

LOK SABHA DEBATES **(English Version)**

Fourth Session
(Eighth Lok Sabha)



(Vol. X contains Nos. 1 to 10)

LOK SABHA SECRETARIAT
NEW DELHI

Price : Rs. 4.00

[Original English proceedings included in English Version and Original Hindi proceedings included in Hindi Version will be treated as authoritative and not the translation thereof]

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LOK SABHA DEBATES

LOK SABHA

Friday, November, 22, 1985/

Agrahayana 1, 1907 (Saka)

*The Lok Sabha met at Eleven of
the Clock*

[MR. SPEAKER *In the Chair*]

ORAL ANSWERS TO QUESTIONS

[*Translation*]

Withdrawal of Limit on Direct Capital Investment by Non-Resident Indians in Indian Companies

*81. SHRI SHANTI DHARIWAL :
Will the Minister of FINANCE be pleased
to state :

(a) whether Government have received
any memorandum demanding withdrawal of
five per cent limit on direct capital invest-
ment by non-resident Indians in Indian
companies;

(b) if so, details of the memorandum;

(c) whether Government have taken
any action on this memorandum; and

(d) if so, the details thereof and if not,
reasons therefor ?

[*English*]

THE MINISTER OF FINANCE
(SHRI VISHWANATH PRATAP SINGH) :
(a) to (d). A statement is given below.

Statement

(a) and (b). Government have received
a memorandum from a delegation of Non-
Resident Indians which contains the
following main suggestions,

(i) Removal of 5% ceiling on port-
folio investment;

(ii) Reduction/removal of one-year
lock-in period for resale of shares
bought under the portfolio invest-
ment scheme;

(iii) Extension of tax concessions
available to individual NRIs to
overseas corporate bodies pre-
dominantly owned by NRIs;
and

(iv) Issue of debentures/deposits by
public limited companies and
Securities by Central Government
in designated foreign currency
for subscription of NRI investors
so as to protect them against
currency risk.

(c) and (d). The above suggestions
were examined in the Ministry and it has
not been found feasible to agree to any of
them for the present.

[*Translation*]

SHRI SHANTI DHARIWAL : Mr.
Speaker, Sir, with regard to the investment
by the non-resident Indians, I want to
know from the Government whether they
have an apprehension that any non-
resident Indian will gain control of the
company by purchasing more shares or
will divert the dividend out of the country;
if not, why do Government not remove the
ceiling of 5 per cent; why do they not
consider it worth removing ?

[*English*]

SHRI VISHWANATH PRATAP
SINGH : This is really not additional
investment but a substitution of domestic
investment. So, certainly, we do not want
take-overs and that is why we have put
this ceiling; and wherever there is an addi-
tionality of investment, there the Govern-
ment is more specific.

[*Translation*]

SHRI SHANTI DHARIWAL : Mr.
Speaker, Sir, my second supplementary is

that when Government can stop the take-over through the MRTP Act, why do they not re-consider their policy regarding investment when lakhs of people living abroad want to invest their money in the industrial units here and thus foreign exchange worth billions of rupees can be invested in India ?

SHRI VISHWANATH PRATAP SINGH : Sir, for that we have other schemes, such as scheme of 40 per cent, under which they can purchase equity shares upto 40 per cent, there is portfolio investment upto 5 per cent and there is yet another scheme of bank deposit. Thus, there are a number of schemes through which they can invest their money in the country.

[English]

PROF. MADHU DANDAVATE : Is it not a fact that during the discussion on the subject in this House it was pointed out to the government that there was a provision in U.K., for instance, who can actually invest in various companies in India and only those companies in U.K. in which a definite percentage of the equity of Indians is there are entitled to invest in our companies. Has this particular provision been followed more in the breach; and if you have come to that conclusion, what steps have been taken to ensure that this particular provision is strictly adhered to ? As regards 5 per cent ceiling, it is good that you have already said that there is no change. But I may remind you that before Shri Rajiv Gandhi took over as the Prime Minister, when he was an ordinary Member of this House, he had also insisted that this ceiling should be there and it should be 5 per cent. I hope that after he has become the Prime Minister he sticks to that original policy.

SHRI VISHWANATH PRATAP SINGH : Five per cent ceiling is there but the R.B.I. has a right to give special permission. And about the corporate sector, there is a certain amount of percentage. Only that percentage of NRI investment is in the corporate sector value and only those can invest in the corporate sector.

PROF. MADHU DANDAVATE : The other part of the question has not been replied.

SHRI VISHWANATH PRATAP SINGH : Sixty per cent.

PROF. MADHU DANDAVATE : Is it being effectively implemented or followed only in the breach ?

SHRI VISHWANATH PRATAP SINGH : It is being followed; no breach is there.

PROF. MADHU DANDAVATE : No. Last time I had pointed out how many breaches were these.

SHRI VISHWANATH PRATAP SINGH : If there are breaches we will try to plug them. It is not done in breach.

Trade Deficit

+

*82. **SHRI JAGANNATH PATTHNAIK :**
SHRI SATYAGOPAL MISRA :

Will the Minister of COMMERCE be pleased to state :

(a) the total trade deficit of the country during the first six months (from 1-4-1985 to 30-9-1985) of the financial year 1985-86;

(b) the trade deficit during the first six months in the preceding three years;

(c) the reasons for continuing trade deficit; and

(d) the proposals of Government to overcome this situation ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) to (d). A statement is given below.

Statement

(a) and (b). According to the latest available provisional data which is available for the first 4 months of the current financial year, India's balance of trade deficit during April July 1985 amounted to Rs. 3079.08 crores. The comparative figures of exports, imports and balance of trade for the corresponding period of the previous 3 years

are as below :

(Value Rs. crores)

	Export	Imports	Balance of Trade
April-July 1982			
(Provisional)	2511.38	4369.08	—1857.73
April-July 1983			
(Provisional)	2739.36	4020.28	—1280.92
April-July 1984			
(Provisional)	2930.19	4634.74	—1704.55
April-July 1985			
(Provisional)	2942.04	6021.12	—3079.08

Source : DGCI and S, Calcutta.

(c) Except for brief periods, merchandise deficit has been a feature of India's foreign trade. This situation is not unusual for a developing economy. As a proportion of the GNP, however, the trade deficit has come down from a peak level of around 5% in 1980-81 to about 3% in 1983-84 and is expected to have declined further in 1984-85.

(d) Policy measures are being continuously evolved for increasing India's exports. These include measures for increasing and diversifying the production, making our exports more competitive, finding new markets for our products and processing commodities for higher value realisation. Efforts would be made to gear up these measures further during the Seventh Plan period.

The Government has taken a number of policy initiatives in the sphere of trade policies, industrial policies and fiscal policies. The current import-export policy which will be have for a three year period, 1985-88, is designed to introduce an environment of continuity and stability in foreign trade planning. It aims at providing a major thrust towards increased production, both for domestic consumption and exports, and to bring about efficient import substitution. The Government have also identified sectors for export promotion which can make a substantial contribution

to growth in exports over the medium term. Public Sector undertakings are being involved for great participation in export efforts. Simultaneous efforts are also being made to step up our indigenous production of importables during the Seventh Five Year Plan period, particularly in the sphere of bulk imports.

SHRI JAGANNATH PATTNAIK : That are the type of products, agricultural, industrial and other, in which we should concentrate our exports so that we can achieve the best results ?

SHRI ARJUN SINGH : We have been able to identify certain thrust sectors for the exports and for agricultural products we are setting up an agricultural products export development authority. A bill will come in this session of Parliament itself and for other thrust areas, we have identified tea, process food, marine products, leather and leather manufacturing handicrafts, jewellery, capital goods, electronic goods and so on.

SHRI JAGANNATH PATTNAIK : Is there any possibility for a more trade gap ? This may be because there is no let up in the imports.

SHRI ARJUN SINGH : I have every hope that we shall be able to achieve our targets of exports for this year and the position at the moment is certainly quite difficult. I would not say that it is a very clear picture and we hope to be able to make up this.

SHRI ANAND GAJAPATHI RAJU (Bobbili) : I would like to know, because the figure of exports has decreased in terms of the total credit, therefore whether there is a strategy being followed to increase exports, whether it is an export led growth theory or whether there is any change in the Government policy regarding import substitution, whether there is going to be an increase in invisibles coming into the trade picture and whether the Government is going to adhere to the figure of 20 per cent of G.N.P. being imports, because we do not want to get into the trap.

SHRI ARJUN SINGH : The policy initiated for increasing production is

already there. They are bound to have an impact on the total exports and certain institutional mechanisms have also been instituted and I hope that everything taken together we will be able to overcome these difficulties.

SHRI INDRAJIT GUPTA : From the statement which has been laid on the Table, and the figures given it is a matter of deep concern that between last year and this year, that is for April to July 1984 as compared to April to July 1985 it is not that the value of the exports have fallen very much. In fact, they have increased slightly according to this figure, but what has happened is that the value of imports has gone up tremendously. From 4,634 crores last year it has gone up to Rs. 6,021 and odd crores this year because of the trade deficit going up by Rs. 3,021 crores. I would like to know, from the hon. Minister, firstly, whether this very sharp increase in the imports is not the direct result of this indiscriminate policy of import liberalisation which the Government is now pursuing and secondly whether this position is likely to worsen in view of the fact that as far as our exports are concerned, the protectionist barriers of some other countries are not being lowered at all but are being increased. But there is a news item which has appeared, which I would like him either to confirm or explain, that the USA has recently named India and some other countries as blocking a new round of trade liberalisation talks and, therefore, threatened some action against them which may be to strike them from the list of beneficiaries of the generalised system of preferences that allow duty free entry into the USA of raw materials and simple manufactured products from other countries. That is a sort of threat they are using. If that takes place, then the value of our exports will go further down and imbalance in the trade will become even greater. How is the Government looking at this ?

SHRI ARJUN SINGH : So far as the first part of the question is concerned, I would agree with the hon. Member that the imports have gone up. But if you look at sectors in which they have gone up, I think, it would not be correct to say that they are the direct result of the liberalisation policy

which was declared on 12 April, 1985 itself. Therefore, it could not have had such an effect that within two months everything went haywire as is being suggested. The fact is that there has been an increase in import of machinery and transport equipment and fertilisers. All these things are naturally meant for investment to increase production and which will ultimately reflect in the growth of exports.

SHRI INDRAJIT GUPTA : Not at the cost of our machinery manufacturers.

SHRI ARJUN SINGH : That is not the point. Regarding the second aspect which has been referred to, I think, that is a different matter which can be dealt with as and when it occurs. (*Interruption*)**

MR. SPEAKER : Not allowed.

DR. KRUPASINDHU BHOI : It has appeared in the press that due to import liberalisation policy our trade deficit is now more than Rs. 3000 crores. At the time of preparing the import liberalisation policy, had the Ministry taken cognisance of the recommendations of the 38th conference of the All India Institute of Research and Development which was founded by Pandit Jawaharlal Nehru ? If so, have they suggested that the Government can import machinery modernisation or expansion or not, as the scientists are in great doubt on this ?

SHRI ARJUN SINGH : So far as the question of taking into consideration the recommendations of any expert group is concerned, they must have been taken into consideration. But what is being suggested again is that all this has happened because of the liberalisation of import. That is not factually correct.

Wholesale Price Index

83. SHRI RAMASHRAY PRASAD SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the wholesale price index has come down; and

**** Not recorded.**

(b) if so, the details thereof ?

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) :

(a) and (b). Yes, Sir. The wholesale Price Index has declined from 365.9 as on 3rd August, 1985 to 358.7 on 2nd November, 1985 i.e., by 2 per cent.

[*Translation*]

SHRI RAMASHRAY PRASAD SINGH : I want to know that when there has been a decline of 2 per cent in the wholesale Price Index, why is there so much increase in the retail prices in the market ? If what you have stated is true, how is it that a pen which used to cost Rs. 2.25 with the retailer now costs Rs. 3.00 ? When he says that there has been a decline of 2 per cent in the wholesale Price Index, why the retail prices are going up ?

SHRI VISHWANATH PRATAP SINGH : The wholesale Price Index is an average index. It is just possible that prices of some commodities might have gone up, because we see that the prices of tea, coffee, jute, oilseeds, edible oils, oil cakes have registered a decline during the first four months of the current financial year; it was yesterday only that there was a discussion that the prices have fallen. It is true that the prices of sugar, fruits and vegetables have gone up. It is just possible that the prices of some commodities have increased whereas in respect of some others the prices have fallen. The Wholesale Price Index gives the complete picture. So far as the question of consumer Price Index is concerned, there has been a decline in its rate of increase. In July, the increase was 1.5 per cent, in August, it was 0.5 per cent and in September, it was just 0.2 per cent. The rate of increase has been contained. A reply could have been given had he asked about some specific commodities. Some light could have been thrown on the situation regarding sugar and other commodities. But the hon. Member has not indicated any commodity specifically and as such it is not clear in respect of which commodity he wants the reply.

SHRI RAMASHRAY PRASAD SINGH : Mr. Speaker, Sir, from the reply given by the hon. Minister, it is clear that

there are two modes of production, i.e., agricultural and industrial. The hon. Minister should have clearly stated that prices of industrial products have increased whereas those of agricultural produce have fallen. I want to know from the hon. Minister why there has been increase in the industrial products and why the prices of agricultural produce have declined ?

SHRI VISHWANATH PRATAP SINGH : Mr. Speaker, Sir, this is not true that the prices of all agricultural commodities have fallen. The prices of sugar, gur, fruits, vegetables and even pulses have increased. Rice has also registered a small increase. Thus, the prices of agricultural produce have also increased. This is not a fact that prices of all agricultural commodities have fallen.

SHRI RAM PYARE PANIKA : Mr. Speaker, Sir, I want to know from the hon. Minister whether it is a fact that the States are unable to lift the quota of various commodities allotted to them by the Centre in time ? According to our information, if they are not able to lift their quota for the month of October, facilities of controlled commodities supposed to be provided to the people in far flung areas cannot reach them. As a result thereof, the prices in the market go up. Will the hon. Minister give assurance in this House that the commodities allotted by the Centre to the States are lifted by them in time ?

SHRI VISHWANATH PRATAP SINGH : Mr. Speaker, Sir, this problem came before us in the beginning, but now the Central Government have solved this problem by establishing coordination with the State Governments. There was some transportation problem earlier which has since been solved. A decision has recently been taken to supply wheat within the reach of the poor section of the society by selling it at a subsidised price; even in the open market, wheat will be sold at a fixed price. This is a big step to reduce prices and it has been taken in the interest of the poor.

SHRI RAJ KUMAR RAI : Mr. Speaker, Sir, the hon. Finance Minister has

stated that the prices of agricultural commodities have gone up. I want to know from the hon. Minister whether the prices rose when the commodities were released from the godowns of the traders in the market or at a time when the farmers sold them to the traders? In my view the prices have risen when the commodities were sold to the farmers and the consumers by the traders. The prices did not rise when they passed on to traders from the farmers.

SHRI VISHWANATH PRATAP SINGH : Mr. Speaker, Sir, the hon. Member has raised a very pertinent question. It was because of this that the Government announced the prices of sugarcane in time and allowed an increase therein. It was decided in respect of oilseeds that Vanaspathi Industries would use 10 per cent indigenous oil and an increase has been effected in the quantum of imported oil, so that the farmers could know about it and get remunerative price. The increase has been allowed keeping both these factors in view.

[English]

Buy-Back Arrangements with Italy

*84. **SHRI AKHTAR HASAN :** Will the Minister of COMMERCE be pleased to state :

(a) whether a delegation from the Commission for Industry and Commerce of Italy visited India recently;

(b) if so, the subjects discussed during discussions with them; and

(c) whether the visit has contributed to boost buy-back arrangements with that country?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) Yes, Sir.

(b) The delegation from the Commission for Industry and Commerce of the Italian Chamber of Deputies exchanged views on commercial and economic relations between India and Italy.

(c) The delegation was not a buyers' delegation and could not have been involved in any business transactions.

[Translation]

SHRI AKHTAR HASAN : Mr. Speaker, Sir, will the hon. Minister please tell whether any agreement was signed with the delegation after exchange of views? If so, will this House be taken into confidence about that?

SHRI ARJUN SINGH : Hon. Speaker, Sir, as I said earlier, this foreign delegation was a delegation from the Chamber of Deputies which is the counterpart of our Lok Sabha. They had come only for exchange of views and, therefore, there was no question of signing any agreement with them.

[English]

Karnataka's Share in Small Savings Collections

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

(a) whether Government of Karnataka have urged the Union Government to enhance the State's share of small savings collections from 66 per cent to 75 per cent;

(b) if so, whether the Union Government have taken any decision in this regard; and

(c) when the request of the Karnataka Government is being acceded to?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Yes, Sir. A suggestion to this effect was made by the Government of Karnataka at the meeting of the National Savings Central Advisory Board held on 27-9-1985 at New Delhi.

(b) and (c). It has not been possible to accept the suggestion in view of budgetary constraints and the liberal terms that these loans enjoy.

DR. V. VENKATESH : Next to commercial taxes and excise, the small savings is the major source of mobilising funds for development in the States. In spite of Karnataka being the first State in the South in mobilising the small savings, the State

Government is also suffering from financial constraints. While the resources of the State Government are very limited and that of the Government of India are more, why not the Government of India come forward to provide 25 per cent of the share of the small savings ?

MR. SPEAKER : Is there any place where they are bountiful and there is no constraint ?

DR. V. VENKATESH : The States are suffering more and the Government of India has got wide opportunities.

SHRI JANARDHANA POOJARY : It would be for the benefit of the House if I state the cost factor to find out whether we have got more funds after the small savings collections and whether the Central Government is left with more funds or whether we are giving more funds to the States.

PROF. MADHU DANDAVATE : Say something for the benefit of Karnataka.

SHRI JANARDHANA POOJARY : If you permit me, within one minute I will give the figures. Small savings collection less Union territory collections for 1982-83 was Rs. 1,633 crores. Out of this loans to the State Governments amounting to Rs. 1,119 crores have been given. Interest on savings deposits and savings certificates came to Rs. 690 crores. Payment to P and T Department for SB and SC work i.e. expenditure was Rs. 55 crores. Commission to Agents was Rs. 29 crores. Establishment charges on National Savings Organisations were Rs. 3 crores. So, loans to the State Governments and expenditure comes to Rs. 1,896 crores, while we are getting Rs. 1,633 crores. So, outgo from the Central Government on this item was Rs. 263 crores. Here, we also have received some interest from the State Governments on small savings loans. Keeping that into account also, the percentage of the net receipt from the small savings to the net small savings collections during 1982-83 was 0.92. This is the position of the Central Government. Moreover, if you kindly take into consideration the assistance that is flowing to the State Governments, 85 per cent of the income-tax goes to the States; 100 per cent of Central Sales tax goes to the States

and 45 per cent of the Union Excise Duty also goes to the States. So, we are providing sufficient funds to the State Governments.

Keeping these facts in view, if we have to give more funds from the small savings to the States, the Central kitty will be reduced and backward States will suffer. Since we have to remove regional imbalances and improve the developmental activities of the backward States, it is not possible. We have already examined it, and found that it is not possible.

DR. V. VENKATESH : Under Section 80C of the Income-tax Act, the income-tax exemption is given for Rs. 40,000/-. Why can this not be increased to Rs. 50,000 ? I want to put a direct question to the Minister through you, Mr. Speaker. There are bonus amounts which are earned by the employees on which they pay income-tax. If they invest such bonus amounts in National Savings Certificates, they should get exemption from tax. This will give a big boost to the Governmental efforts to impound amounts like bonus for national activities and it will act as an anti-inflationary measure.

SHRI JANARDHANA POOJARY : I have noted the valuable suggestion given by the hon. Member.

SHRI R.P. DAS : I would like to point out that the argument that is advanced by the Government namely that they have no funds and there are budgetary constraints and there are liberal terms on the loans that are advanced to the States, are not valid. Since the entire amount is devoted to the developmental work of the States may I know from the Minister whether the Centre would consider the abolition of the interest on the States' share ? altogether ? This is my question.

SHRI JANARDHANA POOJARY : It is not possible. We have to give this interest to the small savers. After all we have to look after the interest of the people who give money to the national kitty for the developmental work.

SHRIMATI BASAVA RAJESWARI : Is there any other such proposal from any other State, apart from Karnataka ?

SHRI JANARDHANA POOJARY : In the meeting three States came forward with such a proposal. We have clearly told them in the meeting that it is not possible.

MR. SPEAKER : Next question—
No. 86.

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) : Through not a question, it is propriety of the Chair, going so fast on questions, that the Minister's interest should be protected.

MR. SPEAKER : I think I am doing your job properly and will so that you could be just free !

PROF. MADHU DANDAVATE : In between we can raise points of order !

MR. SPEAKER : Q. No. 86.

External Debt Position

***86. SHRI N. VENAKATA RATNAM :** Will the Minister of FINANCE be pleased to state :

(a) the debt position of India in respect of various countries and international financial institutions;

(b) the steps taken/being taken and under contemplation of Union Government to discharge the debt; and

(c) whether Union Government propose to mobilise the foreign securities of Indians to discharge the debts and pay them in local currency as was done in France and U.K. during World Wars I and II ?

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) : (a) to (c). A statement is given below.

Statement

External Debt :

(a) As on 1-4-1985 the outstanding debt of Govt. of India in respect of loans taken from foreign Govts. and multilateral institutions was Rs. 24004 crores. In addition India had outstanding repurchase obligations of Rs. 4887 crores on drawings made

under the Compensatory Financing and Extended Fund Facilities of the IMF.

(b) Repayment of debt is made mainly from country's export and invisible earnings. The overall external debt position at the moment is well within manageable limits. The level of country's external indebtedness and the likely burden of debt servicing are reviewed to ensure that they remain within prudent limits.

(c) Under the Foreign Exchange Regulation Act Indian nationals resident in India are not permitted to hold foreign securities except with the permission of the Reserve Bank.

SHRI N. VENKATA RATNAM : According to the statement our external debt position is about thirty thousand crores and the position is described by the Minister as within the manageable and prudent limits. What is our repayment capacity annually ? When do you consider this to be outside the 'manageable and prudent limit' ?

SHRI VISHWANATH PRATH SINGH : The gross figure has to be compared to the capacity of the country to pay. The capacity of the country to pay is the export earnings and invisible earnings. And it is this ratio that is relevant for us rather than the gross. We can see it during 1977 to 1982. The non oil developing countries' percentage in 1977 was 14.8 per cent. Our percentage was 9 per cent during 1980-81. 24.5 per cent was the non oil developing countries' average in 1982. Ours in 1984-85 is about 13 per cent and 1985-86 it is about 16 per cent. In the 7th Plan it is envisaged that it will be about 19 per cent in 1988-89 and 18.8 per cent in the last year of the 7th Plan. We have managed our debt problems in a very prudent way. Even in future projection, it is within manageable limits.

