

the Minister of FINANCE be pleased to state :

(a) whether Government have received a detailed memorandum recently from the Andhra Pradesh Country Tobacco Cheroot Manufacturers Association highlighting need for relief on the cheroot cottage Industry which is in poor condition;

(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) to (c). A memorandum of Andhra Pradesh Country Tobacco Cheroot Manufacturers Federation has been received, which seeks either complete exemption from excise duty on branded cheroots, or enhancement of the exemption limit based on value, available to such cheroots. This has been considered by the Government, and it has not been found possible to accede to the request.

Decline in Export Market for Jute Goods

1450. SHRI BHOLA NATH SEN : Will the Minister of COMMERCE AND SUPPLY be pleased to state :

(b) whether the market for jute goods has become stagnant with domestic and export enquiries and prices of nearly all categories drifting downwards; and

(b) if so, the reasons for such decline and the steps taken and/or contemplated ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND SUPPLY (SHRI P.A. SANGMA) : (a) and (b). The jute goods market has recently become stagnant in both domestic and export sectors. Price of nearly all categories of jute goods, particularly sacking, are drifting downwards due to the following factors :

1. Consumers resistance, both in

domestic and overseas markets, to abnormally high prices of jute goods, which was caused by steep increase in raw jute prices and in the cost of production.

2. Increased use of synthetic substitutes in some foreign countries because of high prices of jute items.
3. A larger jute crop is expected next season, which may reduce prices of jute goods. Consumers have, therefore, confined their purchases to the barest minimum for the time being.
4. Present period is also the domestic off-season for the jute industry. The purchase of sugar bags is practically over. Government agencies have also built up comfortable stocks of R. Twill bags for packing rabi crop of foodgrains.

In order to boost exports of jute goods, the Government have taken several steps which include :

- (i) providing higher CCS to jute carpet backing cloth and yarn on the basis of matching performance by industry;
- (ii) formulation of STC jute industry consortium on 50 : 50 loss-sharing basis for exports of carpet backing cloth to North America;
- (iii) Arranging participation in international trade fairs and sponsoring market oriented trade delegations from time to time;
- (iv) Encouraging development of exportable products through R and D efforts; and
- (v) Constituting a new JMDC and a jute Fund out of proceeds of Jute Cess to give boost to R and C efforts and export promotion.

The Government have been taking several steps, from time to time, to improve the viability of the jute industry which include :

- (i) Purchase of jute goods by Government (DGS & D) from jute industry on cost plus basis;
- (ii) Introduction of compulsory use of 100% new jute bags by cement industry;
- (iii) Persuading other user departments to use more jute bags, instead of synthetic substitutes ;
- (iv) Free import of raw jute from Nepal through JCI;
- (v) Setting up of a Standing Committee under the auspices of RBI to study viability of jute mills and to suggest a package of financial measures for rehabilitation of potentially viable units.

Computation of Income tax in cases where Landlords Receive Portion of Rent in Kind

1451. SHRI SANAT KUMAR MANDAL : Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No. 3712 on the 17th August, 1984 regarding computation of Income tax in cases where landlords receive portion of rent in kind and state :

(a) whether the Air-India's reply has since been received and if so, the action being taken to levy Income-tax on the Air-India's landlords for the concealed benefit enjoyed by them of free air-passage to foreign countries of their choice provided by Air-India; and

(b) the number of cases in which these landlords have concealed this monetary impact in their returns of income submitted to respective Income tax Offices if at all they did it and the penal action proposed to be taken against these unscrupulous landlords ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARY) : (a) and (b). The Central Board of Direct

Taxes have since received from Air-India the names of landlords with whom such rent agreements have been entered, This information has been passed on to the concerned Commissioners of Income-tax for appropriate action under the Income-tax Act, 1961. Results of the inquiries will be known only after the investigations are completed.

Improvements in Mining Techniques and Modernising Equipment at Talcher Coalfields

1452. SHRI K. PRADHANI : Will the Minister of STEEL, MINES AND COAL be pleased to state the steps being taken or proposed to be taken to improve the mining techniques and modernise the equipment at Talcher Coalfields with a view to raise the coal output quantitatively and qualitatively ?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) : During the Seventh Five Year Plan the coal production from Talcher Coalfields is expected to increase from the present level of 3.40 million tonnes in 1984-85 to 8.9 mt. in 1989-90. In order to achieve this quantum of increase in production, a number of steps are being taken. Some of these steps being taken are as follows :—

- (i) A new opencast coal project with annual output capacity of 3.50 million tonnes at Bhartpur and a pithead washery have been sanctioned.
- (ii) Expansion of capacity of Jagannath opencast mine from 1.00 mt. to 2.00 mt. per year has been approved.
- (iii) Action is in hand to update revised project report for South Balanda mine for increasing its production to 1 mt. per year during 1986-87 from present level of production of 0.60 mt. during 1984-85.
- (iv) Feasibility studies for opening a highly mechanised underground mine