

tution, the issues can be sorted out only with the cooperation of the States.

Price Preference given to S.S.I. Units

4362. SHRI SATYENDRA NARAYAN SINHA : Will the Minister of FINANCE be pleased to state :

(a) whether the price preference being given to Small Scale Industries units is proposed to be reconsidered as reported in the Economic Times dated 8th November, 1987;

(b) if so, whether this would strongly affect the viability of SSI Units;

(c) whether Government purchases from the SSI sector had not grown volume-wise despite concessions available to this sector; and

(d) if so, the reasons therefor ?

THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI) : (a) and (b). Under the policy guidelines price preference is available to a small scale unit over a large scale unit. In practice, however, it has been found that generally a number of small scale units compete against one another and no price preference can be given to one small scale unit over another such unit. The policy is being reviewed with a view to provide more meaningful encouragement in specific areas to industries/group of industries where it is required.

(c) and (d). Volume-wise statistics of purchases made from SSI sector are not maintained as the unit-volume of commodities varies from item to item and variation in the items purchased from year to year. Value of orders placed by DGS & D on SSI units including KVIC has however, steadily increased from Rs. 113.65 Crores in 1977-78 to Rs. 280.96 Crores in 1985-86.

Registration of Merchant Banking Firms

4363. SHRI SATYENDRA NARAYAN SINHA : Will the Minister of FINANCE be pleased to state :

(a) whether merchant banking firms would be required to be registered compulsorily to conduct their business;

(b) if so, whether necessary legislative changes are proposed to made;

(c) whether Government are aware of the widespread activities of private merchant bankers in supporting trade; and

(d) if so, how the provision for compulsory registration is likely to effect them ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) and (b). The proposed Board for Securities Industry, as and when set up, is expected to, *inter alia*, attend to the work relating to the regulation of merchant banking firms.

(c) and (d). Government are aware of the active presence of the private merchant banking firms in the area of issue of securities of companies to the public. Proper regulation of merchant banking firms would be in the overall interest of the profession, as well as the investing public and the companies utilising the services of merchant bankers.

[Translation]

Transfer of Production of Controlled Cloth from NTC to Handloom

4364. SHRI BALWANT SINGH RAMOOWALIA :
DR. CHINTA MOHAN :

Will the Minister of TEXTILES be pleased to state :

(a) whether Government propose to give the work of production of control and Janta cloth to handloom sector by taking it from the National Textile Corporation mills;

(b) if so, the detailed information in this regard;

(c) the reasons for taking this decision; and

(d) whether Government propose to make arrangement for marketing this production at reasonable price in the market ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) and (b). The June, 1985 Textile Policy Statement envi-