SHRI N. VENKATA RATNAM : In answer to (c), you have said that under the Foreign Exchange Regulations Act, Indian nationals in India are not allowed to keep foreign securities with their funds. That is not my question.

My question is during the First and the

Second World Wars. UK, France and other countries mobilised external exchanges and paid them in their local currencies and that way they have resolved foreign debts. Why cannot you do it? What is the objection for our country to adopt the same thing? That is question (c).

SHRI VISHWANATH PRATAP SINGH : U.K. did it. Pound was a convertible currency with them. That way, rupee is not convertible currency. Apart from it, there is not much money which the Indians have by way of securities because we are not given permission on a large scale. Not much is going to come out of it.

[Translation]

DR. CHANDRA SHEKHAR TRIPATHI : Mr. Speaker, Sir, may I know from the hon. Minister the quantum of interest due to be paid on loans taken by India from International Financial Institutions in 1984-85? Further, when most of the industries are incurring losses, from what sources the interest due on loans is being paid?

SHRI VISHWANATH PRATAP SINGH : In 1985-86, the principal re-payment of I.M.F. Borrowings is Rs. 245 crores whereas the interest payable is Rs. 442 crores.

DR. CHANDRA SHEKHAR TRIPATHI : From what sources do the Central Government pay interest due on huge investments made in factories which are incurring loss?

SHRI VISHWANATH PRATAP SINGH : This money is invested on many projects. It is not like this that it has been invested in a particular factory and that the interest on the loss sustained by it is to be paid by us. The commercial borrowing taken by the companies are invested by them in their factories. The money which we borrowed was put to good use, productive use and this shows our credibility. We have put that money to good use, we have not misused it.

[English]

SHRI E. AYYAPU REDDY : There is a reference to payment by way of invisible

earnings. (a) What are the invisible earnings? How have they become visible? (b) What is the rate of interest which we are paying; and (c) What is the estimated value of annual debt services?

SHRI VISHWANATH PRATAP SINGH : For normal borrowings, the rate of interest from the IMF is 7%. That is the current rate. What we withdrew from the extended facilities is a mix of normal rates and commercial rates. It is 1/1, half, half.

So far as the normal withdrawals are concerned, it is about 7%.

The other portion is from 9 to 10%.

About invisible and how that is visible, it is not that invisible. It comes to the bank, of course. Our Indians who are abroad and earning send money. Then there are deposits coming from NRI. These are the forms. It is quite visible.

SHRI E. AYYAPU REDDY : What is the annual debt service estimate?

SHRI VISHWANATH PRATAP SINGH : Just now I gave the percentage.

Incentives to Private Sector for Investment in Tourism Infrastructure

*87. SHRI BHOLANATH SEN : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) whether Government have offered incentives to the private sector to attract private sector investment in tourism infrastructure; and

(b) if so, the details of the incentives offered by Government and the response from the private sector thereto?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT) : (a) and (b). A statement is given below.

Statement

(a) and (b). Yes, Sir. Several concessions/incentives are offered by Government to private sector for attracting investment in tourism infrastructure. Details of these are given below :

Hotels

- (i) **TAX HOLIDAY :** Under Section 80-I, in the case of approved hotels which start functioning after 31-3-1981 but before 1-4-1990, 25% of the profits and gains derived by an Indian Company from the hotel business are exempt from Income-tax for a period of eight years. This concession was earlier available only upto 1-4-1985 but has since been extended upto 1-4-1990.
- (ii) **INITIAL DEPRECIATION :** Under Section 32(1)(v), an initial depreciation at the rate of 25% of the actual cost of a hotel building is allowed as deduction in the computation of the taxable profits in the case of a company running an approved hotel.
- (iii) **EXTRA DEPRECIATION :** Under item (iii) of Sub-part III of Part I in Appendix I to the Income Tax Rules 1962, an extra allowance of depreciation of an amount equal to one-half of the normal allowance in respect of machinery and plant installed by an Indian Company in an approved hotel allowed as deduction.
- (iv) **HIGHER DEPRECIATION :** In respect of furniture and fitting used in hotels, a higher rate of depreciation of 15% has been provided under item (2) in Sub-part II of Part I of Appendix to the Income-tax Rules, 1962 as against the general rate of 10%.
- (v) **HOTELS SET UP IN BACKWARD AREAS :** Under Section 80-HH of the Income-Tax Act, 20% of the profits and gains from the business of hotels set up

in specific backward areas is deductible from the taxable income for a period of 10 years, subject to certain conditions.

- (vi) **CENTRAL SUBSIDY FOR INDUSTRIES SET UP IN BACKWARD DISTRICTS/AREAS :** With effect from 1-1-1977, hotels set up in the specified backward districts/area are eligible for the grant of central investment subsidy under the Central Outright Grant or Subsidy Scheme, 1971.
- (vii) **Institutional Loan :** Approved hotel projects are eligible for the grant of loan by the Industrial Finance Corporation of India (IFCI) and also other public financial institutions. This loan is eligible for interest subsidy of 10%.
- (viii) **FOREIGN EXCHANGE INCENTIVE QUOTA :** Approved hotels are eligible for Foreign Exchange Incentive Quota which is determined @ 10% of their direct Foreign exchange earnings. This quota is available to respective hotels for essential imports, overseas promotional tours, publicity and advertising etc.
- (ix) **Priority consideration in the allotment of telephone/telex connections, LPG (Cooking Gas) etc.**
- (x) **Besides, hotels qualify for investment by non-resident Indian in the equity capital of the promoting companies, subject to the conditions laid down by the Reserve Bank of India.**
- (xi) **Private Limited Companies were given certain incentives/concessions by the 1985 budget. As the hotels and travel agencies are mostly incorporated as private limited companies they will benefit from this concession.**

Travel Trade

- (i) **The Department of Tourism**

advances loans on concessional rates to approved Tourist Car operators for purchase of Tourist Cars and manufacture of Tourist Coaches.

(ii) Travel Agents and Tour Operators are allowed to import two vehicles in a year under the Incentive Quota which is 2.5% of their net foreign exchange earnings during the previous year.

(iii) Travel Agents and Tour Operators are also allowed to import office equipment and undertake promotional tours overseas under the Incentive Quota.

The response from private sector has been encouraging.

SHRI BHOLANATH SEN : Will the hon. Minister state whether the restrictions that are now current or which are currently enforced in hill areas in Himalayan region will be withdrawn for the purpose of helping the trade of tourism ?

SHRI H.K.L. BHAGAT : Generally Government is very much interested in opening up more and more areas in the Himalayan region. We want to encourage Himalayan tourism, but with regard to particular areas, whether a particular area should be allowed or not, that is a matter which has to be taken up by the Home Ministry. As far as the Ministry of Tourism is concerned, we want to open up more and more areas in the Himalayan region.

SHRI BHOLANATH SEN : May I know from the hon. Minister whether there is any plan for holding international meets and international conferences in farflung areas like Shillong, Arunachal and other places as was done in the case of Panaji with regard to the Commonwealth Heads of Government Conference, and Panaji was developed in the meantime ?

SHRI H.K.L. BHAGAT : I have already given the answer. So far as the present position is concerned, there are no restrictions, as he has himself said about Panaji. I think, Shillong is also open. The attitude and the policy of the Tourism

Ministry is that more and more areas should be made open so that more and more tourists, both domestic and foreign, can visit and more and more foreign tourists can come. That is our attitude. As to the specific areas, we have taken up the matter with the Ministry of Home Affairs.

SHRI P. KOLANDAIVELU : The Central and State Governments are actually encouraging the private sector to have tourism spots and tourism hotels, but the funds are being mismanaged and misused by the private sector in some of the places. Proper guide and proper administration are necessary in this matter. Then only the funds can be utilised for the purpose for which the funds are being allocated. I would like to know from the hon. Minister how many private sector people have come forward in order to have hotels and tourism spots in various parts of the country.

SHRI H.K.L. BHAGAT : So far as complaints or cases of misuse of funds of particular hotels are concerned, mostly financial help comes from the financial institutions; there are some concessional things in the Central sector and there are certain things in the State sector. If any specific cases of misuse of funds or any concession are brought to our notice Government will certainly take note of those. Most of these hotels are in the private sector. The total number of hotels in the country at present—I am talking of, 5-Star, Deluxe 5-Star, 4-Star, 3-Star, 2-Stars and 1-Star—is 485; classified 353 and yet to be classified 132. The total number of rooms available is 33,476. These are the various categories of hotels and most of them are in the private sector. In regard to hotels and in regard to transport—because the government funds are limited so far as tourism is concerned—Government is keen that the private sector should come forward in a bigger way in having these hotels. In the public sector, Government has decided not to have any more 5-Star hotels except the one which we are thinking of in Bombay. The rest would be accommodation which can be used by people with lesser means.

SHRI SHANTARAM NAIK : I would like to know whether, for reasons of

security, the Government of India have any plans to restrict the stay of foreign tourists only in government hotels and whether, for that purpose, the Government of India are going to construct hotels throughout the country.

SHRI H.K.L. BHAGAT : I have said that the foreign tourists can stay in government hotels and other hotels. There is no restriction for the tourists who come to this country that they should stay only in government hotels. Now he is asking whether, for reasons of security, we are going to construct more hotels. Not for that. But for actual necessities of tourism in the country, particularly for people with comparatively less means, Government is keen to construct. Some of the hotels are already under construction. There are joint ventures between the Central and State Governments. In the private sector also we want more hotels to come up.

SHRI S. JAIPAL REDDY : Generous assistance for 5-Star hotels is being extended from financial institutions with a view to attracting foreign exchange. But what has been really happening is that our own private sector executives have been staying in them, without getting any foreign exchange whatever, leading to artificial demand for more five star hotels. In view of this, will the Government consider imposing a restriction that only those who can pay in foreign exchange could stay in five star hotels ?

SHRI H.K.L. BHAGAT : Sir, I think the Hon. Member is not correctly informed. I would suggest that certainly we want that foreign tourists should get accommodation in these hotels. But it is not the position at present that foreign tourists are not getting accommodation because accommodation is not available and because other tourists come and stay there.

(Interruptions)

Please wait, I can understand you, I can invite you for a discussion.

The present position is that during the last one year, it has been a very lean season of tourists. In fact we have more accommodation in five star hotels available.

There is another Question at Sl. No. 93, that you can utilise for this. Therefore, it is not correct to say that accommodation is not available for foreign tourists; nobody else will come. That is not the position.

SHRI S. JAIPAL REDDY : He has said that I have been incorrectly informed. But he has not informed the House. Will the Minister be able to say what is the proportion of foreign exchange earned by the five star hotels in relation to the total amount received by them ?

SHRI H.K.L. BHAGAT : I can inform the Hon Member that in five-star hotels much more accommodation is available.

(Interruptions)

MR. SPEAKER : Now, look here, I cannot allow a discussion here. If I allow you, you will hold on to it. I can allow one more supplementary.

(Interruptions)

PROF. MADHU DANDAVATE : If the reply is independent of the Question what do we do ?

(Interruptions)

SHRI SHIVENDRA BAHADUR SINGH : Mr. Speaker Sir, I would like to know from the Hon. Minister—because he had just said that he is not going in for any more five star hotels. I would like to get clarification from him regarding those ITDC hotels which are in the pipeline and especially the one relating to Bhopal. Is it going to be made or not ?

SHRI H.K.L. BHAGAT : So far as Public Sector is concerned, the ITDC and so on, we have decided that during the 7th Five Year Plan we shall not have any more five star hotels except one which we are thinking of putting up in Bombay.

Bank Robberies and Bank Protection Force

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*88. SHRI ANAND SINGH :

SHRI I. RAMA RAI :

Will the Minister of FINANCE be pleased to state :

(a) the State-wise number of bank

robberies committed in nationalised banks during the current year upto October, 1985, month-wise, and the amount and lives lost thereby;

(b) the security measures taken or proposed to be taken to further strengthen the measures to thwart attempts of robberies;

(c) whether keeping in view the increase in bank robberies in the country, Government propose to form a Bank Protection Force;

(d) whether bank employees and security guards at the nationalised banks are also involved in the robberies; and

(e) the number of persons apprehended and brought to book ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (e). A statement is given below.

Statement

(a) and (e). The information, as reported by the Reserve Bank of India, is given in the Annexure below.

(b) The State Governments are primarily responsible for maintenance of law and order and have been requested to take suitable preventive measures for curbing the incidents of bank dacoities/robberies. A High Power Working Group was earlier set up by the Government to critically review security arrangements in banks and to

make suggestions for improvements therein. As recommended by the Working Group, banks have, inter-alia, appointed Chief Security Officers to advise the management on security measures. On the advice of the Chief Security Officers, the banks have identified vulnerable branches and have taken measures to strengthen the security of the premises and posting of security guards in a phased manner. Recently, the Government convened a meeting of the Chief Security Officers of public sector banks and the need for tightening the various security measures within the bank premises was reiterated. At this meeting the banks have been advised to classify their bank branches according to the risk and make improved security arrangements in branches with high risk.

(c) The question of organising a Banks' Security Force under the Central Industrial Security Force Act was examined by a Committee set up by the Government in the Ministry of Home Affairs. Taking into consideration the special features of the security cover to be provided to banks and the technical and operational requirements of the Central Industrial Security Force, the Committee came to the conclusion that the CISF Act will not meet the requirements of banking establishments. The Committee also considered the proposition of raising an All India Bank Security Force on the lines of para-military organisations working under the control of Ministry of Home Affairs but did not find the proposition workable.

(d) No such instance has been reported by the bank/Reserve Bank of India,

ANNEXURE

State and Month of Occurrence	No. of Robberies	Amount involved in lakhs of Rupees	Lives lost	No. of persons apprehended and brought to book
1	2	3	4	5
ANDHRA PRADESH				
March 1985	1	12.75		

1	2	3	4	5
ASSAM				
May 1985	1	0.28	1 Bank Manager	—
September 1985	1	0.27	—	1
BIHAR				
January 1985	2	2.34	—	—
April 1985	1	4.07	—	—
May 1985	2	1.23	—	2
(includes one attempted)				
June 1985	1	0.19	—	—
July 1985	3	4.12	—	—
September 1985	3	6.31	—	—
October 1985	3	2 41	—	—
HARYANA				
February 1985	1	2.40 + Gold (400 Gms)	3 Outsiders	—
DELHI				
March 1985	2	4.64	—	—
May 1985	1	—	1 Outsider	—
June 1985	*1 (attempted)	—	—	—
July 1985	1	3.02	—	—
August 1985	1	4.19	—	—
CHANDIGARH				
January 1985	1	0.33	—	—
September 1985	1	0.11	—	—
KARNATAKA				
Janury 1985	1	0.06	—	7
June 1985	1	0.20	—	—
KERALA				
October 1985	1	0.64	—	1
MADHYA PRADESH				
April 1985	1	0.08	—	—
May 1985	1	2 39	—	—
October 1985	1	1.70	—	—

*As reported by Delhi Police.

1	2	3	4	5
MAHARASHTRA				
January 1985	1 (attempted)	—	1	—
May 1985	1	4.18	—	5
September 1985	1	1.23	—	—
MANIPUR				
February 1985	1	less than 0.01	—	—
NAGALAND				
January 1985	1	15.35	—	—
May 1985	1	2.04	—	—
June 1985	1	9.38	—	—
PUNJAB				
January 1985	1	0.08	—	—
February 1985	1	0.11	—	—
May 1985	1	0.54	—	—
June 1985	2	0.24	—	3
July 1985	1	0.27	1 Bank Guard	—
September 1985	1 (attempted)	—	—	1
October 1985	2 (including one attempted)	0.10	—	1
RAJASTHAN				
January 1985	1	—	1 Watchman	—
UTTAR PRADESH				
February 1985	1	2.38	—	4
March 1985	2	1.57	—	1
May 1985	3	14.81	—	—
October 1985	1	3.13	—	—
WEST BENGAL				
September 1985	1	0.45 + gold worth Rs. 0.64	—	—
October 1985	1	3.34	—	—
HIMACHAL PRADESH				
January 1985	1	1.21	—	2

1	2	3	4	5
JAMMU AND KASHMIR				
May 1985	1	0.32	—	—
July 1985	1	0.05	—	—
TOTAL	62	114.52 lakhs	8	28
+400 gms. gold +gold worth Rs. lakhs 0.64				

SHRI ANAND SINGH : The answers have revealed a few facts here. One is that rupees one crore and fourteen lakhs have been robbed during this year so far and two months are still to go which are in favour of robbery.

Secondly, nobody has been apprehended as they have shied away from answering the (e) part. I assume that nobody has been apprehended or brought to book during this period. Now, I ask the question in this light that a bank robbery is no more an old style bank robbery. People are using modern weapons. Not only that, with certain groups in this country it has become a recognised political activity, especially in Uttar Pradesh and everywhere. It was in this light that I had put these questions. The answer given to me says that a high powered working group was established, Chief Security Officers were appointed, banks were identified as vulnerable branches according to risk, the question of Banks Security Force under the CISF Act was examined and it was found that it would not meet the requirements of banking establishments, and so on.

The question is about what was done. I don't want to know what was not done, I would like to know what positive steps have been taken in order to protect the banks, the money and the lives.

SHRI JANARDHANA POOJARY : This question has five parts. The hon. Member has asked for the information and we have given all the answers to you and then, if you say that it is not required, it is not my fault. It is your question I have answered,

Coming to banks, there were about...

SHRI RAM PYARE PANIKA : What action you have taken—that is what he wants to know.

SHRI JANARDHANA POOJARY : Kindly go through my reply.

MR. SPEAKER : That is known only as a question of bonus—that answer.

SHRI JANARDHANA POOJARY : In the year 1985, upto 30-6-85 10 persons have been arrested. The action that has been taken has been clearly spelt out in the main reply itself and if the hon. Member is not satisfied, at the cost of repetition I can say that a Working Group had been appointed and they have submitted their recommendations which have been sent to the State Governments and also to the banks for implementation. Now, secondly, even the banks have been provided with security guards, collapsible gates and also armed guards in certain banks. For this purpose the banks have been classified into four categories and they are : (1) Currency Chest Branches, (2) Branches which are prone to high risk (3) Normal Risk Branches and (4) Branches not vulnerable but with very low risks. Now here wherever there are currency chest branches, there a round-the-clock vigil is kept. So far as the branches prone to high risk are concerned, there two security guards, fully armed, are provided and where the Branches are prone to normal risk, there one unarmed guard is provided. Where there are branches with very low risk and cash handling, there it is left to the management to provide sufficient security. Now we have got 50,983 branches throughout

the country. For all the Branches we cannot provide guards. Here also, the amount involved in decoities and to robberies is about Rs. 150 lakhs. Now if you have to provide guards to all the Branches throughout the country to 50,983 branches, the cost element will be more than Rs. 200 crores....

PROF. N.G. RANGA : Then who will do it ?

SHRI BHAGWAT JHA AZAD : So let them lose more so that we can have armed guards for all the branches.

SHRI JANARDHANA POOJARY : It is a continuous process. But we do not defend dacoities or robberies. But we have to take into consideration the cost factor also....

MR. SPEAKER : That will create employment, Sir.

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) : May I add to what my colleague has said ? My colleague has explained the situation where in regard to vulnerable branches where there is a need for more security, action is taken in co-ordination with the State Governments and other law-enforcing agencies. The point is that the banks have to function and for that matter, not only the banks but various other agencies also have to function in the general security environment at large and it is the general security environment which is the guarantee against robbery or dacoity. Every special agency cannot have its own law protection agencies. It is the general environment which we are trying to strengthen and it is where special attention is needed and steps are being taken, as explained by the hon. Minister.

PROF. N.G. RANGA : You are giving an open field to the people to rob.

SHRI ANAND SINGH : If you go through the answer, part (e) has not been replied by the hon. Minister. Now the Minister says that 10 people were apprehended. When the question was so simple and clear, he said here...

PROF. MADHU DANDAVATE : He has said that dacoits are responsible for the dacoities.

SHRI ANAND SINGH : The number of persons apprehended and the measures that have been just read out to us are not given in the answer at all. If you go through this it says that a high-power working group was earlier set-up. It also says that the CISF Act will not meet the requirement of banking establishments. It also says that the Ministry of Home Affairs does not find the bank security forces preposition workable but it does not speak about the positive action which they have taken.

My next question is that there are rural banks and the policy of the Government is to go on opening rural banks so that they can reach the village people to meet their demands. Will these security forces cover these banks or they will be confined to cities and urban areas ?

SHRI JANARDHANA POOJARY : Sir, as regards the first part of the question the hon. Member may refer to the Annexure where we have given the details of the action taken by us. Coming to the rural banks I have already stated that the banks have been classified into those which are prone to more risks and ordinary risks. Security guards have been provided at those banks which are vulnerable and if the hon. Members tell about any banks which are vulnerable and risk prone then definitely we will provide sufficient and adequate security there.

SHRI D.N. REDDY : Will the hon. Minister inform why the Capital city is the hot bed of bank robberies and other crimes ? How many bank robberies occurred last year and how many have been detected and how much amount has been recovered ?

SHRI JANARDHANA POOJARY : I have given the details in Annexure I.

PROF. N.G. RANGA : In view of the fact that State Governments are specially interested in getting more and more banks opened in rural areas and other areas has Government taken any steps to invoke their assistance in preventing such trouble ?

SHRI JANARDHANA POOJARY : Sir, a very pertinent question has been raised. We have already written to the State Governments. Law and order is a State subject. We have written to the State governments to take sufficient steps to prevent such robberies.

SHRI Y.S. MAHAJAN : The hon. Minister has classified the banks according to the degree of vulnerability. I would like to know whether he has made a study of vulnerability of nationalised banks vis-a-vis private banks which have not been nationalised.

SHRI JANARDHANA POOJARY : These things should be considered by the management concerned. Law and order is a State subject and as the hon. Finance Minister has said the State Governments have also to provide sufficient security and safeguards.

(Interruptions)

Seizure of Smack and Gold Biscuits by Custom Officials

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***89. SHRIMATI KRISHNA SAHI :**
SHRI MANVENDRA SINGH :

Will the Minister of FINANCE be pleased to state :

(a) whether the Custom officials have seized smack and gold biscuits worth Rs. 50 crores from the baggage left unclaimed at Palam and other airports in different parts of the country in recent months;

(b) if so, the details thereof and the persons who have been arrested in this connection; and

(c) the steps Government are taking to prevent such crimes ?

