

(d) if not, the reasons therefor?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI MAGANBHAI BAROT): (a) to (d). At the time of nationalisation of 14 commercial banks in July 1969, the Prime Minister had indicated that the public sector banks would be giving priority to the credit needs of farmers, artisans and craftsmen and other small entrepreneurs for self-employment ventures. Accordingly the public sector banks have been treating sectors such as agriculture, road and water transport, small scale industries, retail trade, small business, education & professional & self-employment ventures in which most of the people belonging to the weaker sections of the society, irrespective of whether they belong to majority or minority communities, are engaged, as priority sectors.

In accordance with the priority accorded to the lendings to these sectors, all the public sector banks have ensured larger flow of credit to the priority sectors with their outstanding advances increasing from Rs. 446 crores accounting for 14.6 per cent of their credit in July 1969 to about Rs. 6007 crores accounting for 34.1 per cent in December 1979 (provisional estimates). The public sector banks have now been advised to raise the level of credit to these sectors to 40 per cent of their aggregate credit by 1985.

Within the overall priority sectors, banks have been asked to pay special attention to the needs of the smaller borrowers. In the Agricultural sector the banks have been advised to ensure that atleast 50 per cent of their direct advances go to the small and marginal farmers by 1983.

The banks have also been advised that the district/block credit plans should be weighted in favour of Scheduled Castes/Scheduled Tribes and special bankable schemes suited to members of these communities should be drawn up to ensure their partici-

pation in such schemes and larger flow of credit to them for self-employment.

Differential Rate of Interest Scheme which is in operation since 1972 is also devised wholly for the benefit of the weakest amongst the weaker sections of the society. Under the Scheme, the banks have to ensure that at least 40 per cent of the credit goes to the members of Scheduled Castes/Scheduled Tribes. As at the end of September 1979, a sum of Rs. 124.43 crores covering more than 19 lakhs borrowal accounts was outstanding under the Scheme. Of this a sum of Rs. 52.54 crores covering nearly 8 lakh borrowed accounts was outstanding amongst the members of the Scheduled Castes/Scheduled Tribes. This works out to 42.2 per cent of the aggregate advances under the Scheme as against the stipulated target of 40 per cent.

Prosecutions for Economic Offences

1571. **PROF. NARAIN CHAND PARASHAR:** Will the Minister of FINANCE be pleased to state:

(a) whether some persons or institutions have been prosecuted for 'economic' offences, during the last three years;

(b) if so, the names thereof along with the precise offence in each case, State-wise;

(c) the present position of the cases filed against them;

(d) whether Government propose to ensure that the persons/institutions responsible for economic offences are properly punished; and

(e) if so, the nature of the machinery set up for this purpose?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI MAGANBHAI BAROT) (a): Yes Sir.

(b) and (c). The number of prosecution cases pending at various stages in respect of offences under the Customs Act as on 30-4-80 is 2104.

The number of prosecution cases pending at various stages in respect of offences under the Central Excises and Salt Act, 1944 as on 1-4-80, is 521.

During 1977-78, 1978-79, and 1979-80, prosecutions were launched in respect of 228 persons/institutions under the direct tax laws read with the Indian Penal Code for concealment of income through various devices, attempt thereto and abetment thereof.

Under the Foreign Exchange Regulation Act, during the years 1977-78, 1978-79 and 1979-80, 242 prosecutions were launched in courts.

In view of the large number of cases involved, particulars (State-wise) regarding names of persons/institutions involved and the precise nature of the offences in each case, have not been furnished. However, if the Hon'ble Member specifies any particular case(s), the details of such case(s) will be collected and furnished.

(b) and (e). The Government is committed to curb economic offences and stringent penal provisions have been incorporated in all fiscal statutes to enable the Government to deal sternly with economic offenders. The statutes concerning the Department of Revenue are implemented by the Enforcement Directorate and the field formations of the Central Board of Excise and Customs and the Central Board of Direct Taxes.

Export of Silver

1572. SHRI CHHITUBHAI GAMIT: Will the Minister of FINANCE be pleased to state:

(a) how much reserve of silver is lying with Indian people according to Reserve Bank's estimates;

(b) how much silver is smuggled out every year because of vast price difference particularly from November, 1979 to present time; and

(c) whether Government are considering lifting of export ban and channelising silver export to create huge resources for development purposes?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI MAGANBHAI BAROT): (a) and (b). There is no authoritative estimate of the stock of silver held privately in India, and of the quantity of silver smuggled out of the country. However, the total quantity and value of silver seized by the Customs authorities during the period November, 1979 and May, 1980, while being attempted to be smuggled out of India was about 25.642 tonnes valued at Rs. 797.71 lakhs (approximately).

(c) There is no proposal under the consideration of Government at present to lift the existing ban on the export of silver from India

Decision of R.B.I. on Modi-Firestone deal

1573. SHRI NAVIN RAVANI: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has asked for any clarification on the Modi Firestone deal;

(b) if so, the details of such query and reply from Modi-Firestone;

(c) whether R.B.I. has taken any decision in this regard; and

(d) whether Government are considering to send the reference to CTP commission?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI MAGANBHAI BAROT): (a) to (d). The R.B.I. has received an application under section 19(5) of the Foreign Exchange Regulation Act from Modi Rubber Ltd., Modinagar for permission to purchase at par, the entire holding of 33,30,000 shares of Rs. 10/- each of Firestone Tyre & Rubber Co. USA in Bombay Tyres International Ltd., Bombay. This is under con-