

The gold policy is being reviewed by a Committee under the Chairmanship of the Governor Reserve Bank of India. The Committee heard the representatives of the Swarnakar Sangh when they made similar suggestions. The Committee is expected to submit its report shortly. Government will await the report of the Committee before deciding further course of action.

Reported non fulfilment of contractual obligations for Export of Steel Products to Saudi Arabia

897. SHRI S. S. SOMANI:
SHRI SUDHIR GHOSAL:

Will the Minister of COMMERCE, CIVIL SUPPLIES AND COOPERATION be pleased to state:

(a) whether it is a fact that refusal to fulfil contractual commitments by a number of Indian firms for the export of various steel products and building materials to Saudi Arabia against letters of credit already opened threatens to disrupt commercial relations between India and Saudi Arabia; and

(b) the details in this regard and the reaction of Government?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE, CIVIL SUPPLIES AND COOPERATION (SHRI ARIF BEIG): (a) and (b). A few complaints have been received from some Saudi Arabian parties regarding non fulfilment of contractual obligations concerning supply of steel products. On receipt of these complaints, the Engineering Export Promotion Council has been advised by the Government to initiate immediately necessary action against the defaulting Indian firms. The Government has also advised the Council to impress upon its members that the Government feels most strongly about the non-fulfilment of contractual obligations by Indian exporters of engineering goods.

Such disputes are not uncommon in international trade. It is not expected that such individual disputes will have any adverse effects on India's overall trade with Saudi Arabia.

Dominant Control of Multinationals

898. SHRI V. ARUNACHALAM:
SHRI A. BALAJANOR:

Will the DEPUTY PRIME MINISTER AND MINISTER OF FINANCE be pleased to state:

(a) whether despite dilution of shareholdings by multinational concerns,

the multinationals are in dominant control of the concerns due to dispersion of shareholdings by individual Indian Shareholders;

(b) whether it is also a fact that the multinationals continue to extort from Government a variety of concessions at cost of national interest; and

(c) if so, the steps proposed to make such concerns responsive fully to national needs?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATISH AGARWAL): (a) Control of companies under the Companies Act is primarily determined by the voting power flowing from the extent of equity holding in the company. In companies where foreign shareholding is reduced to 74% or 51% the control will be with the foreign shareholders. In cases where foreign shareholding is reduced to 40%, the control will be dependent on the actual distribution of the remaining shares in the Indian hands. If this share is widely distributed among shareholders who cannot combine, the effective control may remain in the hands of foreign shareholders.

(b) No, Sir.

(c) Government's policy with regard to participation of foreign investment and foreign companies in the country's industrial development is set out in paras 23 to 26 of the Statement on Industrial Policy presented to Parliament on 23rd December, 1977. So far as existing foreign companies are concerned, the provisions of the Foreign Exchange Regulation Act are being strictly enforced. So far as new foreign investment is concerned, it is permitted only in sophisticated technology or export-oriented areas on such terms as are determined by the Government to be in national interest.

Income tax and Wealth tax arrears against match manufacturers of Sivakasi

899. SHRI K. RAMAMURTHY: Will the DEPUTY PRIME MINISTER AND MINISTER OF FINANCE be pleased to state:

(a) the amount of wealth tax and income tax respectively paid by the 17 families of match manufacturers of Sivakasi during the past five years;

(b) whether there are any income tax and wealth tax arrears to be recovered from these 17 families during the past five years and if so, the amount of arrears; and

(c) the steps proposed to be taken for collecting these arrears at the earliest ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ZULFIQARULLAH) : (a) to (c). The information is not readily available. It is being collected and will be laid on the Table of the House as soon as possible.

Income tax assesses

900. SHRI C. VENUGOPAL : Will the DEPUTY PRIME MINISTER AND MINISTER OF FINANCE be pleased to state :

(a) whether it is a fact that there are lakhs of tax assesses who have not so far fallen into the net of income-tax collection ;

(b) if so, the nature and magnitude of the problem , and

(c) the steps proposed to rope in the evaders for contributing to national development ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ZULFIQARULLA) : (a) to (c). It is possible that a number of persons liable to Income-tax may not be income-tax assesses. The nature and magnitude of the problem cannot be spelled out precisely. Action to rope in the evaders is taken from time to time through suitable legislative and administrative measures. The Government have recently sanctioned adequate number of posts of Inspectors for survey work. Special attention is being paid to deal with cases of suspected tax evaders

Corporation to handle export of vegetables and meat

901. DR. BIJOY MONDAL :
SHRI G. M. BENATWALLA :
SHRI CHINMANBHAI H. SHUKLA :
SHRI MUKHTIAR SINGH MALIK :
SHRI BHANKARSINHJI VAGHELA :

Will the Minister of COMMERCE CIVIL SUPPLIES AND COOPERATIVE be pleased to state :

(a) whether any decision has been taken by Government to set up a Corporation to handle the export of vegetables, meat etc. to Middle East and some European Countries ;

(b) if not, the reasons for delay ; and

(c) the time by which the Corporation will be set up ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE, CIVIL SUPPLIES AND COOPERATION (SHRI ARIF BEG) : (a) to (c). Export of vegetables is allowed through State Government agencies. There is no proposal to set up a Corporation exclusively for export of vegetables and meat.

Concorde overflying India Thrice a week

902. SHRI P. K. KODIYAN : Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state :

(a) whether it is a fact that the British Airways Concorde is overflying India thrice a week on a specified route of Kerala coast and the group of Andaman Nicobar Islands in the Bay of Bengal ;

(b) if it is so, whether the Union Government have given permission for that to the British Airways ; and

(c) if so, the details and reasons therefor ?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI PURSHOTTAM KAUSHIK) : (a) to (c). British Airways have been permitted to operate Concorde supersonic flights thrice a week between Bahrain and Singapore on a route about 32 nautical miles away from the western coast and at a similar distance away from the group of Andaman and Nicobar Islands. The effect of these Concorde flights have been monitored at the closest points on the route at Trivandrum in the mainland, Androth in the Lakshadweep Islands and at the farthestmost tip in the Great Nicobar Island. The effects of the sonic boom have been observed to be insignificant.

Committee to Examine Foreign Collaboration in Hotel Industry

903. SHRI P.K. KODIYAN : Will the MINISTER OF TOURISM AND CIVIL AVIATION be pleased to state :

(a) whether a Committee has been set up to examine the question of foreign collaboration in the Hotel Industry ; and

(b) if so, the details and when it is expected to submit its report ?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI PURUSHOTTAM KAUSHIK) : (a) and (b). No Committee has been set up to examine the question of foreign collaboration in the