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) : (a) to (c). A statement is given below.

Statement

(a) and (b). The total value of contra-band goods seized at various airports in the

country during the period from January to September, 1985 amounted to Rs. 29.25 crores (provisional) out of which gold accounted for Rs. 16.18 crores and dangerous drugs Rs. 4.64 crores. 903 persons were arrested in this connection under the Customs Act.

No separate statistics regarding seizures from baggage left unclaimed at airports is maintained.

(c) The drive against smuggling activities at the airports has been intensified. The existing intelligence and preventive set-up of the customs at the airports is being further strengthened with a view to preventing smuggling activities at the airports. The scheme of rewards to informers and Government servants has also been liberalised.

Besides, the trends of smuggling and seizures made at the airports are kept under constant review for taking appropriate remedial action as warranted.

Stringent action is taken against persons found involved in smuggling activities both departmentally as well as through prosecution in courts. Apart from confiscation of goods involved and the imposition of personal penalties, preventive detention under the COFEPOSA Act is also resorted to in appropriate cases.

[Translation]

SHRIMATI KRISHNA SAHI : Mr. Speaker, Sir, in part (b) of my question, I had asked about the persons arrested in this connection. In reply thereto, the hon. Minister has replied that 903 persons were arrested under the Customs Act. I want to know from the hon. Minister the names of top Customs Officials, let him tell only four or five names, arrested under the Customs Act... *(Interruptions)* I want to ask from the hon. Minister the number of top officials of the Customs Department arrested under this Act ? In your reply you have stated that the cases were also instituted in the Courts; I want to know the number of persons against whom prosecution was initiated ? You only give the names of three or four officials if it is not possible to give the names of all of them,

SHRI VISHWANATH PRATAP SINGH : Mr. Speaker, Sir, I do not have the names of Customs Officials.

MR. SPEAKER : You may send her in writing if you know.

SHRIMATI KRISHNA SAHI : We come to know only through newspapers. Mr. Speaker, Sir, the hon. Minister has stated in his reply that seizures made at the airports are kept under constant review for taking appropriate remedial action as warranted. The hon. Minister has certainly increased vigilance in the airports and has taken effective steps in this field for which he deserves congratulations, but I would like to know what steps have been taken by the hon. Minister in respect of very extensive border area with other countries as well as coastal area ?

SHRI VISHWANATH PRATAP SINGH : Sir, we had a fair amount of success in this field this year. During the last year, seizures worth Rs. 101 crores were made during 10 months whereas this year seizures worth Rs. 142 crores were made during the last 10 months. You will be glad to know that gold worth Rs. 10.24 crores was seized during the entire last year whereas gold worth Rs. 42 crores has been seized only in 10 months this year. Thus, there has been a good deal of success. Therefore, quality of work and procedure has further been improved. Last year, seizures worth Rs. 101 crores were made while the number of seizures was 76 thousand, but this year, seizures worth Rs. 142 crores were made and the number of seizures was 40 thousand. It speaks of the quality of work

SHRIMATI KRISHNA SAHI : But, what is the position with regard to coastal and surface borders ?

SHRI VISHWANATH PRATAP SINGH : It includes all; sea, surface and air.

[English]

SHRI S.M. BHATTAM : Sir, the Customs Officials are responsible for the seizure of about Rs. 30 crores worth of contraband materials. I would like to know

whether any of the Customs Officials who are responsible for the seizure of contraband materials to the value of Rs. 30 crores has been rewarded. The persons involved in the smuggling activities number about 903 persons and all of them were arrested. But I would like to know from the hon. Minister whether any charge-sheet has been framed against them and whether any stringent action will be taken against such persons who are involved in these activities. What are the stringent actions proposed to be taken against, how many of them are charged and how many of them are convicted ? Is there any information available with you with regard to the conviction of such people ?

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) : We have a reward scheme. The officers can be given rewards up to the value of 20% of the seizures and we held several functions in which we openly honoured the officers for their good work done. I am glad that the customs officers have done a very good job. Some officers have been given rewards worth several lakhs of rupees. In this way, about Rs. 2 crores worth of rewards have been sanctioned. This is a very positive reward which has been given to the officers in appreciation of their good job. I may inform the hon. Member that under COFEPOSA itself, this year (upto 26-10-85) 1623 persons have been actually detained as compared to 719 persons last year.

As regards prosecution, we take the most stringent action and the conviction is dependent on the verdict of the court.

SHRI BHAGWAT JHA AZAD : As mentioned by the Minister, the total amount involved in the seizures last year was Rs. 82.33 crores and this year upto now Rs. 142 crores. May I know if the magnitude of the problem this year has increased as compared to last year, or whether last year they could not detect properly ? Keeping in view the seizures in both the years, is the Minister satisfied that we have been able to reach a sizeable section of these people in this year ?

SHRI VISHWANATH PRATAP SINGH : I am not satisfied. Much more has to be done. We have to do it on the

administrative side, we have also to take economic measures to tackle smuggling and that is what we intend to do.

WRITTEN ANSWERS TO QUESTIONS

[English]

Release of Cotton Export Quota

*90. SHRI V. SOBHANADREESWARA RAO : Will the Minister of TEXTILES be pleased to state :

(a) whether Government propose to release immediately the cotton export quota for the current season to ensure better deal to cotton growers; and

(b) the quantity proposed to be allocated to Markfed of Andhra Pradesh ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) and (b). The Government have already released some quantities for export during the current cotton season. Further export quota will be released if and when considered necessary. Allocation of export quotas to State Federations including Andhra Pradesh can be considered keeping in view their capability and past performance.

Relaxation to Credit Policy

*91. SHRI JAI PRAKASH AGARWAL : Will the Minister of FINANCE be pleased to state :

(a) whether the Reserve Bank of India has recently relaxed its credit policy to allow larger funds to meet credit requirements;

(b) if so, the norms evolved for extending credit; and

(c) whether any ceiling has been fixed on bank credit for various items to different parties ?

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) : (a) to (c). The Reserve Bank of India

reviewed the credit policy prior to the onset of the busy season. Taking into account the liquidity position of banks and the genuine seasonal credit needs, certain changes were made in the credit policy announced on October 25, 1985. These included :

- (i) Release of one-third of impounded cash balances maintained under the Additional Cash Reserve of 10 per cent of the incremental demand and time liabilities of banks accruing between January 1977 and October 1980.
- (ii) Reduction of Statutory Liquidity Ratio (SLR) for non-resident (external) rupee accounts from 37 per cent to 25 per cent.
- (iii) Bringing forward of the base for 100 per cent export refinance from the monthly average level of 1983 to 1984.
- (iv) Repayment by banks of discretionary refinance outstanding on October 25, 1985 and corrections for shortfalls in the maintenance of SLR.

These measures taken together are expected to provide some improvement in banks' liquidity.

No new norms or ceilings on banks' credit for various items to different parties were prescribed in the recent credit policy statement of October 25, 1985.

Export of Jute

*92. SHRI PRIYA RANJAN DAS MUNSI : Will the Minister of TEXTILES be pleased to state :

(a) whether the recent bulk contracts of State Trading Corporation for export of jute to some countries have been cancelled;

(b) if so, the details thereof and the reasons therefor;

(c) the steps taken/proposed to increase export of jute; and

(d) the prospects for the current year ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) to (d). Three contracts entered into STC for jute goods export were cancelled during the current financial year as detailed below :

- (i) Order from M/s. Sharakate Toavani Tahiem Va Tozin, Iran for 12 million yards of hessian cloth in different sizes valed at Rs. 50370000;
- (ii) Contract for export of 3 lakhs yards of jute carpet backing cloth worth Rs. 75 lakhs approximately finalised by STC with M/s. Sherkata Sahami Khass Kharkhanejat Dadfar, Teheran;
- (iii) A contract between STC and National Agricultural Marketing Board of Zambia (Namboard) for five million pieces of B. Twill bags at the rate of US \$ 79.15 per 100 bags c.i.f. Dar-es salam.

2. The reason for cancellation of these contracts were reluctance of the buyers probably on account of falling prices and foreign exchange problems.

(c) Government has taken following steps to improve export of jute goods :

- (i) providing higher cash compensatory support to jute carpet backing cloth and yarn on the basis of matching performance by the industry.
- (ii) formation of STC-jute industry consortium on 50 : 50 loss sharing basis for export of carpet backing cloth to North America.
- (iii) encouraging development of exportable products through R and D efforts and
- (iv) constituting a new JMDC and jute fund out of proceeds of jute to give boost to R and D of efforts and export promotion.

(d) The export target of 3.0 lakh tonnes valued round Rs. 250/275 crores. for the

current financial year is likely to be reached.

Decline in Occupancy in 5-Star Hotels in Delhi

*93. SHRI A.J.V.B. MAHESWARA RAO :
SHRIMATI N.P. JHANSI
LAKSHMI :

Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) the occupancy ratio of 5-star hotels like Ashoka, Akbar, etc., in the capital during the last three years;

(b) whether India Tourism Development Corporation has continually been running into loss for the last three years;

(c) whether it is a fact that the foreign tourists are hesitant to visit India due to terrorist activities in the country;

(d) if not, the reasons for the decrease in tourist traffic; and

(e) the action taken by Government in the matter ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT) : (a) The occupancy ratio of the ITDC and non-ITDC 5-star hotels located in the capital are given in the statement below.

(b) No, Sir.

(c) and (d). There was a significant decline in the inflow of foreign tourists in 1984 and the first-half of 1985 on account of a series of adverse circumstances in our country as also some of our neighbouring countries including the terrorist activities, the adverse media coverage these events received abroad, the imposition of blanket visa requirements on all foreigners visiting India, and the advice issued by a large number of foreign countries to their nationals in November and December not to visit India on account of disturbed law and order conditions.

(e) The action taken by the Government to counteract the effects of adverse media publicity abroad include re-assurance campaign in the international media seeking to project India as a country of continental dimensions which remain free from law and order trouble despite the out-break of terrorist activities in some parts of the country, inviting media representatives and selected

tour operators and travel agents to visit India to see for themselves that things were normal, requesting the foreign government through our External Affairs Ministry and our overseas missions to withdraw their directives against their nationals visiting India and sending promotional delegations abroad and holding travel marts etc. with a view to instilling confidence.

Statement

Name of the Hotel	1982-83 (Occupancy Ratio%)	1983-84	1984-85
I.T.D.C. Hotel			
1. Ashoka Hotel	50	43	47
2. Akbar Hotel	69	44	34
3. Qutab Hotel	74	54	57
4. Samrat Hotel	41	32	43
Non-ITDC Hotel			
1. Oberoi Intercontionental	81.80	85.70	54.95
2. Maurya Sheration	76.42	69.82	78.00
3. Taj Mahal	90.30	86.00	84.00
4. Siddharth Continental	51.00	64.00	60.00
5. Imperial	84.00	74.00	81.00
6. Siddharth	79.98	76.65	72.00
7. Claridges	80.90	80.70	82.40
8. Taj Palace	*—	50.80	65.30
9. Hyatt Ragency	*—	58.72	71.48
10. Contaur	75.55	46.00	51.57

*These hotels started functioning in late 1982.

Shortage of Small Coins and Currency Notes

*94. **SHRI RANJIT SINGH GAEKWAD** : Will the Minister of FINANCE be pleased to state :

(a) whether there is still an acute shortage of small coins and currency notes in the country; and

(b) the steps being taken to ease the shortage ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) There have been reports regarding acute shortage of small coins and Re. 1/- notes from various parts of the country. However, the severity

of shortage of small coins has been somewhat relieved as a result of improved supplies during the last one year. The situation is expected to further improve in the near future. The following table shows the supply of coins and notes of Re. 1/- denominations from 1982-83 to 1985-86 (upto October, 1985) :

Coins	(In million pieces)
1982-83	660
1983-84	1063
1984-85	1356.7
1985-86 (upto Oct., 85)	1071.49
estimated for 85-86 full year :	2000
Re. 1/- notes	
1982-83	450
1983-84	225
1984-85	485
1985-86 (upto Oct., '85)	255
estimated for 85-86)	500

The target for 1985-86 is 900 million pieces.

(b) The Government have taken a number of steps for easing the shortage. These are :

- (i) production incentive schemes have been introduced in Mints and Presses to encourage increased production;
- (ii) working hours have been increased;
- (iii) it has been decided to expand and modernise the Mints and Presses by replacement of old machines with new modern machines and also to install new lines of machines;
- (iv) it has been decided to set up a new Mint at NOIDA and work on it has started;

(v) it has also been decided to set up a new Bank Note Press; and

- (vi) to overcome the shortage of small coins and one-rupee notes it has been decided to import 1000 million pieces of one-rupee coins, 750 million pieces of 50 paise coins and 250 million pieces of 25 paise coins, deliveries of which are expected to be completed by 30-6-1985.

[Translation]

Export of Cotton

*95. SHRI NARSINH MAKWANA : Will the Minister of TEXTILES be pleased to state :

(a) the stock of cotton left with farmers and cooperative societies due to non-consumption of cotton last year and whether Government have received some suggestions in this regard;

(b) the number of cotton bales exported and the number out of them exported through the Cotton Corporation of India and cooperative societies, separately; and

(c) whether small staple cotton bales have been imported and if so, the rates thereof and the reasons for their import ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) to (c). The reported carry-over stock at the end of 1984-85 cotton season i.e. as on 31st August, 1985 with the Cotton Corporation of India, the State Cooperative Marketing Federations of Maharashtra and Gujarat, Cooperative Societies in Gujarat, the mills and trade was about 24.40 lakh bales. The Government have been receiving suggestions, inter-alia, for release of cotton for export and stoppage of further imports.

2. A quantity of 2.95 lakh bales of long and extra-long staple cotton was released for export during 1984-85 cotton season. The break up of the said quota

allotted to the various agencies and their performance is given below :

Name of the exporting agency	Qty. allotted (in lakh bales)	Export contracts registered with Tex. Commissioner upto Aug, 85 (in bales)
1	2	3
1. Cotton Corpn. of India Ltd.	1,50,000	85,085
2. Maharashtra State Co. op. Cotton Growers Marketing Federation	95,000	65,930
3. Gujarat State Co. operative Cotton Federation	40,000	30,000
4. Andhra Pradesh State Cooperative Marketing Federation	10,000	5,040
Total	2,95,00	1,86,055

A quantity of 75,000 bales of medium staple cotton had been imported to meet the shortage in this variety estimated at that time. The price paid for the imported cotton was 41.90 US Cents per pound F.O.B., equivalent to about Rs. 3,885 per candy F.O.B.

[English]

Commonwealth Finance Ministers' Conference

*96. SHRI MAHENDRA SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether to Commonwealth Finance Ministers' Conference was held at Male on 1st and 2nd October, 1985 to discuss the question of protectionism by rich countries and improvement in market access to developing countries; and

(b) if so, the outcome of this Conference ?

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) : (a) Yes, Sir.

(b) The Conference, *Inter alia* expressed concern at the intensification of protectionist pressures and called for rapid and substantial progress on outstanding issues in GATT concerning safeguards, non-tariff barriers, agriculture and textiles which could assist in rolling back protectionism. The Conference also called for additional concessional flows, increased flexibility in debt servicing arrangements and freer market access to exports from developing countries.

Visit of Economic Mission to Japan

*97. SHRI S. M. BHATTAM :

SHRI T. BALA GOUD :

Will the Minister of FINANCE be pleased to state :

(a) whether a 25-Member Economic Mission headed by Shri L.K. Jha visited Japan recently to explore the possibility of improving Indo-Japanese economic relationship; and

(b) if so, the outcome of the visit ?

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) : (a) and (b). Yes, Sir. A 22 member Indian Economic Mission led by Shri L.K. Jha visited Japan from 11th to 18th September, 1985. The Mission was deputed as a return Mission to an economic delegation of Japanese industrialists which had visited India in November-December, 1984 and as part of a continuous exchange of ideas for increased economic co-operation between the two countries. It was warmly received by leaders of Japanese Government and industry. The Mission successfully explained our policy regarding foreign investment in areas confirming to our plan priorities. It was exploratory in nature.

Steps taken to Increase Export of Iron Ore through Paradip Port

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

(a) whether there has been a sharp

decline in the export of iron ore through Paradip Port during the last three years as compared to the previous years;

(b) if so, the reasons therefor;

(c) the steps taken to increase the export of iron ore through Paradip Port; and

(d) the recent directives given by Government to the Minerals and Metals Trading Corporation for this purpose?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) and (b). Export of iron ore through this port declined during 1982-83 and 1983-84 as compared to 1981-82. However, in 1984-85 these exports again picked-up and reached a level of 16.07 lakh tonnes as against 16.38 tonnes in 1981-82. This decline was due to recessionary conditions in the world steel industry and reluctance of foreign buyers to nominate vessels to Paradip port because the capacity of the Port is inadequate for receiving large sized vessels.

(c) Following steps have been taken to increase the export of iron ore through that port. (i) Foreign buyers have been provided incentive by way of discounts to compensate for high freight incidence due shipment by smaller sized vessels, and larger distance involved as compared to Madras and Vizag Ports. (ii) Quota restrictions for procurement of iron ore from mine owners have been removed by MMTC consequent upon higher off-take from the port. (iii) In order to meet long term requirements of the port, a proposal for improving iron ore facilities and deepening of the port is being examined.

(d) No directive has been given recently to MMTC for this purpose. However MMTC is involved in a proposal for deepening of port and improvement of handling facilities at Paradip.

Modernisation of Textile Industry

***99. SHRI MOHANBHAI PATEL :**

SHRI CHINTAMANI JENA :

Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that there is

great demand to modernise the textile industry to save this industry and increase the production; and

(b) if so, the details thereof and the steps being taken in this direction?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) and (b). There is considerable need to replace old and obsolete machinery and also to modernise the textile industry to the extent feasible. Individual units will have to approach the Financial Institutions for assistance. Other measures, as indicated in the policy, are under implementation.

Ban on Import of Coconut Oil

***100. SHRI T. BASHEER :** Will the Minister of COMMERCE be pleased to state :

(a) whether a large quantity of coconut oil was imported under the name of industrial oil during 1984;

(b) if so, the details thereof; and

(c) whether Government propose to issue immediate order to ban import of such oil in future?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) and (b). No, Sir.

The import of coconut oil, both edible and non-edible, is canalised through STC/Hindustan Vegetable Oils Corporation. During April, 1984, STC imported only about 9,000 M.T. of R.B.D. coconut oil. No imports have been made in 1985.

Import of coconut oil is allowed to a small extent against Replenishment Licences for export production of fatty acids. The quantities imported against REP Licences are not significant.

(c) No, Sir.

Registration of Powerlooms in Urban and Remote Areas

823. SHRI YASHWANTRAO GADKAR : Will the Minister of TEXTILES be pleased to state :

(a) whether Government have finalised

the for compulsory registration of power-
looms;

(b) if so, what would be the modus
operandi of registration in Urban areas and
remote areas; and

(c) whether Government propose to fix
any time-targets to complete the process of
verification and registration of power-
looms ?

THE MINISTER OF STATE OF THE
MINISTRY OF TEXTILES (SHRI
KHURSHID ALAM KHAN) : (a) No,
Sir.

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

Setting up of Committees to Curb Price Rise

824. DR. CHANDRA SHEKHAR
TRIPATHI : Will the Minister of
FINANCE be pleased to state :

(a) whether it is a fact that Govern-
ment have set up two committees on curbing
the price rise;

(b) if so, the time by which these are
likely to start functioning and what will
be the scope of their functions; and

(c) the time by which these committees
are likely to submit their reports to the
Government ?

THE MINISTER OF STATE IN THE
MINISTRY OF FINANCE (SHRI
JANARDHANA POOJARY) : (a) A
Special Action Committee of Secretaries
meets from time to time to review the price
situation and take such action as necessary.
Matters pertaining to prices are also *inter
alia* considered by Committees of the
Cabinet, as and when required. These
Committees are not expected to submit any
report.

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

Setting up of National Handloom Development Corporation

825. SHRI R. M. BHOYE : Will the

Minister of TEXTILES be pleased to
state :

(a) whether it is a fact that with a view
to meeting the requirements of handloom
weavers, Union Government have set up
the National Handloom Development
Corporation;

(b) if so, the details thereof; and

(c) the efforts made to tackle problems
of wide fluctuations in the price of yarn
that after affects the industry ?

THE MINISTER OF STATE OF THE
MINISTRY OF TEXTILES (SHRI
KHURSHID ALAM KHAN) : (a) and (b).
Yes, Sir. The Government of India have
set up the National Handloom Development
Corporation in February 1983 and it
received the certificate for the commence-
ment of the business in August, 1983. The
main objectives of the Corporation are as
follows :—

- (i) To ensure availability of raw
materials like yarn, dyes and other
inputs to the handloom weavers
by supplementing the efforts of
State Handloom Agencies;
- (ii) To augment the marketing efforts
of the State Handloom Agencies;
- (iii) To take up developmental activities
for upgrading the technology in
handloom sector and for increasing
productivity.

The National Handloom Development
Corporation has established its regional
offices at Guwahati, Coimbatore and
Bombay. It has set up a yarn depot in
Guwahati in August 1984 and at Biharshariff
and Bhagalpur in May 1985 and July 1985,
respectively. The National Handloom
Development Corporation has also made
tie-up arrangements for supply of yarn to
the yarn banks set up by the Kerala State
Handloom Development Corporation. In
1984-85, from August 1984 to 30th June
1985, it supplied 5,92,014 kgs. of yarn worth
Rs. 186.11 lacs to the handloom agencies
of North-eastern States, West Bengal,
Kerala, Madhya Pradesh, Pondicherry,
Rajasthan and Bihar. During the current

year from 1st July 1985 to 31st October, 1985, it has supplied 7,43,486 kgs. of yarn worth Rs. 209.09 lacs to North-Eastern States, Karnataka, Haryana, Maharashtra, Pondicherry, Rajasthan and Bihar.

(c) In order to tackle the problem of wide fluctuations in price of yarn, the Corporation has entered into agreements with various subsidiaries of NTC and cooperative spinning mills in the country for ensuring supply of yarn to the weavers at reasonable prices. The NHDC has also entered into an agreement with the Cotton Corporation of India for supply of cotton to the Cooperative and State Sector spinning mills, at a fixed rate for a period ranging from 3 to 6 months or at market rate, whichever is lower, as per the requirements of the State Governments. This arrangement is now being experiment in Cooperating Spinning Mills of Tamilnadu.

