. I also referred to the fact how cliques have taken over banks. To avoid that, I have said that we must have a common cadre for nationalised banks for Audit and Inspection. I also referred to credit evaluation which is a very important thing, so that we will have a computerised system whereby you can exchange information.

**SHRI JANARDHANA POOJARY :** The hon. Member has made a suggestion about vigilance and other things. It is a very good suggestion. All the suggestions that have been made by the hon. Member will be taken into account.

About computerisation, when we go in for computerisation, as the hon. Member also knows, opposition, resistance, is coming from the employees and we are trying to overcome that. In respect of certain areas they have agreed and in respect of certain other areas still we are negotiating. If the



Union leaders also cooperate, then there will not be any difficulty.

SHRI S. JAIPAL REDDY : I have referred to the manner in which one company, Progressive Constructions Private Ltd., has swindled various banks to the tune of several crores of rupees. I want the Finance Minister to assure the House that my reference here will be taken note of by the Ministry and will be inquired into without fear or favour.

MR. DEPUTY SPEAKER : Whatever you have said will be taken into consideration. Why do you say specifically about one? You have referred to so many other things also. Everything will be taken into consideration.

SHRI SAIFUDDIN CHOWDHURY (Katwa) : Is there going to be an inquiry or not?

MR. DEPUTY SPEAKER : He will consider everything.

SHRI S. JAIPAL REDDY : I have referred to only one company.

MR. DEPUTY SPEAKER : Whatever irregularities have been pointed out, he will have them looked into.

SHRI S. JAIPAL REDDY : What prevents the Minister from giving an assurance to the House here and now that this will be inquired into?

MR. DEPUTY SPEAKER : You have mentioned four or five instances. Why are you specifically referring to only one? He will take everything into consideration.

(Interruptions)

MR. DEPUTY SPEAKER : Do not compel the Minister like that. He has already assured generally in respect of everything. (Interruptions)

MR. DEPUTY SPEAKER : Does the Minister want to say anything?

SHRI JANARDHANA POOJARY : The hon. Member can give some more particulars also. He can write a letter also to me. He can write in detail.

21.00 hrs.

He can write to me in detail with whatever materials available in his possession and then definitely we will look into it.

SHRI H.K.L. BHAGAT : Before we adjourn for the day I request the hon. Members to join us in dinner.

21.01 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Saturday, the 18th May, 1985/Vaisakha 28, 1907 (Saka)