Export of Railway Wagons to Nigeria and Other Countries

826. SHRI SRIKANTA DATTA NARASIMHARAJA WADIYAR : Will the Minister of COMMERCE be pleased to state :

(a) whether Government have a proposal to export wagons to Nigeria;

(b) if so, the number of wagons proposed to be exported to Nigeria in 1985-86 financial year;

(c) whether some other countries also have ordered to buy Indian built wagons;

(d) if so, the names of such countries; and

(e) the details of the agreement made in this regard ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) and (b). At Present there is no proposal to export railway wagons to Nigeria.

(c) to (e). The Projects and Equipment Corporation of India Ltd.; is currently executing an order to supply 300 railway wagons valued at Rs. 16.51 crores Uganda, against suppliers credit provided

by the Export Import Bank of India.

Gadgil Formula for Plan Assistance to States

827. SHRI ANANDA PATHAK : Will the Minister of FINANCE be pleased to state :

(a) whether according to Gadgil formula of disbursement of Plan assistance to the States, 70 per cent of this assistance is treated as loans for which the States pay interests;

(b) if so, the details thereof ?

(c) the rate of this interest; and

(d) the total amount realised as interest, State-wise, during the Sixth Five Year Plan period ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). Central assistance to Himachal Pradesh, Manipur, Meghalaya, Nagaland, Sikkim and Tripura is released on the basis of 10% loan and 90% grant. Assistance to the remaining 16 States is provided in the form of 70% loan and 30% grant except the Hill Area portion of these State. Out of the Central assistance to these remaining 16 States the proportionate Central assistance for the State Plan component of the Hill area outlays in Assam, Jammu and Kashmir, Tamil Nadu, Uttar Pradesh and West Bengal is released in the form of 10% loan and 90% grant. Central assistance for special hill area sub-plan is released in the form of 10% loan and 90% grant.

(c) Statement-I given below provides the necessary information.

(d) Statement-II given below provides the factual data.

Statement-I

the rate of Interest Charged on Plan Loans

		Rate of interest charged on Plan loans (percentage)
1980-81	1-4-1980 to 31-3-1981	5½
1981-82	1-4-1981 to 31-3-1982}	5½
	1-6-1981 to 31-3-1982}	6¼

1982-83	1-4-1982 to 31-5-1982	6 $\frac{1}{4}$
	1-6-1982 to 31-3-1983	6 $\frac{1}{2}$
1983-84	1-4-1983 to 31-5-1983	6 $\frac{1}{2}$
	1-6-1983 to 31-3-1984	7
1984-85	1-4-1984 to 31-5-1984	7
	1-6-1984 to 31-3-1985	7 $\frac{1}{2}$

Statement-II*the Amount realised as Interest during 1980-85*

(Rs. crores)

States	1980-85
1. Andhra Pradesh	127.93
2. Assam	82.44
3. Bihar	140.13
4. Gujarat	60.65
5. Haryana	29.64
6. Himachal Pradesh	6.51
7. Jammu and Kashmir	83.75
8. Karnataka	62.54
9. Kerala	56.14
10. Madhya Pradesh	109.71
11. Maharashtra	112.78
12. Manipur	2.87
13. Meghalaya	2.04
14. Nagaland	3.15
15. Orissa	84.31
16. Punjab	31.43
17. Rajasthan	87.85
18. Sikkim	1.82
19. Tamil Nadu	87.21
20. Tripura	2.41
21. Uttar Pradesh	220.86
22. West Bengal	98.01
TOTAL :	1499.18

Nilachal Ispat Nigam

828. SHRI SRIBALLAV PANIGRAHI :
Will the Minister of STEEL AND MINES
be pleased to state :

(a) the work done by Nilachal Ispat
Nigam since its incorporation; and

(b) the paid-up capital of this Corpora-
tion and how has it been invested so far ?

THE MINISTER OF STEEL AND
MINES (SHRI K.C. PANT) : (a) The
notification for the acquisition of land has
been issued by the State Government. Soil
investigations and raw material testing have
been completed as also studies on the
availability of water. As a part of the
enabling works, 16.74 acres of land near
the site has been acquired. A storage shed
has been completed with facilities of
temporary water supply. Construction of
50 Nos. of bachelor and family accommo-
dation in the form of barracks is in the
final stage of completion. Work on the
water supply sytem, work on the sewage
disposal scheme and power supply are on
hand.

(b) The paid up capital of the Company
is Rs. 4 20 crores. The expenditure on the
Project upto 31-3-1985 was Rs. 4.77 crores,
which mainly consisted of payments for
consultancy, establishment and administra-
tive expenses, soil investigation, site survey,
mines prospecting and other works.

Production and Requirement of Copper

829. SHRI AMARSINH RATHAWA :

SHRI CHINTAMANI JENA :

Will the Minister of STEEL AND
MINES be pleased to state :

(a) the approximate annual production
of copper in the country;

(b) the approximate annual requirement
of copper in the country;

(c) the steps being taken to meet the
demand;

(d) whether it is a fact that the requirement of copper is increasing year after year, if so, the percentage of increase; and

(e) the steps being taken to increase the production to meet the demand ?

THE MINISTER OF STATE IN THE DEPARTMENT OF MINES (SHRIMATI RAM DULARI SINHA) : (a) Hindustan Copper Limited, a Government of India Undertaking, is the sole producer of primary copper in the country. During 1984-85 production of refined copper by HCL was 35454 tonnes. This excludes copper concentrates and reverts sent abroad for toll smelting.

(b) The Working Group on Non-Ferrous Metals set up in connection with the Seventh Plan estimated the demand for copper during 1985-86 and 1989-90 at 1,16,000 tonnes and 1,41,400 tonnes respectively, i.e. an average yearly increase of 3.6%.

(c) The gap between demands and indigenous production is being met by imports.

(d) Yes, Sir. The requirement of copper is increasing year after year. The internal production is also increasing. During the last 2 years the production within the country (including copper toll-smelted abroad) as also Minerals and Metals Trading Corporation's imports for the last 2 years are given below :—

(In tonnes)

	Production	Imports	Total	Percentage increase
1983-84	29172	52175	81347	1.96
1984-85	45115	40315	85430	5.01

(e) Short term measures taken to increase copper production include de-bottlenecking/modernisation of the existing smelters and refineries at Khetri Copper Complex in Rajasthan and Indian Copper Complex at Ghatsila in Bihar and export of concentrates in excess of indigenous smelting capacity for toll-smelting abroad.

Long term plan for increased production of copper has to await detailed exploration of the Singhbhum Copper Belt in Bihar and Malanjkhand in Madhya Pradesh.

Detection of Illegal Export of Snake Skins

830. SHRI MULLAPPALLY RAMACHANDRAN : Will the Minister of FINANCE be pleased to state :

(a) the number of instances of illegal export of snake skin detected from Indian ports during 1983, 1984 and 1985.

(b) the value of the consignments; and

(c) the deterrent action taken by Government to prevent recurrence of such smuggling ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). The number of cases of smuggling of snake skins detected and value of snake skins seized during the years 1983, 1984 and 1985 (upto October) are given below :—

Year	Number of cases of snake skins seized	Value (Rs. in lakhs)
1983	8	80.18
1984	16	104.28
1985 (upto October)	2	16.39

Figures for 1985 are provisional.

(c) The drive against smuggling activities in general has been intensified. The preventive and intelligence machinery of the Customs department has been reinforced in vulnerable areas in terms of man-power and equipment. The trends in smuggling and the seizures made are kept under constant review for taking appropriate anti-smuggling measures in close co-ordination with the concerned Central and State Government authorities.

Stringent action is taken against persons found involved in smuggling activities, both

departmentally as well as through prosecution in Courts. Apart from confiscation of smuggled goods and imposition of personnel penalty, preventive detention under the COFEPOSA Act is also resorted to in appropriate cases.

Besides, certain endangered species of snakes have been got included in Appendix-III of the Convention on International Trade in Endangered Species, through an amendment which took effect from January, 1984. As a result, international trade in snake skins of Indian origin has been restricted all over the world. This has helped in curbing smuggling of snake skins out of India as will be evident from seizure figures of 1985.

News Item Captioned 'Sarkar Cigaretton Ke Daam Ghatane Nahin Deti'

831. SHRI SARFARAZ AHMED :

SHRI JAGANNATH PATTHNAIK :

Will the Minister of FINANCE be pleased to state :

(a) whether his attention has been drawn to the news item captioned "Sarkar Cigaretton ke daam ghatane nahin deti" appearing in the 'Jansatta' of 13 October, 1985;

(b) if so, the extent to which reduction in the prices of cigarettes was proposed by the companies; and

(c) difficulties being experienced by Government in accepting the proposal ?

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

(b) and (c). Prior to 2-9-1985, the excise duty on cigarettes varied with every five-paise change in the prices of cigarettes. It was found that some manufacturers of cigarettes were clearing identical brands at two prices paying duty on the lower price and selling these at the higher price. In order to minimise the scope for such manipulation, the Government introduced a revised duty structure on cigarettes on 2-9-1985 with

only five rates of duty, followed by a stipulation that the surface design of each brand of cigarette should be got approved by a central authority.

After the excise duty rates were restructured on 2-9-1985, cigarette manufacturers had declared for certain brands of cigarettes lower prices as printed on the packages as compared to the printed sale price prevailing prior to 2-9-1985. This was mainly with a view to availing of the lower rate applicable to the lower slab. The extent of reduction proposed varied as between different brands.

In the context of the earlier experience, the Government had reasons to believe that the declaration of lower printed prices for certain brands of cigarettes, when the consumers were used to paying higher prices for such brands, would result only in reduction in revenue with no benefit to the consumers. Against this background, approval was not accorded where the manufacturers declared prices for brands lower than the prices prevailing for such brands prior to 2-9-1985, as also where the brands were found to be deceptively similar.

Visit of Foreign Tourists to Bihar

832. SHRI SIMON TIGGA : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) the names of the places in Bihar which attract foreign tourists; and

(b) the amount spent by Union Government to develop tourism in Bihar, in comparison to other States ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT) : (a) According to the Govt. of Bihar, places attracting foreign tourists are (1) Patna (2) Buxar (3) Sasaram (4) Maner Sharif (5) Rajgir (6) Nalanda (7) Pawapuri (8) Bihar Sharif (9) Bodhgaya (10) Gaya (11) Vaishali (12) Vikramasila (13) Netarhat (14) Betla (15) Ranchi (16) Balmikinagar (17) Lauria-Nandangarh (18) Raxaul (19) Bokaro (20) Dhanbad (21) Jamshedpur (22) Parasnath (23) Sitamarhi (24) Madhubani (25) Jiradei (26) Sonapur (27) Hazaribagh (28) Bhimbandh (Monghyr).

(b) The amount spent by the Deptt. of Tourism and ITDC in Bihar to develop tourism during the VIth Five Year Plan (1980-81 to 1984-85) is Rs. 152.05 lakhs in comparison to a total expenditure amount of Rs. 606.63 lakhs spent by the Deptt. of Tourism and ITDC for all the rest of the States and Union Territories.

Changing of the Financial Year

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

(a) whether Union Government have finally decided to stick to the present financial year (April to March) and has rejected the Jha Committee recommendation to switch over to the calendar year;

(b) if so, the considerations which have weighed with Government in arriving at this decision; and

(c) the merits and demerits of changing over the financial year to January to December or July-June as suggested by the Jha Committee, as compared to the present set-up ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). The matter is under consideration of the Government, in consultation with the State Governments, keeping all relevant factors in view.

[Translation]

Loans Advanced to Bogus Firms by Calcutta Based Branch of Allahabad Bank

834. SHRI MOHD. MAHFOOJ ALI KHAN : Will the Minister of FINANCE be pleased to state :

(a) whether the Calcutta-based branch of Allahabad Bank has advanced loans to some bogus firms;

(b) if so, the names of these firms and the amount of loan given in an irregular manner;

(c) whether the officers of this bank are also involved in this deal;

(d) if so, whether any action has been taken against those bank officers/employees who are involved in this fraud; and

(e) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). S/Shri R.K. Jain, S.K. Poddar and J.P. Poddar, in collusion among themselves and in connivance with some officials of Bank of Baroda at its different branches in Calcutta, managed to obtain large credit facilities in the nature of kite flying and group transactions and subsequently through letters of credit facilities granted to them. The three branches of the bank at Calcutta had also co-accepted the bills to facilitate their discounting through other banks in Calcutta, including Allahabad Bank. However, the transactions involving Allahabad Bank do not appear to be fraudulent.

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

[English]

'India on the House Scheme' for Attracting Tourists in the Country

835. SHRI BALASAHEB VIKHE PATIL : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) whether his Ministry has announced a new scheme called "India on the House" to attract more tourists;

(b) whether the scheme has been published without properly tying up the details and making full arrangements with the concerned authorities; and

(c) expectations/targets for generating more tourist inflow in the country and the financial gains expected ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT) : (a) Yes, Sir.

(b) No, Sir.

(c) In the first year of operation we

expect to attract at least 2500 additional foreign tourists to India through this scheme.

Priority to Pilgrimage Tourism in Seventh Five Year Plan

836. PROF. NARAIN CHAND PARASHAR : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) whether the 'pilgrimage tourism' has been accorded any priority in the Seventh Five Year Plan;

(b) if so the nature of priority given in the plan and the total amount allocated for this purpose;

(c) the places of pilgrimage and tourist importance which have been specially selected for this purpose, State-wise and the facilities proposed to be provided thereon; and

(d) if not, whether Government propose to accord any priority to this concept and evolve any comprehensive programme in consultation with the India Tourism Development Corporation and State Government for this purpose and the likely date by which it would be done ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT) : (a) and (b). Promotion of pilgrim tourism has been accorded due priority in the Seventh Five Year Plan. A provision of Rs. 150 lakhs has been made in the Seventh Five Year Plan for this purpose including Rs. 40 lakhs for the current financial year. Also, the Department of Tourism set up a registered society in the year 1978, called Bhartiya Yatri Avas Vikas Samiti for the purpose of construction of Dharamshalas (Yatrikas) at important pilgrim centres throughout the country with a view to meeting the needs of pilgrims visiting different religious centres in the country.

(c) A list of the centres where the Bhartiya Yatri Avas Vikas Samiti proposes to construct Yatrikas is given in the statement below. These Yatrikas are designed to provide neat, but inexpensive accommodation for the pilgrims. Yatrikas at Chitrakoot and Amarkantak (M.P.) have already been commissioned. Yatrikas at Brindavan, Kampil, Nandmehar (UP), Bidar (Karnataka) and Puri (Orissa) are under construction. The final selection, has however, to be made in consultation with State Governments and Union Territories.

(d) Does not arise.

Statement

List of Proposed Yatrikas to be Constructed by Bhartiya Yatri Avas Vikas Samiti

1. ANDHRA PRADESH

(Any to will be constructed)

1. Sri Sailem
2. Amarwati
3. Srikakulam

2. ASSAM

(one —do—)

1. Gauhati (Kamakshi Devi)

3. BIHAR

(Any three —do—)

1. Bihar Sharif
2. Gaya
3. Deoghar
4. Harmandir Sahib, Patna

4. DELHI

(Any one will be constructed)

1. Delhi

5. GUJARAT

(Any two —do—)

1. Dwarkaji
2. Ambaji
3. Somnath

6. HIMICHAL PRADESH

(Three —do—)

1. Nainadevi
2. Simla
3. Kangra (Jawalamukhi)

7. HARYANA

(One —do—)

1. Agaraha

8. JAMMU AND KASHMIR

(Three —do—)

1. Sirinagar
2. Chandanbari
3. Katra
4. Vaishnodevi

9. KARNATAKA

(Two —do—)

1. Sravanabelagola
2. Bangalore

10. KERALA

(One —do—)

1. Kaladi
2. Subarimala

11. MADHYA PRADESH

(Three —do—)

1. Onkareswar
2. Maheswar
3. Ujjain

12. MAHARASHTRA

(Three —do—)

1. Trimabkeswar
2. Bhimeswar
3. Nasik
4. Sirdi

13. ORISSA

(Any two will be constructed)

1. Puri
2. Bhubaneswar
3. Konark

14. PONDICHERRY

(Any one —do—)

1. Karikal
2. Pondicherry

15. RAJASTHAN

(Any three —do—)

1. Mount Abu
2. Nath Dwara
3. Ajmer
4. Jaisalmer
5. Shahpura

16. TAMIL NADU

(Any three —do—)

1. Rameswaram
2. Tanjore
3. Kanya Kumari

17. UTTAR PRADESH

(Any five —do—)

1. Brindaban
2. Nandmehar
3. Naimisharanya
4. Kampil
5. Rishikesh
6. Allahabad
7. Badrinath
8. Kedarnath
9. Gangotri

18. WEST BENGAL

(Any two —do—)

1. Ganga Sagar
2. Madhopur-Satara
3. Mayapur

Introduction of Group Saving Linked Insurance Scheme for the Employees of Central Silk Board

837. SHRI R.P. DAS : Will the Minister of TEXTILES be pleased to state :

(a) whether Government have accorded approval for the introduction of Group Saving Linked Insurance Scheme to the employees of the Central Silk Board; and

(b) if so, the date from which it will be introduced ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) Not yet, Sir.

(b) Does not arise at this stage.

India's Trade Deficit During 1985-86

838. SHRI LALSHMAN MALLICK :
SHRI ANIL BASU :

Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that India trade deficit soared to Rs. 2,109 crores in the first quarter (April-June) of 1985-86 as against Rs. 1,255 crores in the corresponding period of 1984;

(b) whether it is also a fact that there has been a continued surge in import in June, taking the deficit from Rs. 1,515 crores in April-May to Rs. 2,109 crore by the end of June; and

(c) if so, the reaction of Government in this regard ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) Yes, Sir. India's trade deficit, during April-June 1985 on the basis of provisional figures, amounted to Rs. 2,109 crore as compared with the revised figure of Rs. 1,255 crore in the corresponding period of the previous year.

(b) Yes, Sir.

(c) All possible efforts are being made to boost exports and encourage efficient import substitution.

Custom Duty on Imported Pot Pen-G as a Drug and as an Intermediate

840. DR. KRUPASINDHU BHOI : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the rate of customs duty is different if Pot Pen-G is imported as a drug and if imported as an intermediate;

(b) whether it is also a fact that Government have fixed the price of 6 APA manufactured out of this taking into account 100 per cent import duty; and

(c) if so, how Government justify the fixation of price of this vital drug intermediate ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). Potassium Penicillin G First Crystals are subjected to a customs duty of 110% advalorem and pharmacoepial grades of penicillins, if imported, are subject to a custom duty of 100% advalorem. The price of 6-APA has been fixed on the basis of the price of Potassium Penicillin G First Crystals produced locally.

High Rate of Custom Duty on Drug Intermediates Vis-A-Vis Final Bulk Drug

841. SHRI B.B. RAMAIAH : Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No. 4033 on 23 April, 1985 regarding indigenous production of drugs in small scale sector and state :

(a) the steps taken by Government to remove the barrier of high customs rate of duty on drug intermediates in relation to import of the final bulk drug; and

(b) the reasons for Government not giving a general exemption to all drug intermediates in view of saving in foreign exchange involved in giving this exemption ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). Drugs fall within Chapter 29 or 30 of the

First Schedule to the Customs Tariff Act, 1975 and drug intermediates generally fall within Chapter 29 of the First Schedule. While the general statutory basic duty on items covered by these Chapters is 100% advalorem, drugs generally carry an effective basic duty of 60% advalorem, and drug intermediates 70% advalorem. Auxiliary duty at the rate of 40% advalorem and additional (countervailing) duty equal to Central Excise duty are leviable in addition. However, duty on various specified drugs and drug intermediates has been reduced in consultation with the administrative Ministry concerned and notifications issued in this respect from time to time have been laid on the Table of the House with Explanatory Memoranda setting out the reasons for such exemption. As while granting exemption on drug intermediates various factors including their alternative uses, indigenous availability, consumption-factors and actual incidence of duty are taken into account, in has not been found possible to give general exemption from customs duty to all the drug intermediates imported into the country.

Textile Export to U.S.A.

842. SHRI C. JANGA REDDY :

DR. A.K. PATEL :

Will the Minister of TEXTILES be pleased to state :

(a) whether USA has imposed curbs on imports of textiles to that country;

(b) if so, to what extent it will be detrimental to India's textile exports to USA;

(c) nature of preparations being made for formulating the Indian position with reference to MFA (Multi-Fibre Arrangement) 1986;

(d) Indian position as reflected in negotiation with other LDCs; and

(e) how much has been Indian textile exported to USA in each of the last three years and the current year ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) and (b). No, Sir. However, a Bill has been passed in the U S. Senate on November 14, 1985 which inter-alia seeks to freeze textile imports from India and a few other countries into USA for 1985 at 1984 level and allow only an annual growth at the rate of 1 per cent instead of 6-7% as existing at present. The Bill is yet to be approved by the US President.

(c) and (d). India's stand has been formulated taking into account of our competitiveness and the views of other exporting countries. The position taken is that derogation from the normal rules of GATT inherent in the discriminatory regime of the MFA should be terminated.

(e) The value of textiles exports to USA from India during the current year and also the earlier three years is given in the following table :—

(Rs. crores)

Item	1982	1983	1984	1985 Jan.- Sept.)
Readymade Garments	138.49	225.88	291.46	285.02
Fabrics, Made-ups and Yarn of Cotton, Woolen, Synthetic and Silk.	38.10	53.53	118.83	94.75

Source : *Export Promotion Councils*

Check on Increase in Price of Silk Yarn at Varanasi

843. SHRI ZAINUL BASHER : Will the Minister of TEXTILES be pleased to state :

(a) whether his Ministry is aware that despite the assurance given by the Textile Minister that silk yarn prices will not be

allowed to increase at Varanasi, the silk Yarn prices have registered an increase of about 20 per cent; and

(b) if so, the actions being taken to keep a check on silk yarn prices in Varanasi?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) and (b). Government had received representations about increase in prices of some varieties of silk yarn at Varanasi. The Central Silk Board was therefore directed to arrange for regular supplies of silk yarn by Karnataka Silk Marketing Board to their Depot at Varanasi. In pursuance of this directives, the Board arranged to send 5 tonnes of silk yarn to Varanasi in August/September, 1985. An additional quantity of 2 tonnes has been sent to Varanasi in 1st week of November. Further, the Central Silk Board has already placed confirmed orders for import 25 tonnes of raw silk for distribution under its Price Stabilisation Scheme.

Unauthorised Purchase of Beef Tallow by Hindustan Lever Ltd.

844. SHRI INDRAJIT GUPTA : Will the Minister of COMMERCE be pleased to state :

(a) whether Hindustan Lever Limited has given any answer to the show cause notices issued to it in connection with the unauthorised purchase of beef tallow by it; and

(b) if so, the details thereof?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) Yes, Sir.

(b) The company in their replies, has stated that it is neither a licensee nor an importer in respect of goods forming subject matter of notices and that there has been no contravention of Imports (Control) Order.

Construction of Hotel by India Tourism Development Corporation in Andhra Pradesh

845. SHRI K.S. RAO : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) whether it is a fact that India

Tourism Development Corporation has a plan for construction of hotels in Andhra Pradesh;

(b) whether it is also a fact that the State Government have not extended their assistance in this regard;

(c) the details of the projects in this regard; and

(d) when each of the projects is likely to be completed?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT) : (a) ITDC has a lumpsum provision of Rs. 5 crores in its Seventh Plan for joint venture schemes. Such scheme can be worked out in Andhra Pradesh also if proposals are received from the State Government/State Tourism Development Corporation subject to satisfactory feasibility study.

(b) to (d). ITDC's proposal for setting up a joint venture hotel at Hyderabad in collaboration with Andhra Pradesh Tourism Development Corporation during the Sixth Five Year Plan was dropped in May, 1983 at the instance of the State Government.

Proposal of Indian Banks to Link "SWIFT"

846. DR. B.L. SHAILESH : Will the Minister of FINANCE be pleased to state :

(a) whether Government have cleared the proposal of the Indian Banks to link with society for Worldwide Interbank Financial Telecommunication (SWIFT) to speed up the processing of their international transactions;

(b) if so, which of the banks—Indian and foreign—have been allowed to come 'SWIFT' members;

(c) the terms and conditions regulating the linking up of the Indian and foreign banks with 'SWIFT';

(d) the role assigned to the Reserve Bank of India in monitoring and foreign banks with 'SWIFT';

(e) the precautionary measures taken

or being taken against any mal-practices by the Indian and foreign banks in the matter of foreign exchange dealings ?

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

(a) Reserve Bank of India has reported that 24 Indian banks and 7 foreign banks operating in India are being allowed to become members of SWIFT.

(c) to (e). An Implementation Committee is being set up by the Reserve Bank of India to examine the terms and conditions regulating the linking up of Indian and foreign banks with SWIFT. It will also look into the role that should be carried out by the Reserve Bank of India in the monitoring of these operations and the precautionary measures that should be taken for prevention of possible mal-practices.

[Translation]

Transhipper Facility for Export of Iron Ore from Mormugao Port

847. SHRI JAGANNATH PRASAD : Will the Minister of COMMERCE be pleased to state :

(a) whether Mormugao Port does not have the requisite facility of transhipper for exporting iron-ore to foreign countries;

(b) if so, the efforts being made by the Ministry to make available transhipper at the port as per the requirement; and

(c) the time by which same will be made available ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) No, Sir. Mormugao Port does have the requisite facility of transhipper for exporting iron ore to foreign countries.

(b) and (c). The questions do not arise.

[English]

Excise Duty Pending from Cadburys Chocolates

848. SHRI MANIK REDDY : Will the Minister of FINANCE be pleased to state :

(a) The details of the excise duty pending for realisation from Cadburys, the manufacturers of chocolates;

(b) since when the money is pending for realisation;

(c) whether any show-cause notice has been issued; and

(d) if so, the action taken for the speedy recovery of this money ?

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

Loss in N.T.C. Textile Mills

849. SHRI ANIL BASU : Will the Minister of TEXTILES be pleased to state :

(a) the total accumulated loss of the textile mills run by the National Textiles Corporation;

(b) the factors responsible for such huge loss; and

(c) the steps, if any, taken or being taken to run the NTC mills on a profitable basis ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) National Textile Corporation has incurred losses totalling about Rs. 670 crores from 1974-75 to Sept., 1985.

(b) The major reasons for continuous losses of the mills under NTC are as follows :—

(a) Old and Obsolete machinery;

- (b) under-utilisation of installed capacity due to irregular power supply and power shortage, high cost of captive Power, etc.;
- (c) abnormal increase in cotton prices, particularly from the middle of 1980-81 to 1984-85;
- (d) increase in cost of Power, coal, dyes and chemicals, stores and spares;
- (e) excess labour force;
- (f) increase in wages/salaries;
- (g) poor work norms and low productivity.

(c) Some of the important steps taken/being taken, within the limited resources, to improve the performance of the mills under NTC 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 such losses;
- (iii) to overcome the power shortage, self-generating capacity, has been provided;
- (iv) selective modernisation programme have been adopted for result-oriented gains; for best utilisation of limited resources;
- (v) cost control methods have been introduced for reduction in cost of production at all levels;
- (vi) efforts are being made for reducing the non-operational administrative expenses;
- (vii) workers' participation scheme in the management is being encouraged to achieve higher productivity.

Production and Export of Betel-Leaves

850. SHRI GADADHAR SAHA : Will the Minister of COMMERCE be pleased to state :

(a) the amount of foreign exchange

India earns for betel-leaves export per year;

(b) the names of the countries which are Chief importers of Indian betel-leaves; and

(c) the names of the States which are the principal producers of betel-leaves and the volume of their production ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) According to the provisional figures compiled, export of betel leaves in the last three years has been as under :—

1982-83	Rs. 40 lakhs
1983-84	Rs. 80 lakhs
1984-85	Rs. 74 lakhs

(b) Our exports are mainly to Pakistan, Baharain, Kuwait, Oman, Saudi Arabia, U.K. etc.

(c) Firm figures of area and production in respect of betel-leaves are not available. West Bengal, Tamil Nadu, Karnataka, Andhra Pradesh, Assam, Orissa, Kerala, Bihar, U.P. and Maharashtra are major producers of betel leaves.

Publicity Abroad for Important Tourist Centres

851. SHRI HANNAN MOLLAH : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) whether Government have given publicity about the important tourist centres of our country in the foreign countries;

(b) if so, whether any place from West Bengal is there in such publicity;

(c) if not, the reasons therefor; and

(d) whether Government propose to include some centres from West Bengal in publicity in consultation with West Bengal Tourism Department ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM SHRI H. K. L. BHAGAT : (a) and (b).

Yes Sir. The Department of Tourism through its offices abroad undertakes publicity and promotion of important tourist centers of our country including West Bengal in the major tourist generating markets of the world. West Bengal features prominently in the tourist publicity materials produced by this Department. The statement given below contains a list of such materials.

(c) Dose not apply.

(d) In order to devise a scheme for joint publicity by State Governments including West Bengal and the Central DOT the Department would need to obtain from each State Government indications about funds that can be contributed by them towards such joint publicity and details of campaigns that they would wish the scheme to cover.

Statement

1. West Bengal Brochure
2. Calcutta Brochure
3. Discover Calcutta and The East Brochure
4. Calcutta Directory
5. Durgapur, Vishnupur, Shanti Niketan Directory
6. Darjeeling, Sillguri, Kalimpong Directory
7. India Brochure
8. Purvi Bharat (Hindi) Brochure
9. Hamara Bharat (Hindi) Brochure
10. Gourmet's Delight Folder

11. Darjeeling, Kalimpong, Gangtok folder

12. Shopper's Paradise folder

13. Conference Directory

14. India Right Place Map

15. Discover India Folder

16. India-Craft Shop of the World Brochure

17. India-Heritage of Music Brochure

18. India-Heritage of Dance Brochure

19. Trekking Brochure

20. Calcutta Folder

21. Wildlife Folder

22. Conducted Sight Seeing Tours Directory

23. Museums and Art Galleries Directory.

Credit Deposit Ratio of Nationalised Banks

852. **SHRI AJIT KUMAR SAHA** : Will the Minister of FINANCE be pleased to state :

(a) the State-wise deposits of the nationalised banks as on 30th June, 1985: and

(b) the State-wise credit-deposit ratio of the nationalised banks as on 30th June, 1985 ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJRY) : (a) and (b). As per latest available data, State-wise deposits and credit : deposit ratio of nationalised banks at the end of December 1984 is set out in the statement below.

Statement

State-wise Deposits and Credit : Deposit Ratio of Nationalised Banks as at the end of December 1984.

(Amount in Rs. crores)

S. No.	Name of the State	Deposits	Credit : Deposit Ratio (%)
1	2	3	4
1.	Haryana	894.67	68.1
2.	Himachal Pradesh	263.59	45.9
3.	Jammu and Kashmir	214.59	36.7
4.	Punjab	2751.16	47.5
5.	Rajasthan	835.87	66.2
6.	Chandigarh	333.71	82.9
7.	Delhi	4283.46	55.1
8.	Assam	490.73	49.7
9.	Manipur	14.91	66.3
10.	Meghalaya	57.31	20.9
11.	Nagaland	29.35	26.1
12.	Sikkim	4.93	28.6
13.	Tripura	39.44	68.6
14.	Arunachal Pradesh	2.19	42.0
15.	Mizoram	5.98	18.7
16.	Bihar	1950.51	34.3
17.	Orissa	478.94	77.6
18.	West Bengal	4575.94	48.4
19.	Andaman and Nicobar Islands	7.12	31.5
20.	Madhya Pradesh	1373.64	59.1
21.	Uttar Pradesh	4539.10	42.9
22.	Gujarat	3597.42	51.0
23.	Maharashtra	8525.34	97.0
24.	Dadra and Nagar Haveli	3.72	62.4
25.	Goa, Daman and Diu	450.77	37.0

1	2	3	4
26. Andhra Pradesh		2353.57	76.5
27. Karnataka		2334.99	79.8
28. Kerala		1180.83	65.4
29. Tamil Nadu		2837.76	89.3
30. Lakshadweep		2.58	20.5
31. Pondicherry		66.61	55.4
ALL-INDIA		44500.73	65.0

**Expansion of Lending to India by
World Bank**

853. SHRI P.R. KUMARAMANGALAM :

SHRIMATI N.P. JHANSI
LAKSHMI :

Will the Minister of FINANCE be
pleased to state :

(a) whether according to the World Bank, India's performance has been laudatory in respect of repayments of credits leading to expansion of lending to the country during next three years;

(b) whether it is a fact that the World Bank has been putting certain conditions which have been not in the best interest of suppliers and manufacturers of Indian goods; and

(c) whether Government will ensure prudent use of any future World Bank loans on hard self-generating industrial projects and not on soft projects in food, dairying and agriculture for which largely indigenous resources and funds are needed for services and supplies ?

THE MINISTER OF STATE IN THE
MINISTRY OF FINANCE (SHRI
JANARDHANA POOJARY) : (a) Yes,
Sir The World Bank has been appreciative
of India's economic performance.

(b) The World Bank has not imposed
any condition against the interest of Indian
suppliers and manufacturers,

(c) It will not be desirable to deny
credits to sectors like agriculture and
dairying since the quantum of private
investment in these sectors is not adequate.

**National Convention of Economists and
Social Scientists**

854. SHRI ZAINAL ABEDIN : Will the
Minister of FINANCE be pleased to
state :

(a) whether it has been brought to
his notice that a national convention of
economists and social scientists was held in
Delhi on 31st August and 1st Sept., 1985;

(b) whether he is aware that after two
days of deliberations the convention adopted
for circulation;

(c) if the reply to (a) and (b) above be
in the affirmative, whether it is a fact that
the convention spent out an alternative
economic strategy for sustained growth of
the economy with stability; and

(d) the details of the alternative strategy
and Government's reaction thereto ?

THE MINISTER OF STATE IN THE
MINISTRY OF FINANCE (SHRI
JANARDHANA POOJARY) : (a) to (d).
The Hon'ble Member is presumably
referring to the two-day meeting of some
economists in Delhi on "Current Economic
Policies and Alternatives" on 31st August
and 1st September 1985. According to
Newspaper reports, the plan worked out by
the economists calls for setting up an annual

fund of Rs. 10,000 crores to be utilised for employment generation through development programmes. The suggestions to raise the fund include direct taxation of the rural and mopping up of the part of the black money through taxes.

Government is guided by the policy framework in the Five Year Plans. The National Development Council at its recent meeting has approved the strategy of economic development in the Seventh Five Year Plan 1985-1990.

Loans Sanctioned and Disbursed by Financial Institutions

855. SHRI SYED MASUDAL HOSSAIN : Will the Minister of FINANCE be pleased to state :

(a) the State-wise loans sanctioned and disbursed by each term lending financial institution as on 31st March, 1985; and

(b) the share of each State (in percentage) in the total disbursement by each term lending financing institution ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANANA POOJARY) : (a) and (b). Available information as at the end of March 1985, relating to the All-India term lending institutions viz., Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI) and Industrial Credit and Investment Corporation of India (ICICI) is set out in Statements-I and II given below.

Statement-I

State-wise/Institution-wise assistance sanctioned up to end March, 1985

(Rs. in crores)

S. No.	State	Cumulative up to end-March, 1985		
		IDBI	IFCI	ICICI
1	2	3	4	5
1.	Andhra Pradesh	1234.85	248.20	236.83
2.	Assam	131.08	25.70	16.56
3.	Bihar	392.01	63.46	109.98
4.	Gujarat	1904.18	252.30	425.08
5.	Haryana	453.53	77.00	82.64
6.	Himachal Pradesh	157.08	26.64	18.06
7.	Jammu and Kashmir	146.46	13.66	7.65
8.	Karnataka	1052.84	173.06	214.15
9.	Kerala	482.31	81.10	56.21
10.	Madhya Pradesh	597.87	98.30	127.95
11.	Maharashtra	2029.76	364.79	766.78
12.	Manipur	3.54	—	—
13.	Meghalaya	16.44	2.74	0.54
14.	Nagaland	9.41	0.67	0.17

1	2	3	4	5
15. Orissa		525.87	87.60	86.65
16. Punjab		464.57	100.12	81.65
17. Rajasthan		686.29	138.87	127.93
18. Sikkim		4.94	1.00	—
19. Tamil Nadu		1520.45	201.91	279.44
20. Tripura		9.93	1.16	0.56
21. Uttar Pradesh		1491.73	250.55	189.66
22. West Bengal		776.79	137.06	161.29
23. Union Territories		477.44	51.63	80.53
Total		14569.64*	2397.52	3070.31

*includes assistance of Rs. 37 lakhs sanctioned by IDBI to Bhutan.

Statement-II

State-wise/Institution-wise assistance disbursed upto End-March 1985

(Rs. in crores)

S. No.	State	Cumulative upto End-March, 1984		
		IDBI	IFCI	ICIC
1	2	3	4	5
1. Andhra Pradesh		787.57 (7.8)	161.13 (9.4)	154.87 (6.6)
2. Assam		92.60 (0.9)	16.43 (1.0)	0.51 (0.4)
3. Bihar		236.55 (2.3)	47.82 (2.8)	88.65 (3.8)
4. Gujarat		1300.94 (12.8)	148.79 (8.7)	297.94 (12.8)
5. Haryana		335.34 (3.3)	57.69 (3.4)	63.14 (2.7)
6. Himachal Pradesh		105.43 (1.0)	18.39 (1.1)	11.66 (0.5)
7. Jammu and Kashmir		114.54 (1.1)	4.63 (0.3)	4.56 (0.2)
8. Karnataka		851.48 (8.4)	142.77 (8.4)	180.82 (7.8)

1	2	3	4	5
9. Kerala		350.25 (3.5)	57.88 (3.4)	39.85 (1.7)
10. Madhya Pradesh		396.53 (3.9)	63.23 (3.7)	84.72 (3.6)
11. Maharashtra		1522.96 (15.0)	283.40 (16.6)	625.76 (26.9)
12. Manipur		4.33 (0.04)	— (—)	— (—)
13. Meghalaya		15.53 (0.15)	2.74 (0.2)	0.54 (0.02)
14. Nagaland		7.50 (0.07)	0.65 (0.03)	0.15 (0.006)
15. Orissa		287.51 (2.8)	46.55 (2.7)	45.77 (2.0)
16. Punjab		328.58 (3.2)	78.37 (4.6)	64.03 (2.7)
17. Rajasthan		494.26 (4.9)	93.83 (5.5)	93.73 (4.0)
18. Sikkim		1.85 (0.01)	0.24 (0.01)	0.24 (0.01)
19. Tamil Nadu		1170.30 (11.5)	161.72 (9.5)	230.03 (9.9)
20. Tripura		8.57 (0.1)	1.16 (0.1)	0.55 (0.02)
21. Uttar Pradesh		802.45 (7.9)	186.09 (10.9)	138.00 (5.9)
22. West Bengal		530.11 (5.2)	94.20 (5.5)	128.18 (5.5)
23. Union Territories		393.50 (3.9)	40.05 (2.3)	66.15 (2.8)
Total :		10138.95*	1707.76	2328 85

*Includes assistance of Rs. 25 lakhs disbursed by IDBI to Bhutan.

Note : Figures in brackets indicate percentage to total.

Export of Rice, Sugar, Steel, Cement, Food Production, Fish Meat etc.

856. SHRI BAJU BAN RIYAN : Will the Minister of COMMERCE be pleased to state that quantity and value of exports during the years 1982-83, 1983-84, 1984-85 and 1985-86 (upto September, 1985), of the items namely rice-super fine, fine medium

and coarse variety of rice, sugar, steel, cement other food production, fish meat and other commodities of daily necessities of life ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : A statement is given below.

Statement

Based on the latest available data, the exports in respect of selected items are shown below :

In India's exports of selected items

S. No.	Items	Unit of qty.	1982-83		1983-84 (Prov.)		1984-85 (Prov.)		1985-86 (Preliminary) April-June	
			Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
1. Rice		000T	453.6	217.90	137.0	122.83	180.6	121.68	65.6	47.57
2. Wheat		000T	—	—	2.5	1.29	38.8	11.09	137.7	27.29
3. Fruits and vegetables		Value	—	153.59	—	141.07	—	158.86	—	67.57
4. Cashew Kernels		000T	30.9	135.36	39.1	156.46	32.0	174.48	11.9	53.84
5. Spices		000T	80.2	94.54	85.7	108.40	90.1	172.42	19.0	36.86
6. Sugar and sugar preparations		000T	313.3	65.54	200.9	136.95	105.3	21.74	0.2	0.09
7. Fish and fish preparations		000T	83.8	369.48	80.8	322.47	90.3	335.60	19.7	78.33
8. Meat and meat preparations		value	—	80.48	—	62.47	—	75.46	—	18.05
9. Iron and steel		value	—	50.18	—	45.90	—	61.94	—	12.52
10. Cement		000T	8.5	0.88	7.4	0.71	32.5	3.12	5.8	0.87
11. Tea and mate		Mill. kg.	194.6	369.74	191.5	500.85	215.9	706.57	33.2	101.09
12. Coffee and coffee substitutions		Mill. kg.	76.7	187.13	70.5	182.51	67.8	198.13	16.8	55.16

Source : DGCI and S, Calcutta.

Note : Figures from 1983-84 onwards are provisional/preliminary and subject to revision.

Shortage of Small Denomination Notes and Small Coins in Raniganj Coal Belt

857. DR. SUDHIR ROY : Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware of the fact that due to scarcity of small denomination notes and small coins, the people of Raniganj coal-belt are facing hardships;

(b) if so, whether Government have instructed the concerned authorities to supply small denomination notes and small coins adequately to the State Bank of India, Raniganj to ease the situation; and

(c) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) There have been complaints about shortage of small denomination notes and coins in the area.

(b) and (c). Supplies of small denomination notes and coins are being regularly arranged to State Bank of India, Raniganj consistent with available stocks. The supplies arranged since January 1985 are detailed below :

(Value in thousands of rupees)

Period	Rs.2 notes	Re. 1 notes/ coins	Small coins
January-March 1985	800	275	48
April-June 1985	—	—	116
July-September 1985	1200	475	72
October, 1985	200	1000	—

Reserve Bank of India has instructed their Calcutta Office to keep up regular supplies of small denomination notes and coins to State Bank of India, Raniganj.

Setting up of Currency Note Printing Press at Panagarh in West Bengal

858. SHRI PURNA CHANDRA MALIK : Will the Minister of FINANCE be pleased to state ;

(a) whether any progress has been made in regard to setting up of currency note printing press at Panagarh in West Bengal; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). The site for setting up of new currency note press has been tentatively decided to be Panagarh in West Bengal. The Defence authorities who own the land have sent their offer which is under consideration. An Officer-on-Special Duty has been appointed and he is working on the preparation of a feasibility Report.

Concessions Given to Corporate Sector in Central Budget

859. SHRI MATILAL HANSDA : Will the Minister of FINANCE be pleased to state :

(a) the details of the concessions given to the corporate sector in the Central Budgets for 1984-85 and 1985-86; and

(b) the details of the revenue loss to be incurred (in Rupees) on this account ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The brief particulars of concessions in respect of direct taxes given to the corporate sector through the Finance Act, 1984 and the Finance Act, 1985 are listed in the statement given below.

(b) The net effect of the Budget proposals for the financial year 1984-85 in the field of direct taxes relating to corporate taxpayers was a loss of Rs. 20 crores. The net effect of the Budget proposals for the financial year 1985-86 was a gain of Rs. 248 crores in respect of corporation tax and a loss of Rs. 170 crores in respect of interest tax. The levy of Interest Tax has since been discontinued in respect of interest accruing or arising to scheduled banks after 31st March, 1985.

Statement

Brief particulars of the concessions in the field of direct taxes relating to corporate assesseees given through the Finance Act, 1984 and the Finance Act, 1985.

I. THE FINANCE ACT, 1984 :

- (i) Companies were given an option to make deposits with the Industrial Development Bank of India in lieu of payment of the entire amount of surcharge on income-tax.
- (ii) The monetary ceiling limits laid down in the Income-tax Act, 1961 in respect of allowability of managerial remunerations were raised.
- (iii) The scope of exemption under the Income-tax Act, 1961 in respect of subsidy received by persons engaged in the business of growing and manufacturing tea was enlarged.

II. THE FINANCE ACT, 1985 :

- (i) The rate of income-tax in the case widely-held domestic companies was reduced from 55 per cent to 50 per cent. Closely-held domestic companies were classified as (a) trading and investment companies; and (b) other companies. In the case of a closely-held domestic company, the rate of income-tax was specified at 60 per cent if the company was a trading company or an investment company and at 55 per cent in the case of other closely-held companies. In case of a foreign company, the basic rate of income-tax was reduced to 65 per cent from 70 per cent.
- (ii) The provisions of the Income-tax Act, 1961 relating to incentive for export in the case of both corporate and non-corporate assesseees were modified. The basis on which the concession was allowable was changed from a percentage of turnover to a percentage of the profit derived from export of certain goods or merchandise.

(iii) The Income-tax Act, 1961 was

amended to :

- (a) provide for a deduction in respect of contributions to Special Account with the National Bank for Agriculture and Rural Development made by the corporate and the non-corporate taxpayers;
- (b) omit the provisions relating to disallowance of a part of the expenditure on advertisements, publicity and sales promotion, running and maintenance of aircraft and motor cars and payments made to hotels in the cases of corporate and non-corporate taxpayers;
- (c) extend, by a period of 5 years, the provisions relating to 'tax holiday' granted in respect of a new industrial undertaking or a ship or the business of a hotel;
- (d) provide for a spread-over of the deduction in respect of any lump sum consideration paid by the assesseees for acquiring any know-how for use for the purposes of his business;
- (e) omit the provisions relating to partial disallowance of interest paid by certain companies;
- (f) include within the definition of 'company in which the public are substantially interested', a company carrying on the business of acceptance of deposits from its members as its principal business and declared by the Central Government under section 620A of the Companies Act, 1956 to be a *Nidhi* or a mutual benefit society; and
- (g) Provide for deduction in respect of provisions made by banking companies for bad and doubtful debts.

- (iv) The levy of interest tax has since been discontinued in respect of interest accruing or arising to scheduled banks after 31st March, 1985.

Promotion of Tourism in Punjab

860 SHRI BALWANT SINGH RAMOO-WALIA : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) the number of tourist centres looked after by his Ministry in Punjab;

(b) whether there are any proposals for promotion of tourism in Punjab, if so, the details thereof; and

(c) whether there are any proposals to give financial help to Punjab Government for promotion and development of tourism industry in Punjab ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H. K. L. BHAGAT) : (a) The Deptt. does not look after any tourist centre in the country. However, the Deptt. provides financial assistance to the States for development of infrastructure facilities for the tourist places on the basis of inter-se priority and availability of funds. The Deptt. in consultation with the State Government has identified 14 tourist centres in Punjab for phased development through the combined resources of the Centre, the State and the Private Sector.

(b) and (c). The Deptt. has received proposals for the financial assistance for providing facilities at Ropar, Kartarpur and Sirhind which have been examined and the State Government has been requested to furnish some more details before these can be processed further.

Export of Wheat on Barter Basis to African and Asian Countries

861. SHRI CHITTA MAHATA : Will the Minister of COMMERCE be pleased to state :

(a) whether Government propose to export wheat on barter basis to certain

African and South East Asian countries; and

(b) if so, the details thereof ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) and (b). There is at present, no specific proposal for export of wheat on barter basis to certain African and South East Asian Countries.

Export of Flue Cured Virginia Tobacco and Oil Cakes to EEC

862. SHRI SRIHARI RAO : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that European Economic Community have shown great interest in the flue cured Virginia tobacco and oil cakes of India;

(b) whether EEC have also expressed that both these products have great potential for export; and

(c) if so, the reaction of Government to this proposal of EEC and details of terms settled if any ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) No, Sir.

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

Export of Indian Fruits and Vegetables

863. SHRI M. RAGHUMA REDDY : Will the Minister of COMMERCE be pleased to state :

(a) whether he is aware that some of the Indian fruits and vegetables are 'craze' in the foreign countries;

(b) if so, the details of the fruits and vegetables being exported at present and the countries which are importing Indian fruits and vegetable for the last three years;

(c) the details of foreign exchange earned during the said period year-wise and country-wise; and

(d) the steps taken by Government to

improve the quality as also the quantity of fruits and vegetables exported ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) There is a preference for Indian fruits and vegetables, particularly the Alphonso mangoes as well as some select vegetables like Bhindi particularly in West Asian markets.

(b) and (c). Fruits exported include mangoes, Pineapple, Guava and Cheeku. Vegetables exported include Bhindi, Beans, Aubergenes, Karela, Tinda and other assorted vegetables and onions.

The fruits and vegetables exported to major destinations during the last three

years along with foreign exchange earned are given in the statement below.

(d) Government has taken a number of measures to increase the exports of fruits and vegetables. These include, cash compensatory support, import replenishment to registered exporters, facility of duty drawback, assistance for market development, periodic dialogues with the State Agriculture Export Commissioners for increasing the production of agricultural products. In addition Institutional changes like setting up of Agricultural Products Exports Development Authority (APEDA) are envisaged National Horticulture Board has been set up under Ministry of Agriculture for integrated development of horticulture industry.

Statement

Exports of Indian fruits and vegetables

Country	Quantity : M. Tonnes Value : Rs. lakhs.					
	1982-83 (Prov.)		1983-84 (Prov.)		1984-85 (Prov.)	
	Qty.	Val.	Qty.	val	Qty.	Val.
WEST ASIA						
Bahrain	2,000	77	4,258	144	7,285	215
Kuwait	6,471	242	12,385	463	21,400	643
Oman	810	27	996	42	1,045	51
Qatar	1,300	30	2,537	97	4,930	199
Saudi Arabia	11,250	538	15,200	735	8,740	642
U.A.E.	59,270	1,314	90,900	2,162	102,701	2,200
Yemen PDR	2,350	53	—	—	890	20
SOUTH ASIA AND USSR						
Malaysia	50,682	930	38,735	859	57,728	1,774
Singapore	11,816	217	14,213	325	21,847	458
Sri Lanka	6,920	146	12,022	259	51,352	1,250
USSR	34,797	799	5,748	130	—	—

**Request for Government of Orissa for
Increase in Procurement Price of Raw Jute**

864. SHRI SRIBALLAV PANIGRAHI :
Will the Minister of TEXTILES be pleased
to state :

(a) whether Government of Orissa have
approached Union Government to increase
the procurement price of raw jute from
existing Rs. 231 per quintal to provide a
remunerating prices to the growers in
Orissa; and

(b) if so, the reaction of Government
thereon ?

THE MINISTER OF STATE OF THE
MINISTRY OF TEXTILES (SHRI
KHURSHID ALAM KHAN) : (a) The
matter was raised by officials of the Govern-
ment of Orissa during the meeting to discuss
procurement plan held at Bhubneshwar on
13-9-1985 with Chairman cum-Managing
Director, Jute Corporation of India.

(b) Minimum support prices are fixed
by Government taking into account the
recommendations of the Commission for
Agricultural Costs and Prices every year.

Export of Agricultural Items

865. SHRI SATYENDRA NARAYAN
SINHA : Will the Minister of COMMERCE
be pleased to state :

(a) whether Agricultural Commissioners
in the States will be put in charge of locating
agricultural commodities for exports and
promoting their production for this purpose;
and

(b) if so, the main items of agricultural
exports Government are planning ?

THE MINISTER OF COMMERCE
(SHRI ARJUN SINGH) : (a) Yes, Sir.

(b) The main items of agricultural
exports identified are cereals such as rice
and wheat, tobacco, cashew, spices inclu-
ding cardamom and pepper, oil meals,
fruits and vegetables and processed foods.

Export of Foodgrains at Low Price

866. SHRI AMAR ROYPRADHAN :
Will the Minister of COMMERCE be
pleased to state :

(a) whether it is a fact that Government
have decided to export food grains at price
even below the cost price;

(b) if so, the details thereof;

(c) whether Government would also
supply foodgrains at the same price to the
people of the country; and

(d) if so, the details thereof and if not,
the reasons therefor ?

THE MINISTER OF COMMERCE
(SHRI ARJUN SINGH) : (a) No, Sir.

(b) Does not arise.

(c) and (d). Supply of wheat and rice
through public distribution system is
already being made at subsidised rates.

Import of Corn

867. SHRI CHINTAMANI PANI-
GRAHI : Will the Minister of COMMERCE
be pleased to state :

(a) whether is a fact that starch
industry is facing a shortage of corn, the
basic input material following drought
conditions in many States;

(b) whether prices of corn have gone
up to around Rs. 170 per quintal in the new
season as against Rs. 130 per quintal last
year;

(c) if so, whether Government propose
to import corn in view of the low price of
corn—Rs. 120 per quintal in the interna-
tional market; and

(d) if not, the justification thereof and
the measures Government propose to take
to meet the shortfall ?

THE MINISTER OF COMMERCE
(SHRI ARJUN SINGH) : (a) No, Sir.

(b) Yes, Sir, except in states of

Haryana, Andhra Pradesh and Uttar Pradesh.

(c) No, Sir.

(d) Does not arise, as there is no shortfall.

Central Cottage Industries Emporium

868. SHRI V.S. KRISHNA IYER : Will the Minister of TEXTILES be pleased to state :

(a) how many showrooms of the Central Cottage Industries Emporium are there in the country;

(b) whether it is not a fact that in many States, the State Handicrafts Emporia are also functioning with the result that the showrooms of the Central Cottage Industries Emporia are running under loss; and

(c) whether for Central Cottage Industries Emporia were earning profit or running loss during 1984-85 ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) Central Cottage Industries Corporation of India Limited has four show-rooms in India.

(b) and (c). In many States, State Handicrafts Emporia are also functioning which provide competition to the Central Cottage Industries Corporation. As per provisional figures, the Corporation anticipates losses during the year 1984-85.

Committee to go into the Recent Enhancement of Service Charges by Banks

869. SHRI PRAKASH V. PATIL : Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware that recently the service charges by banks have been enhanced so high that the small, medium and big industries are suffering very heavily;

(b) whether it is a fact that commission

of letter of guarantee has been increased from 1 percent to 1.5 percent per annum and this will make a small scale unit poorer by Rs. 1000 per month, medium scale unit by Rs. 5000 p.m. and large scale unit by Rs. 15000 to Rs. 25000 per month;

(c) whether the industry has urged upon Government to set up a Committee to go thread bare into it and till then suspend collection of the same;

(d) whether similarly other service charges of bank draft, cheques and on ledger folio have been enhanced which the industry will be required to bear;

(e) whether this cost will ultimately be required to be borne by the entrepreneurs and there will be hike in prices; and

(f) when Government propose to set up the Committee ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Public sector banks have revised their charges for services rendered by them to customers. The revisions have been effected with the objective of covering to a substantial extent the costs incurred by the banks in rendering such services.

(b) The rates of commission varied from bank to bank. A comparison is therefore not possible. The extent of increased expenditure will depend upon a unit's availment of such facility from banks and will differ from unit to unit.

(c) Representations have been received by Government/Reserve Bank of India about the increase in service charges and about setting up a Committee to examine the increase in the service charges.

(d) The revised service charges cover most of the major services provided by banking industry including those relating to bank drafts, cheques and ledger folios.

(e) The cost of bank charges constitute a small fraction of the total cost of production. Variation therein are, therefore, not expected to affect prices.

(f) The revisions are related to cost inputs of the banks in relation to specific services. No immediate re-examination appears called for.

[Translation]

Setting up a Textile in Barabanki in Seventh Plan

870. SHRI KAMLA PRASAD RAWAT : Will the Minister of TEXTILES be pleased to state :

(a) whether Government are considering setting up of textile mills in Public Sector during Seveth Five Year Plan period;

(b) if so, whether Government propose to set up a textile mill in district Barabanki of Uttar Pradesh; and

(c) if not, the reasons therefor ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) No, Sir. However, one Textils Mill viz. M/s U.P. State Spinning Mills Co. has already been set up as a subsidiary of the State Textile Corporation at Barabanki in Uttar Pradesh.

(b) Does not arise.

(c) There is no provision in the Plan for this purpose.

Takeover of B.I.C. Ltd. and Elgin Mills by Government

871. SHRI RAJ KUMAR RAI : Will the Minister of TEXTILES be pleased to state :

(a) whether Government had taken over the woollen mill (Lal Imli) of B.I.C. Ltd., Kanpur Textile Mills No. I, Elgin Mill No. 2 and Kanpur Textile Mill because these mills were declared sick;

(b) if so, the details regarding efficiency and annual production of each mill after their takeover; and

(c) the amount of profit earned by each mill; and

(d) the percentage of bonus distributed among the workers year-wise after the takeover of these mills ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) The Government acquired all the privately held shares in the British India Corporation Ltd., along with its subsidiaries and assets, through the British India Corporation Ltd. (Acquisition of Shares) Ordinance 1981, with a view to *inter alia*, safeguarding the investments already made and for enabling further investment.

(b) to (d). As tatement giving the required particulars from 1981-82 onwards is given below.

Statement

(Rs. in lakhs)

Year	Cawnpore Woollen Mills, Kanpur (Lal Imli)	New Egerton Woollen Mill Dhariwal (Dhariwal)	Total (BIC)	Elgin No. I	Mill No. II	Total	Cawnpore Textiles Kanpur
1	2	3	4	5	6	7	8
PRODUCTION							
1981-82	1129	875	2004	1256	1331	2587	978
1982-83	1207	1018	2225	1354	1244	2598	1006

1	2	3	4	5	6	7	8
1983-84	1212	709	2001	1124	1133	2257	1072
1984-85	1529	1006	2535	1153	1194	2347	1057

CASH PROFIT/LOSS

1981-82	(—)698	(—)535	(+)4
1982-83	(—)889	(—)460	(+)20
1983-84	(—)1201	(—)764	(—)40
1984-85	(—)1349	(—)1044	(—)144

BONUS

1981-82	8.33%	8.33%	8.33% + 1.67%*
1982-83	8.33%	8.33%	8.33% + 3.67%*
1983-84	8.33%	8.33%	8.33%
1984-85	8.33%	8.33%	8.33%

(*ex-gratia bonus)

[English]

Facilities to Foreign Tourists to Pay Hotel Bills in Indian Currency

872. SHRI MUKUL WASNIK : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) whether the foreign tourists who were hitherto required to pay their hotel bills in foreign exchange are to be allowed in certain cases to pay the bills in Indian currency;

(b) if so, the nature of circumstances in which the foreigners can make payments in Indian currency; and

(c) the estimated loss of foreign exchange to the country due to this concession in 1985-86 and 1986-87 ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT) : (a) and (b). Government have decided to modify the provisions regarding compulsory payment

of hotel bills by foreigners in foreign exchange, whereby they will also be able to make payment of hotel bills in Indian Rupees provided such payment is made out of the rupee equivalent obtained from the encashment of foreign exchange or travellers' cheques through authorised agents. A formal notification is to be issued.

(c) As the payments in Indian currency will be made out of the rupees obtained from the encashment of foreign exchange, the question of any loss of foreign exchange to the country does not arise.

Proposal for Andaman being Declared as Free Port

873. SHRI BRAJAMOHAN MOHANTY : Will the Minister of COMMERCE be pleased to state :

(a) whether there is any proposal under consideration for declaring Andaman as a free port;

(b) whether the non-resident Indians have offered to undertake the responsibility to set up the free port;

(c) whether any estimate of expenditure for infrastructural development to allow international business has been made;

(d) if so, the details thereof; and

(e) whether Government are aware that a large section of Indian businessmen in Hongkong are enthusiastic to come to Andaman?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH): (a) to (e). Some interest has been shown by some of the Non-resident Indians for Andaman and Nicobar Islands being developed as a free port. No firm estimates of expenditure involved in the development of the project have been made so far. No specific offer has been received from NRIs for investment in the project nor for development of infrastructural facilities.

[Translation]

Export of Railway Coaches

874. PROF. NIRMALA KUMARI SHAKTAWAT :
SHRI ANANTA PRASAD SETHI :

Will the Minister of COMMERCE be pleased to state :

(a) whether India is increasing the export of railway coaches and if so, the number of coaches exported, country-wise and the amount of foreign exchange earned during the last three years; and

(b) whether Government propose to phase out the existing dilapidated coaches?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH): (a) Exports of railway coaches from India during the last three years are given below :

Year	Country	Number	Value (Rs. crores)
1982-83	—	—	—
1983-84	—	—	—
1984-85	—	—	—
	(a) Mazambique	15	1.58
	(b) Banglades	9	1.06
	Total	24	2.64

(b) All coaches in service are given the prescribed maintenance schedules/overhaul to keep them in good condition. Coaches which are uneconomical to repair are condemned.

[English]

Setting up of Steel Plant at Goa by Indian-Born Industrialist

875. SHRI H.N. NANJE GOWDA :
SHRI G.S. BASAVARAJU :

Will the Minister of STEEL AND MINES be pleased to state :

(a) whether any Indian-born industrialist and presently settled in a foreign country, has offered Government to set up a steel plant at Goa;

(b) if so, the details thereof;

(c) whether Government have taken any decision in the matter;

(d) whether setting up of a steel plant at Goa would adversely affect the steel plants operating in the private sector and public sector in the country; and

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

THE MINISTER OF STEEL AND MINES (SHRI K.C. PANT): (a) and (b). Yes, Sir. An Indian born industrialist based in London has offered to set up a one million tonne capacity steel plant at Goa, based on direct reduction of iron together with electrical steel melting.

(c) to (e). The proposal received on the subject is under examination.

Reduction in Cost of Steel Production

876. SHRI V. SREENIVASA PRASAD :
DR. G.S. RAJHANS :
SHRIMATI KISHORI SINHA :

Will the Minister of STEEL AND MINES be pleased to state :

(a) whether there is a proposal under

the consideration of Government to reduce the cost of steel production in the country;

(b) if so, whether recently he had talks with the Chief Executives and Operation Managers of Steel Authority of India to reduce the cost of steel production in the country;

(c) if so, the details thereof; and

(d) the steps contemplated by Government to improve the condition of steel plants ?

THE MINISTER OF STEEL AND MINES (SHRI K.C. PANT) : (a) to (d). Government expects its public sector managements to constantly make efforts to contain the costs of production. At a meeting held on October 16, 1985, the Chief Executives of the integrated steel plants of SAIL were advised that keeping costs down should be one of their major objectives.

Cost of production is expected to be controlled through higher production and productivity, better utilisation of capacities, better technological norms, saving in energy utilisation and containment of labour costs. These objectives will be achieved in the VII Plan through technological upgradation, better maintenance and debottlenecking of the plants.

The following measures, some of which are of a continuing nature, have been taken by SAIL to control the costs of production :

- (i) There is regular monitoring of cost of production both at the corporate and plant level. The variances are brought to the notice of management and discussed for corrective action.
- (ii) The Corporate management has laid greater emphasis on the need to reduce cost of production by stressing necessity for optimal utilisation of available sources within the organisation.
- (iii) The costs like overtime, demurrage are being controlled through strict monetary limits,

(iv) SAIL has drawn up programmes of Energy conservation. These have been discussed at the Board level for implementation.

(v) A programme of modernisation is being undertaken to improve the condition of the plants.

These efforts are in the direction of bringing all round cost consciousness among officers and workers at all levels.

D. A. to Public Servants

877. SHRI P.R. KUMARAMANGALAM

SHRI CHINTA MOHAN :

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the Dearness allowance paid to Central Government employees does not neutralise the hikes in prices of essential goods; and

(b) if so, whether Government propose to suitably revise the present periodicity of one year and 8 points as is being done by L.I.C., banks and other public sector units ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Under the present scheme of Dearness Allowance, full neutralisation is ensured to Central Government employees receiving pay upto Rs. 400/- and 75% neutralisation for those getting pay of Rs. 400/- and upto Rs. 1000/-. The level of neutralisation tapers off at senior levels.

(b) No proposal for changing the present scheme is under consideration.

Purchase Centres for Jute in Bihar

878. DR. G.S. RAJHANS : Will the Minister of TEXTILES be pleased to state :

(a) whether in spite of repeated announcement by the Union Government, the Jute Corporation of India (JCI) and Bihar State Cooperative Marketing Union have

not opened adequate number of purchase centres in the jute growing areas of the State;

(b) if so, whether the Union Government have inquired as to why adequate number of purchase centres have not been opened by the agencies in Bihar;

(c) whether the State Government have demanded any financial assistance for this purpose; and

(d) if so, what and when adequate number of purchase centres of jute will be opened in Bihar state?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) to (d). There are at present 38 purchase centres in Bihar. 26 purchase centres (including 3 new centres opened this season) are run by the Jute Corporation of India and 12 purchase centres are run by Bihar State Cooperative Marketing Union (BISCOMAUN). An Advance of Rs. 1.00 crores has been given to Bihar State Cooperative Marketing Union in two instalments for stepping up purchases of raw jute in Bihar. A total quantity of about 1.75 lakh bales of raw jute have been purchased in Bihar upto 18 November, 1985 and further purchases are in progress.

Steps to Check Wasteful Expenditure

879. SHRI C. MADHAV REDDI :

SHRI K. RAMACHANDRA
REDDY :

DR. CHANDRA SHEKHAR
TRIPATHI :

Will the Minister of FINANCE be pleased to state :

(a) whether in the light of the urgent necessity of resource mobilisation for the Rs. 1,80,000 crores Seventh Five Year Plan, Government are considering ways and means to locate areas of avoidable expenditure; and

(b) if so, the steps contemplated by Government to check wasteful expenditure

in Government Departments and Public Sector Undertakings ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). Measures are taken on a continuous basis to curb in essential and non-productive expenditure. In recent times, Government issued orders banning creation of posts/filling up of vacancies, except in the most exceptional circumstances. Efforts are made through work measurement studies conducted by the Staff Inspection Unit of the Ministry of Finance/Internal Work Study Units in various Ministries/Departments to identify and locate surplus staff and prevent creation of avoidable posts. Measures have also been taken to curb office expenses like those on telephones, Staff cars, consumption of petrol and performance of air journeys by non-entitled officers. Proposals of the administrative Ministries for incurring expenditure above Rs. 3 crores on schemes/projects are scrutinised through the mechanism of Expenditure Finance Committee and Public Investment Board chaired by Secretary (Expenditure) to ensure that only essential and viable schemes are approved for execution.

A Working Group has also been set-up under the Chairmanship of Cabinet Secretary to review all on-going activities and organisations and to discontinue those which have lost their utility. The results of this review will be known in due course.

Instructions have also been issued to various Ministries/Departments to take effective steps to curb non-essential expenditure and effect a minimum of 5% reduction in the total non-Plan provision made in the Budget Estimates of 1985-86.

The Bureau of Public Enterprises have issued instructions on similar lines to the Central Public Sector undertakings.

Assessment of Results of Revised Policy of Income-Tax Assessment

880. SHRI HUSSAIN DALWAI : Will the Minister of FINANCE be pleased to state :

(a) whether Government have made

assessment of the results of revised policy of Government on income-tax assessment;

(b) if so, the progress made in the recovery of taxation; and

(c) whether the strength of staff of the Taxation Department has been reduced in view of tax relief given to the lower income groups ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The revised policy of the Government on Income-tax assessment has been formulated only recently. As such, it is too early to assess its total impact. However, its implementation is being continuously watched.

(b) The collection of income-tax (including Corporation Tax) has considerably increased in comparison to last year. Upto 31st October 1985, it was Rs. 2100.35 crores as against Rs. 1674.45 crores in the same period of last year, thus recording an increase of Rs. 425.90 crores.

(c) No, Sir.

Acute Shortage of Cigarettes

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

(a) whether there is acute shortage of sixty paise cigarettes which are consumed mainly by poor people;

(b) if so, the reasons thereof; and

(c) the steps taken by Government in that regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). After the duty rates on cigarettes were re-structured with effect from the 2nd September, 1985, there were reports of some shortages of cigarettes of certain brands including brands with a declared sale price of sixty paise per ten cigarettes.

Prior to 2-9-1985, the excise duty on

cigarettes varied with every five-paise change in the prices of cigarettes. It was found that some manufacturers of cigarettes were clearing identical brands at two prices, paying duty on the lower price and selling these at the higher price. In order to minimise the scope for such manipulation, the Government introduced a revised duty structure on cigarettes on 2-9-1985 with only five rates of duty, followed by a stipulation that the surface design of each brand of cigarette should be got approved by a central authority. These changes were followed by temporary disruption in the clearance of cigarettes from the factories for some time. Approval has already been granted in the case of several brands of cigarettes including some with a printed sale price of sixty paise per ten cigarettes.

Incentives to Private Sector for Promotion of Tourism

832. PROF. K.V. THOMAS : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) the steps proposed by Government to attract private sector to tourism;

(b) whether Union Government propose to advise the State Governments like Kerala not to levy luxury taxes and building taxes on hotels;

(c) whether Government also propose to take steps to reduce the abnormal electricity charges imposed on hotels; and

(d) whether Government also propose to advise the State Governments to give land at concessional rate or on lease for the construction of hotels in urban areas ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT) : (a) Several incentives are available to the hotel industry. These comprise tax reliefs, grant of institutional loans, interest subsidy, allotment of foreign exchange for publicity, promotion and imports, etc., priority consideration for the various needs of hotels. In addition, the Government is considering a scheme to enhance the rates of interest subsidy from the existing 1% to a maximum of 5%. The details of the scheme are

yet to be finalised. Travel agents and tour operators are also allowed the incentive to import articles up to a fixed percentage of their foreign exchange earnings.

(b) Yes, Sir. The concerned State Governments have already been requested to consider the abolition of Luxury Taxes and Building Taxes levied on hotels.

(c) and (d). These matters concern the State Governments and they are requested from time to time to grant suitable reliefs in these and other matters concerning the hotel industry.

**Central Assistance for Development of
Tourism and Tourist Potential in North
Eastern States**

883. SHRI N. TOMBI SINGH : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) the State-wise break-up of Central financial assistance for the development of tourism during the last three years ending March, 1985;

(b) whether Union Government have made any comprehensive survey of the country's unexploited tourist potential with special reference to the North Eastern States;

(c) if so, the details thereof; and

(d) if not, whether Government propose to make the survey ?

THE MINISTER FOR PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT) : (a) The Department does not make State-wise allocation of funds for tourism development, it only provides financial assistance based on the merits of schemes forwarded by the State Governments. The central assistance provided to the approved schemes under the States/Union Territories in the North Eastern Region during the last 3 years ending upto March, 1985 is below :—

Assam	Rs. 22.09 Lakhs
Arunachal Pradesh	Rs. 16.00 „
Manipur	Rs. 16.16 „
Meghalaya	Rs. 13.48 „
Mizoram	Rs. 6.00 „
Nagaland	Rs. 16.96 „
Tripura	Rs. 7.86 „

(b) to (d). The Department in consultation with the State Governments had identified 441 centres of tourist interest in the entire country for phased development of which 62 centres fall in the North Eastern Region. The centres identified in the North Eastern States are as follows :—

ASSAM	—	Guwahati, Jungalbalahu, Kaziranga, Sibsagar, Barapeta, Baroma, Manas
ARUNACHAL PRADESH	—	Tezpur, Bhalukpung, Bomdila, Tawang
MANIPUR	—	Imphal, Moirang, Koktak Lake, Keibul Lamjao Park, Ukhrul
MEGHALAYA	—	Jorabat, Nongpoh, Barapani, Shillong, Mawngap, Weilo, Jukrem, Mawsynrap, Cherrapunji, Umtyngar, Dawki, Jowai, Nartiang, Passi, Garampani, Haflong, Bajengdoba, Rongram, Tura, Rongrengiri, Siju, Bagmara, Balpakram
MIZORAM	—	Aizawl
NAGALAND	—	Dimapur, Kohima, Wokha, Mokokchung, Tuensang, Zunheboto, Phek
TRIPURA	—	Agartala, Sipahijala, Neermahal, Udaipur, Matabari, Amarapur, Dumbur, Gandachera, Kumarghat, Unakoti, Kailasahar, Jumpai

Import of Edible Oil

884. SHRI K. RAMACHANDRA REDDY : Will the Minister of COMMERCE be pleased to state :

(a) whether Government are aware that due depression in the international edible oil market in the middle of 1984, the State Trading Corporation did not or rather could not purchase or export or even store adequate quantities of edible oils;

(b) whether it is a fact that immediately afterwards, the State Trading Corporation imported edible oil at higher rate prevailing in the international market and incurred heavy losses;

(c) the rates of edible oils prevailing in the international market in the beginning of the year 1984 and those prevailing from September to December, 1984 and rate at which STC purchase edible oil; and

(d) the details of losses incurred by STC in the bargain ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) and (b). It is not correct to state that STC did not or export edible oil in adequate quantities during and depression period. During this period its purchases were more than in previous years.

Immediately afterwards purchases were, also made to meet further requirements. No losses were incurred in this.

(c) The average price of soyabean oil (SBO), RBD Palm Oil (RBD PO) and RBD Palmolein (RBD PL) prevailing in the international market in the beginning of 1984 and those prevailing from September to December, 1984 according to information available with STC were as follows :—

Year and Month	SBO (\$ PMT) ex-Mill Chicago	RBD PO (\$ PMT) FOB Malaysia	RBD \$ PMT FOB Malayasia
1	2	3	4
Jan. 1984	625	1091	128

1	2	3	4
Feb 1984	591	976	108
Sept 1984	575	573	94
Oct. 1984	575	603	23
Nov. 1984	620	622	49
Dec. 1984	570	591	04

It is not in the Commercial interest of STC to disclose the purchase price.

(d) Does not arise in views of (b) above.

**Bank Robbery in Safdarjang Enclave
Branch of Indian Bank**

885. PROF. RAMKRISHNA MORE : Will the Minister of FINANCE be pleased to state :

(a) whether in an armed robbery in the Safdarjang Enclave, Delhi Branch of the Indian Bank an amount of over Rs. 3 lakhs was looted recently;

(b) whether it is a fact that in majority of the nationalised banks particularly those located in the residential areas the security arrangement are inadequate;

(c) if so, what is the machinery, if any, to ensure that the nationalised banks have adequate security arrangements and modern alarm system to check bank robberies;

(d) whether keeping in view the increase in bank robberies Government propose to review the entire system of existing security arrangements in the nationalised banks to remove the deficiencies and to make them foolproof; and

(e) if so, the steps taken by Government in this direction ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Indian Bank has reported that a sum of Rs. 2,87,514 was looted from its Safdarjang Enclave (New Delhi) Branch on 4-10-85.

(b) to (e). A meeting of the Local Heads of the public sector Banks in Delhi, the representatives of the Ministry of Home Affairs and the Commissioner of Police for Delhi, was held on 7th October, 1985 to discuss the question of strengthening the security arrangements in banks' branches in Delhi. The following instructions to banks were reiterated :—

- (i) to observe weekly off days in branches coinciding with the closing day of the market in the area;
- (ii) each branch should have an armed security guard;
- (iii) each bank branch should have a collapsible gate at the entrance properly chained and locked to allow entry/exit to only one person at a time;
- (iv) there should be self-locking wire meshed cabins for Cashiers;
- (v) each bank branch should have a proper alarm system which should not be feeble but should be a loud one; and
- (vi) there should be periodical checking of security arrangements by senior officials of the banks.

Most of the branches of banks in Delhi have implemented the above security arrangements and those which do not have these, are taking steps to provide the same.

Production of Polyester Cotton Through National Textile Corporation

886. SHRI P KOLANDAIVELU : Will the Minister of TEXTILES be pleased to state :

(a) whether there is any proposal before Government for production of polyester cotton blend Raj.vastra through National Textile Corporation;

(b) if so, how much foreign exchange is expected by Government; and

(c) whether production will lead to boom for the textile industry ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) Government have approved a scheme for production of low priced polyester blended fabrics with duty exempt fibre through National Textile Corporation. The said fabrics are being marketed as "Sulabh" fabrics.

(b) The scheme is intended to meet the needs of domestic consumers and hence no foreign exchange earning is envisaged.

(c) The proposed scheme will result in increased production and availability of low priced polyester blended fabrics to the consumers.

Tax Arrears Due from M/s A.C.C. Vickers Babcock Limited

887. SHRI V. TULSIRAM : Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No. 4787 on 23rd August, 1985 regarding tax arrears due from, big business houses and state :

(a) the total amount of tax due from M/s. A.C.C. Vickers Babcock Limited as on 30th June, 1985;

(b) the details of action taken against this business house for avoiding payment taxes;

(c) since when the taxes are due for recovery from the concerned house;

(d) the action taken/proposed to be taken against the officer concerned for their negligence to recover the tax and left it to accumulate in arrears;

(e) whether the tax will be recovered interest thereon; and

(f) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (d). The total tax due from M/s. A.C.C.

Vickers Babcock Ltd. as on 30-6-1985 is as under :—

Asstt. Year	Financial Year in which demand raised	Amount Rs. in lakhs
1979-80	1982-83	24.27
1980-81	1982-83	45.94
1981-82	1983-84	103.50
1982-83	1984-85	195.10
1979-80	1984-85	4.50
Total :		373.31

The business house is extending co-operation in payment of taxes on the basis of the scheme of instalments and hence no action was initiated by Deptt. either against it or concerned officers.

(e) Yes, Sir.

(f) Does not arise.

[Transiation]

Criteria for Opening of Nationalised Banks Branches

888. SHRI K. N. PRADHAN : Will the Minister of FINANCE be pleased to state :

(a) the number of branches of nationalised banks in the country, State-wise, at present; and

(b) the criteria adopted for opening a branch of a nationalised banks ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) State wise distribution of branches of State Bank of India, the seven Associates of State Bank of India and the 20 Nationalised Banks, as on 30th June, 1985, is given in the statement below.

(b) The main objectives of the Branch

Licensing Policy for 1915-90 which has been recently finalised is aimed at achieving a coverage of 17,000 population (1981 Census) per bank office in rural and semi-urban areas of each block and eliminating large spatial gaps in the availability of banking facilities. Under this policy, unbanked pockets in each block will be identified and suitable for centres opening bank offices to cover such unbanked pockets will be selected. The centres will be allowed in such a manner that there would be atleast one rural branch within an area of 200 sq. kms. and a bank branch would, normally, be available within 10 kms.

Statement

State-wise Distribution of branches of 28 Public Sector Banks as on 30-6-1985

Sr. No.	Name of the States/ Union Territories	Number of Branches
1	2	3
1.	Andhra Pradesh	2898
2.	Assam	549
3.	Bihar	2291
4.	Gujarat	2750
5.	Haryana	826
6.	Himachal Pradesh	435
7.	Jammu and Kashmir	223
8.	Karnataka	2481
9.	Kerala	1368
10.	Madhya Pradesh	2244
11.	Maharashtra	3861
12.	Manipur	41
13.	Meghalaya	84
14.	Nagaland	56
15.	Orissa	941
16.	Punjab	1775
17.	Rajasthan	1501
18.	Sikkim	19

1	2	3
19. Tamil Nadu		2654
20. Tripura		58
21. Uttar Pradesh		4150
22. West Bengal		2354
23. Andaman and Nicobar Islands		13
24. Arunachal Pradesh		36
25. Chandigarh		99
26. Dadra and Nagar Haveli		6
27. Delhi		910
28. Goa, Daman and Diu		249
29. Lakshadweep		5
30. Mizoram		17
31. Pondicherry		52
TOTAL		34946

[English]

Seizures of Contraband by Marine and Preventive Wings of Bombay Customs

889. SHRI DHARAM PAL SINGH
MALIK :

SHRI SUBHASH YADAV :

Will the Minister of FINANCE be pleased to state :

(a) whether attention of Government has been drawn to the news-item appearing in the 'Hindustan Times' of 21st October, 1985 wherein it has been stated that contraband worth Rs. 85 lakhs were seized from an Arab dhow by the marine and preventive wing of the Bombay Customs on 20th October, 1985;

(b) if so, the details thereof; and

(c) the action taken by Government in the matter ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). Attention of the Government has been drawn to the news-item referred to in the question. Details relating to the seizures are as follows :—

On 20th October, 1985, the officers of Marine and Preventive Wing of the Customs Preventive Collectorate, Bombay, during the course of sea patrol, intercepted an Arab dhow, 'A L. BHOSHRA' with 247 packages of contraband goods of the coast of South Bombay. On examination, textiles worth Rs. 65.21 lakhs and V.C.Rs worth Rs. 3.77 lakhs were recovered and seized under the Customs Act. The Arab dhow valued at Rs. 5 lakhs, was also seized. The total value of seizures amounts to about Rs. 74 lakhs. In this connection, 7 Pakistani crew members found on board of the vessel were arrested.

As the case is still under investigation, it will not be expedient to disclose further details at this stage.

Export and Import of Sugar

890. DR. T. KALPANA DEVI : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that 1975-76 India exported sugar worth about Rs. 800 crores;

(b) whether it is also a fact that India's role on the sugar front has been reversed and it has now become an importer of sugar;

(c) if so, the reasons for India's inability to export sugar in addition to meeting local demand; and

(d) the steps taken by Government to ensure adequate production of sugar in the country not only for meeting local demand but also for export ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) Exports of sugar during 1975-76 from India amounted to 11.88 lakh metric tonnes valued at Rs. 468.49 crores.

(b) Yes, Sir.

(c) Exports of sugar are decided upon after the domestic demand has been met. Due to increasing demand and fall in production since 1983-84, exportable surplus of sugar has not been available.

(d) Some of the steps taken are as follows :

The statutory minimum price of sugarcane payable by sugar factories for 1985-86 season has been increased from Rs. 14 00 to Rs. 16.50 per quintal linked to a basic recovery of 8.5% with proportionate premium for every 0.1% rise in recovery above this basic level.

In addition the decision to fix the statutory minimum price of sugarcane during the next season 1986-87 at Rs. 17 per quintal linked to 8.3% recovery has also been announced.

A rebate in Excise Duty has been allowed on sugar produced during the months of October and November '85 in excess of the average quantity produced during the corresponding period in the preceding two seasons. The ex factory price of levy sugar for 1985-86 season has been fixed based on the statutory minimum price of 16.50 per quintal of sugarcane. The differential levy price at the rate of Rs. 26 per quintal being allowed to weak units having capacities below 1250 TCD and having plants installed prior to 1-10-1985 has been continued for the current season (1985-86).

Tea Companies to Stabilise Prices

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

(a) whether tea industry in the north has decided to curtail production to arrest further fall in prices as reported in the 'Economic Times' of 30 October, 1985;

(b) if so, whether this year's record production is the third successive year of good output;

(c) whether the decision would substantially affect tea output; and

(d) whether Government have discussed with tea companies ways to stabilise prices and keep these remunerative enough ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) to (d). Tea production was 581 M. kg. and 646 M. kg. in 1983, 1984 respectively. Target for 1985 was fixed at 655 M. kg. On the basis of production figures till September 1985 it appears that the target is likely to be exceeded.

Government is constantly in touch with the industry in order to ensure sufficient availability of tea to the domestic consumers at a price which is reasonable to the consumers and remunerative to the producers.

Losses in N.T.C.

892. SHRI SHARAD DIGHE : Will the Minister of TEXTILES be pleased to state :

(a) whether the number of National Textile Corporation Mills showing gross profit has gone up from 18 in 1984-85 to 50 in August 1985, but the majority of the 125 National Textile Corporation Mills are still incurring losses;

(b) if so, the reasons therefor;

(c) whether the report of the consultant on the National Textile Corporation Organisational Structure has been submitted to the Department of Textiles;

(d) if so, whether the organisation has been characterised as "top heavy"; and

(e) if so, the remedial measures proposed by Government ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) Out of the 123 textile mills in operation under the National Textile Corporation, 52 mills made gross profit and the remaining 71 mills incurred gross losses in August, 1985. 21 mills made gross profit during 1984-85.

(b) The major reasons for continuous

losses of the mills under NTC are as follows :

- (1) Old and Obsolete machinery;
- (2) under-utilisation of installed capacity due to irregular power supply and power shortage, high cost of captive power, etc.;
- (3) abnormal increase in cotton prices, particularly from the middle of 1980-81 to 1984-85;
- (4) increase in cost of power, coal, dyes and chemicals, stores and spares;
- (5) excess labour force;
- (6) increase in/wages/salaries;
- (7) Poor work norms and low productivity.

(c) Yes, Sir.

(d) The consultant has described the National Textile Corporation (Holding Co.) as "top heavy".

(e) While Government monitors the performance of NTC, the NTC (Holding Company) continues to take measures for improving the performance of NTC, partly as a result of which the losses have come down and the number of mills in profit has gone up as mentioned in part (a) above.

Director General of Revenue Intelligence

893. SHRI B.V. DESAI : Will the Minister of FINANCE be pleased to state :

(a) whether his Ministry has created a post of Director General of Revenue Intelligence to co-ordinate tax raids in the four metropolitan cities and large industrial houses;

(b) if so, whether this was one of the comprehensive plans drawn up by the Central Board of Direct Taxes to intensify searches all over the country;

(c) if so, the details of the measures that will be undertaken under this new Director General to coordinate the tax raids; and

(d) whether the Board is also working on a comprehensive legislation to simplify the Income Tax Act ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). No post of the Director General of Revenue Intelligence has been created under the Central Board of Direct Taxes. A post of the Director General (Investigation) has, however, been created in the Income-tax Department with a view to making it more effective in the task of checking tax evasion. The Director General (Investigation) supervises, controls and coordinates the working of the Directorate of Inspection (Intelligence), Directorate of Inspection (Survey) and the four units of the Directorate of Inspection (Investigation), which are engaged in the work of combating tax evasion. He also plays a vital role in search and seizure matters and supervises investigations wherever necessary.

(d) Yes, Sir.

Taking Over of Sick Industries by Financial Institutions

894. SHRI H.M. PATEL : Will the Minister of FINANCE be pleased to state :

(a) whether Government have issued guidelines to financial institutions to process all those sick industries which are loosing concerns to whom they have advanced huge loans and other financial arrangements;

(b) if so, the details thereof;

(c) whether Government have advised the national financial institutions to take over such industries; and

(d) if so, the number of such industries or concerns taken over in 1985 (till September, 1985) ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). Government have been emphasising the importance of strengthening of monitoring

systems for early detection of sickness in industrial units, determination of viability of the units showing signs of sickness and rehabilitation of the viable sick units. The financial institutions keep a close watch over their assisted units as a part of their normal activities.

(c) Government have not advised the financial institutions to take over all sick units to whom they have advanced loans, etc.

(d) Industrial Development Bank of India, Industrial Finance Corporation of India or Industrial Credit and Investment Corporation of India have not taken over the management of any of their assisted sick units during 1985.

Expansion of Spindlages in Non-Backward Areas

895. SHRI K. KUNJAMBU : Will the Minister of TEXTILES be pleased to state :

(a) whether Government will allow expansion of spindlages of the existing non-viable units in the non-backward areas;

(b) whether any final decision has been taken in this regard; and

(c) if so, the details thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) to (c). As per the existing policy issue of fresh Licences in the spinning sector for setting up new units or for expansion of existing ones is, in the ordinary course, restricted to category 'A' Backward districts. However, in such States where there are no such areas issue of licences may also be considered in category 'B' backward regions.

Adverse Effect of New Textile Policy on Art Silk Weaving Power Loom Units in Surat

896. SHRI YASHWANTRAO GADAKH PATIL : Will the Minister of TEXTILES be pleased to state :

(a) whether the new textile policy has adversely effected the art silk weaving powerloom units in Surat causing distress among 25000 powerloom units and one lakh workers; and

(b) the steps taken to solve the problem ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) No, Sir.

(b) Does not arise.

[Translation]

Article Sold and Foreign Exchange Earned by India at International Trade Fair

897. DR. CHANDRA SHEKHAR TRIPATHI : Will the Minister of COMMERCE be pleased to state :

(a) whether India has participated in many international fairs during the last two months;

(b) if so, in how many fairs and in which countries; and

(c) the articles sold by India therein and the foreign exchange earned therefrom ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) Yes, Sir.

(b) and (c). A statement is given below.

Statement

Details of international fairs in which Trade Fair Authority of India organised India's participation during the last two months (September-October, 1985) along with results thereof

(Rs. in lakhs)

S. No.	Name of the fair	On the spot sales	Business booked
1	2	3	4
GENERAL FAIRS			
1.	Tehran International Fair, Tehran (Iran) September 1—12, 1985	—	2100.00
2.	DAGENS HUSHALL—International consumer Goods Fair, Gothenburg (Sweden) September 13—22, 1985	0.50	20.00
3.	Overseas Import Fair, Berlin (FRG) September 25—29, 1985	1.60	1100.00
4.	Budapest Autumn International Fair, Budapest (Hungary) Sept. 27—Oct. 6, 1985	—	35.00
5.	Bucharest Intl. Fair, Bucharest (Romania) Oct. 19—27, 1985	0.17	1000.00
SPECIALISED COMMODITY FAIRS			
6.	Semaine-Du-Cuir Fair, Paris (France) Sept. 7—10, 1985	—	5400.00
7.	6-EMO European Metal Working Exh. (FRG) Sept. 17—25, 1985	—	65.00
8.	SPOGA International Trade Fair of Sports Goods, Camping Equipment and Garden Furniture, Cologne (FRG) Sept. 17—25, 1985	—	100.00
9.	Pret-A-Porter Feminin Fair, Paris (France) Sept. 28—Oct. 2, 1985	—	330.00
10.	ANUGA Food Fair, Cologne (FRG) Oct. 12—17, 1985	—	17100.00
11.	Interstoff—International Trade Fair for Clothing Textiles, Frankfurt (FRG) Oct. 28—30, 1985	—	1000.00

In the above fairs business was conducted for products like heavy machinery, transport equipment, testing measurement, jute and textile machines, machine tools, coffee, food products, marine products, clothing textiles, readymade garments, leather products, sports goods etc.

[English]

Export Potential of Maruti Cars

898. SHRI RAMSWAROOP RAM : Will the Minister of COMMERCE be pleased to state :

(a) whether the export potential Maruti cars has been examined by Government;

(b) whether any negotiations have been entered into with other countries on this regard; and

(c) if so, the results thereof ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) to (c). Maruti Udyog Ltd. are exploring the potential for export of their vehicles to neighbouring and East European Countries. No contracts have been finalised so far.

Exemption from Income-Tax on Grant-in aid given to Regional Film Producers

899. SHRI THAMPAN THOMAS :

SHRI S.M. GURADDI :

Will the Minister of FINANCE be pleased to state :

(a) whether Government have exempted the grant-in-aid given to regional film producers by State Governments from income-tax;

(b) if so, since when; and

(c) whether the film producers have represented to Government complaining the re-introduction of the income-tax on grant-in-aid given by State Governments to regional film producers ?

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

[Translation]

Mock Parliament Programme in Schools

900. SHRI VILAS MUTTEMWAR : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) when the Mock Parliament Programme in schools was introduced with the cooperation of the Ministry;

(b) the results achieved therefrom so far; and

(c) the total expenditure incurred under this head so far ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT) : (a) The Mock Parliament Programme, now called 'Youth Parliament Scheme' was introduced in Higher Secondary Schools of Delhi in the year 1966;

(b) The results achieved so far have been very satisfactory. The Scheme has evoked widespread appreciation and response from student community, parents, Press and Parliamentarians. It has led to inculcating indepth knowledge and appreciation of Parliamentary Procedure and Practices, spirit of discipline and tolerance of views of others, quality of leadership etc. among students. In view of the popularity of the Scheme, a separate Scheme exclusively for Kendriya Vidyalayas has been started since 1983; and

(c) The total expenditure on this head including the financial assistance to State Governments/Union Territory Administrations since 1970-71, when separate booking of expenditure on this account was started, is Rs. 1,68,689,62.

[English]

Imbalance in Trade between India and EEC Countries

901. SHRI VIJAY N. PATIL : Will the Minister of COMMERCE be pleased to state :

(a) the causes of imbalances in the trade between India and EEC;

(b) whether Government have thought of removing the imbalances by adopting liberalised approach to foreign investment from EEC for small and medium sized enterprises;

(c) if so, the steps Government propose to take to get access to European data banks for technical and industrial information; and

(d) when, how and the manner in which it will be done, the details thereof?

THR MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) For a developing economy like India, with high incidence of developmental imports, there would be a tendency of deficit in India's trade with developed countries in EEC. India's export to EEC are also limited by some tariff and non-tariff impediments like textile quota restrictions, etc.

(b) It is the endeavour of the Government to encourage foreign investment in the country, including from the EEC consistent with the country's priorities. The liberalised policy for economic growth implies an improvement in the competitiveness of Indian goods with foreign assistance, wherever necessary.

(c) and (d). It is open to Indian trade and industry to tap, on felt-need basis, the data bank for statistics and information.

Steps to Develop Coffee Industry

902. DR. K.G. ADIYODI : Will the

Minister of COMMERCE be pleased to state :

(a) the steps taken to develop the coffee industry in the country;

(b) the State-wise increase in production for the last five year;

(c) the names of states where production has been introduced and prospects of the same;

(d) the names of the countries where coffee is in demand and the annual requirement of those countries; and

(e) whether there is any increase or decrease in Foreign trade and if there is any decrease, what is the proposal to increase the sale of coffee ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) Coffee Board provides loans and subsidies for various activities connected with coffee cultivation. It has also opened seed multiplications units, coffee demonstration farms, research farms, mobile soil testing units etc. for facilitating increase in coffee production. Coffee Board also plays a predominant role in coffee marketing through the coffee pooling system.

(b) The production figures for the last 5 years in respect of Karnataka, Kerala, Tamil Nadu and Andhra Pradesh are as under :

(Qty. in tonnes)

Year	Karnataka	Kerala	Tamil Nadu	Andhra Pradesh	Other States	Total
1980-81	82125	21043	14978	286	79	118511
1981-82	101882	32628	14858	362	116	149846
1982-83	100075	15375	13970	500	80	130000
(Provisional)						
1983-84	79335	9555	15515	530	65	105000
(Provisional)						
1984-85	127990	46880	14485	475	170	190000
(Provisional)						
1985-86	96000	285000	155000	N.A.	N.A.	140000
(Estimated)						

Variation in production, over the past five years is accounted for by the biennial nature of the coffee crop and a succession of droughts. However, coffee production apart from such variations has been showing a rising trend over the years.

(c) In addition to the traditional coffee growing states of Karnataka, Tamil Nadu and Kerala, coffee cultivation has been introduced in Andhra Pradesh, Orissa, Nagaland, Assam, Mizoram, Meghalaya, Arunachal Pradesh, Manipur and Tripura. As most of the plantation work in these non-traditional states was undertaken in the Seventh Plan, substantial production will materialize only potential for coffee cultivation in non-traditional states at 72000 hectares.

(d) Out of a total annual coffee consumption of about 66 million bags for over thirty coffee consuming countries, about 27 million bags is accounted for by EEC countries and about 19 million bags by USA.

(e) About 90% of world coffee imports are regulated by quotas set by the International Coffee Agreement. India has a quota of 42686 tonnes. India also exports to non-quota markets mainly the USSR. Constant efforts are being made for a larger quota for India as well as increased exports to non-quota markets. In 1985 India's contracting for exports likely to be around

90,000 tonnes, significant over the previous years.

Assistance to Industries from IDBI

903. SHRI E. AYYAPU REDDY : Will the Minister of FINANCE be pleased to state :

(a) the number of industries which have received assistance from the Industrial Development Bank of India in the year 1985;

(b) the total amount cleared by the I.D.B.I. for industrial assistance in the year 1985; and

(c) the State-wise break-up of the industrial units and the amount of assistance received from I.D.B.I. ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (c). During the period 1984-85 (July-June), assistance aggregating Rs. 3616.62 crores was sanctioned by the Industrial Development Bank of India (IDBI) in respect of 82533 applications for setting up various industrial projects. State-wise break-up is shown in the statement given below.

(b) Assistance disbursed (excluding guarantees executed) by IDBI during the above period aggregated Rs. 2085.27 crores.

Statement

Statement showing State-wise break-up of assistance sanctioned by the Industrial Development Bank of India (IDBI) during 1984-85 (July-June)

(Rs. in lakhs)

Sl. No.	State/Union Territory	Number of applications sanctioned/Projects assisted	Amount
1	2	3	4
1.	Andhra Pradesh	6072	28976
2.	Assam	904	3243
3.	Bihar	1545	8132
4.	Gujarat	5906	28139

1	2	3	4
5. Haryana		2462	8514
6. Himachal Pradesh		675	5619
7. Jammu and Kashmir		1120	4889
8. Karnataka		7945	21652
9. Kerala		6389	11236
10. Madhya Pradesh		6898	21490
11. Maharashtra		9979	43427
12. Manipur		8	257
13. Meghalaya		149	479
14. Nagaland		67	245
15. Orissa		1568	23568
16. Punjab		2496	8942
17. Rajasthan		5867	13478
18. Sikkim		71	137
19. Tamil Nadu		8533	28117
20. Tripura		88	99
21. Uttar Pradesh		6304	70216
22. West Bengal		3770	19981
23. Union Territories		3717	10826
Total :		82533	361662

[Translation]

Union Government to stop such practice which is against the policy; and

(d) if no measures have been taken, the reasons therefor ?

Capitalisation of Personal Debts under IRDP and other National Programmes

904. SHRI VIRDHI CHANDER JAIN : Will the Minister of FINANCE be pleased to state :

(a) whether all the nationalised banks and other commercial banks capitalise the personal debts given under Integrated Rural Development Programme and other national programmes by adding interest in the principal after every six months or one year;

(b) if so, whether this practice is not against the basic policies of Government;

(c) if so, the measures taken by the

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (d). Reserve Bank of India has reported that commercial banks generally debit interest to the loan accounts of borrowers at half yearly intervals, as per the normal accepted banking practice. However, in respect of direct short-term agricultural advances, banks have been advised not to compound the interest in the case of current dues i.e. crop loans and instalments not falling due relating to term loans as the agriculturists do not have any regular source of income other than the sale proceeds of their crops. In case, however,

crop loans or instalments under term loans become overdue, banks can add interest outstanding to the principal amount. Instructions already exist that in respect of short-term agricultural advances to small and marginal farmers, the total interest debited to an account should not exceed the principal amount.

[English]

Harassment of Passengers at Trivandrum Airport by the Customs Officials

905. PROF. P.J. KURIEN : Will the Minister of FINANCE be pleased to state :

(a) whether the attention of the Government has been drawn to a series of articles appearing in Malayalam newspaper regarding the harassment of passengers at the Trivandrum airport by the Customs Officials and the corrupt practices being indulged in by these officials; and

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

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). Certain articles appearing in a Malayalam daily "Mathrubhoomi" alleging harassment of passengers and corrupt practices being indulged by Customs Officials at Trivandrum Airport have come to the notice of the Government. On investigation the allegations were found to be essentially of a general nature not warranting disciplinary proceedings against the staff. However, steps have been taken to intensify supervision so that clearance processes are expedited and no malpractices are indulged in by the staff. The position is also kept under watch from the vigilance point of view for appropriate action.

To avoid hardship and harassment to passengers, Customs staff posted at the airport have been instructed to clear the passengers on the basis of their declaration. Examination of baggage is resorted to only in cases of suspicion and such examination is carried out under the supervision of senior officers.

Grant Recommended by Eighth Finance Commission to Jammu and Kashmir for Leh District

906. SHRI P. NAMGYAL : Will the Minister of FINANCE be pleased to state :

(a) the total amount as grant recommended by Eighth Finance Commission to Jammu and Kashmir for creation of infrastructure etc.;

(b) whether out of the above amount, Rs. 2.48 crores has been recommended exclusively for Leh district for creation of infrastructure etc.;

(c) whether the State Government have decided to allot 50 per cent of amount recommended for Leh district to Kargil district which had not put forth any proposal for creation of such infrastructure;

(d) whether this has jeopardised all the schemes put forth by Leh district administration for creation of various infrastructure; and

(e) if so, whether Union Government propose to allot a special similar grant for Kargil district or direct the State Government to meet the expenditure out of the State Plan so that award of Finance Commission in respect of Leh district is implemented without any curtailment ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). The Eighth Finance Commission recommended grants-in-aid of Rs. 4855 lakhs to Jammu and Kashmir for the five-year period 1984-89 for upgradation of standards of administration in various sectors, including special grant of Rs. 248 lakhs for creation of necessary infrastructural facilities in Leh district.

Consequent on the decision of the Government of India to implement the recommendations of the Finance Commission for four-years (1985-89) only, the total grant was reduced to Rs. 3729.95 lakhs and that for Leh district to Rs. 198.40 lakhs.

(c) The Government of Jammu and Kashmir has approached the Government of India with the proposal to bifurcate the special grant recommended by the Finance Commission for Leh district into two equal parts to be utilised for creation of infra-structural facilities in Leh and Kargil districts. This proposal is under consideration of the Inter-Ministerial Empowered Committee constituted at the Centre in pursuance of the recommendations of the Finance Commission to monitor the utilisation of the grants-in-aid recommended by the Eighth Finance Commission.

(d) and (e). Does not arise.

Income-Tax on Grant-in-aid given to Regional Film Producers

907. PROF. MADHU DANDAVATE : Will the Minister of FINANCE be pleased to state :

(a) whether the grant-in-aid is given to regional film producers by various State Governments;

(b) if so, whether the producers are required to pay income-tax on the amount received by them as grant-in-aid;

(c) whether this income-tax on grant-in-aid was exempted in 1969 but reimposed in 1976;

(d) if so, the reasons for reimposing; and

(e) whether in response, particularly to regional film producers, Government propose to discontinue the scheme of income-tax on grant-in-aid given to the producers ?

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

(b) Yes, Sir.

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

(e) Question does not arise.

Financial Assistance to Gujarat for Taking Over Closed Textile Mills

908. SHRIMATI PATEL RAMABEN RAMJIBHAI MAVANI :

PROF. NIRMALA KUMARI SHAKTAWAT :

Will the Minister of TEXTILES be pleased to state :

(a) whether his attention has been drawn to the news item published in the 'Economic Times' of 28th October, 1985 stating that the Minister of Finance has announced that Union Government would given financial assistance to the Gujarat Government for taking over closed textile mills;

(b) if so, the details thereof indicating the names and numbers of such mills; and

(c) the facilities proposed to be given for running the said mills smoothly ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) and (b). The names of 12 textiles mills nationalised by the Government of Gujarat are given in the statement given below.

(c) The Statement Government will be given advance releases of plan assistance of Rs. 65 crores to be adjusted within the Seventh Plan period, for implementing the scheme of nationalisation, which involves rationalisation of restructuring of these mills to form viable units. Financial institutions and Banks will also extend necessary assistance for modernisation and smooth working of the mills.

Statement

S. No.	Name of the undertaking
1	2
1.	The Marsden Spinning and Manufacturing Co. Ltd., Ahmedabad.
2.	The Monogram Mills Co Limited, Ahmedabad.

1	2
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3. The Bhalakia Mills Co. Limited, Ahmedabad.
4. The New Swadeshi Mills, Ahmedabad.
5. Shree Manjushri Textiles of Ahmedabad.
6. The Silver Cotton Mills Co. Ltd., Ahmedabad.
7. M/s Manekchowk and Ahmedabad Manufatruring Company Limited, Ahmedabad.
8. & 9. The Ahmedabad Cotton Manufacturing Company Limited, (Unit I and II), Ahmedabad.
10. Abhay Mills Limited, Ahmedabad.
11. The Tarun Commercial Mills Limited, Ahmedabad.
12. The Sarangpur Cotton Manufacturing Company Limited, Ahmedabad.

Detection of Tax Evasion

909. SHRI SOMNATH RATH : Will the Minister of FINANCE be pleased to state :

(a) whether any action has been taken to assess for the realisation of taxes to detect tax evasion on the scheme of house to house survey; and

(b) if so, the result of this scheme ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). In the absence of statutory backing there has been no door-to-door survey of residential premises. However, during the period April to August 1985, reports for which have so far been received, 60643 business premises were surveyed. The quantum of tax evasion will be known only after proceedings become final in all the cases.

Proposal to Open Carpet Weaving Centres in Araria (Bihar)

910. SHRI D.L. BAITHA : Will the Minister of TEXTILES be pleased to state :

(a) whether Government have received a proposal to open some carpet weaving centres at Araria in the Purnea District in Bihar; and

(b) if so, the details of the scheme and the target date by which the centres would start functioning ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) Yes, Sir.

(b) Under the carpet weaving training scheme, 50 trainees are trained in carpet weaving by craftsmen. Each trainee gets a stipend of Rs. 100/- P.m. It has been decided to set up one such carpet weaving training centre at Araria in Purnea district of Bihar shortly.

Opening of a Branch of Nationalised Bank in Khammam District of Andhra Pradesh

911. SHRI S.M. GURADDI : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the people of Khammam District in Andhra Pradesh have been petitioning for a branch of nationalised bank in their district;

(b) whether due to non-availability of adequate bank facilities over 80 per cent of 17 lakhs of tribal population is facing hardship; and

(c) if so, whether there is any proposal to provide adequate facilities and open more bank branches in the same district ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Reserve Bank of India (RBI) have received some representations for opening more branches of public sector banks in Khammam District.

(b) Reserve Bank of India has further reported that as at the end of March, 1985, there were 125 bank offices in Khamman District. The average population per bank office in Khamman District works out to 13,700 as against the average of 15,500 in respect of rural and semi-urban areas of the country and as such the district cannot be considered to be inadequately banked.

(c) Under the branch licensing policy for 1985-90, Government of Andhra Pradesh has been advised by RBI to identify unbanked pockets in the District and suggest centres for opening bank offices to cover such unbanked pockets. The question of opening more branches in the District will be considered by RBI on receipt of the list of centres identified by the State Government.

Need for Simplification of Levying Customs/ Excise Duty

912. SHRI UTTAMRAO PATIL : Will the Minister of FINANCE be pleased to state :

(a) whether there is great need for simplification of levying customs/excise at odd rates viz. at the rate of Rs. 129/- per cent or Rs. 143/- per cent on various goods, etc. which causes lot of hardships to the concerned parties;

(b) whether in order to remove such anomalies Government proposes to levy customs/excise duties at flat rates for calculation, etc.;

(c) whether Government have considered this question in this context; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (d). The reference to odd rates of levies appear to be in the context of total incidence of duties on a particular product. Such odd cumulative rates of duties can generally be attributed to multiplicity of levies. Different types of levies are levied for different purposes, the cumulative effect of which may result in odd rates. Apart from this,

on the excise side, different rate of duties are generally prescribed for the same commodity manufactured by different sectors of the industry having regard to various socio-economic objectives. Government thus do not feel that there is an anomaly in the existing rates.

As a measure of simplification, in the 1985 Budget, Government had merged the special excise duty with basic excise duty on a number of commodities. But as a general policy matter, there is no proposal to replace to various types of levies by single flat rates.

[Translation]

Share Business in Ludhiana

913. SHRI VISHNU MODI : Will the Minister of FINANCE be pleased to state :

(a) whether attention of Government has been drawn to a news item "Ludhiana Main Share Vayapar Ka Naya Tarika" (Novel way of share business in Ludhiana) appearing in the 'Jansatta' of 8th September, 1985;

(b) if so, whether Government propose to apply this procedure in all the share markets of the country;

(c) if so, the time by which it is likely to be done; and

(d) if not, the reasons therefor ?

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

(b) The trading and settlement of business in shares are governed by the relevant provisions in the Bye-laws and Regulations of Stock Exchanges. Within this framework, the Governing Body of each Stock Exchange may decide on the specific system of settlement of transactions. Therefore, it is not necessary for the Government to apply the procedure adopted by the Ludhiana Stock Exchange in all other Stock Exchanges in the country.

(c) and (d). Do not arise in view of answer to (b) above.

Functioning of Regional Rural Bank in Pithoragarh (U.P.)

914. SHRI HARISH RAWAT : Will the Minister of FINANCE be pleased to state :

(a) since when Regional Rural Bank is functioning in Pithoragarh, Uttar Pradesh;

(b) whether this bank has opened its specified number of branches; and

(c) if not, the reasons therefor and the steps being taken to remove them ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). Pithoragarh Kshetriya Gramin Bank was established on 27-3-85. In August, 1985 the bank has applied to the Reserve Bank of India for opening 8 branches. The applications are pending with Reserve Bank of India for consideration under the Branch Licensing Policy for 1985-90, which has recently been finalised.

[English]

Amount Involved in Sick Units with Nationalised Banks

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

(a) the amount involved in respect of sick units with the nationalised banks as on 31st March for the years 1982-83, 1983-84 and 1984-85 giving yearly figures for each bank separately;

(b) the number of sick units declared bad debtors during above the period showing yearly figures and also showing amount involved in each such unit;

(c) in case of liquidity position of the unit, the steps taken by banks to improve the situation and in how many cases the situation was saved; and

(d) the number of cases in which the Directors of the banks were found involved in cases of sick units ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The information regarding the amount involved in respect of sick units with each nationalised bank during 1982-83, 1983-84 and 1984-85 is given in statement below.

(b) and (c) The number of sick units deleted from the category of sick units during 1982-83, 1983-84 and 1984-85 was 1639, 5115 and 4551 respectively. The Bank-wise break-up of such units is given in statement II below. The deletion could, however, be due to several factors such as their having been nursed back to health, their having been merged and amalgamated with other units, their having been wound up, etc. So far as the question of bad debts of sick units is concerned, according to the forms of Balance Sheet and Profit and Loss Account prescribed in the 3rd schedule of Banking Regulations Act, 1949, bank 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.

(d) Government have not come across cases of sick units having direct involvement of persons in their capacity as Directors of nationalised banks.

Statement—I

Bank-wise position of amounts involved in sick units

(Amount in crores of Rs.)

Sl. No.	Name of the Bank	Amount at the end of March		
		1983	1984	1985
1.	Allahabad Bank	57.67	84.34	88.14
2.	Andhra Bank	24.91	29.85	36.00
3.	Bank of Baroda	115.67	142.32	133.01
4.	Bank of India	206.22	244.15	286.97
5.	Canara Bank	128.46	158.99	196.12
6.	C.B.I. (Central Bank)	252.47	290.85	325.80
7.	Dena Bank	43.86	49.21	76.60
8.	Indian Bank	79.27	98.23	100.75
9.	Indian Overseas Bank	56.79	59.08	73.27
10.	New Bank of India	16.02	25.92	23.98
11.	Oriental Bank of Commerce	3.11	3.70	8.58
12.	Punjab National Bank	183.23	196.08	229.77
13.	Bank of Maharashtra	50.14	50.96	64.20
14.	Corporation Bank	6.83	9.83	11.61
15.	Punjab and Sind Bank	8.17	11.29	12.97
16.	Syndicate Bank	66.38	83.74	98.42
17.	Union Bank of India	89.23	101.94	118.58
18.	United Bank of India	168.19	160.71	198.05
19.	United Commercial Bank	64.19	76.27	99.70
20.	Vijaya Bank	24.04	27.18	28.66
Total :		1644.85	1904.64	2211.18

Statement—II

Bank-wise position of total number of units deleted from the list of sick units

Sl. No.	Name of the Bank	Number of units deleted		
		1982-83*	1983-84	1984-85
1	2	3	4	5
1.	Allahabad Bank	23	88	47

1	2	3	4	5
2. Andhra Bank		7	11	12
3. Bank of Baroda		55	104	160**
4. Bank of India		119	216	226
5. Canara Bank		429	282	284
6. Central Bank of India		37	158	102
7. Dena Bank		35	117	129
8. Indian Bank		89	102	205
9. Indian Overseas Bank		8	22	20
10. New Bank of India		7	17	10**
11. Oriental Bank of Commerce		5	7	2
12. Punjab National Bank		135	443	243
13. Bank of Maharashtra		20	8	28
14. Corporation Bank		11	6	9
15. Punjab and Sind Bank		—	1	—
16. Syndicate Bank		62	92	75
17. Union Bank of India		57	137	112
18. United Bank of India		508	3256	2841
19. United Commercial Bank		30	22	17
20. Vijaya Bank		2	26	29
Total :		1639	5115	4551

*Note : The above data excludes the details for June, 1982 quarter.

**Excludes data for March, 1985 quarter.

Applications for Loans to Educated Unemployed Pending with Nationalised Banks in Nagpur District

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

(a) whether it has come to the notice of Government that the branches of the nationalised banks located in Nagpur district of Maharashtra are not providing loans to the educated unemployed;

(b) if so, the number of applications

from the educated unemployed lying pending for the last two years uptill now; and

(c) the reasons for not providing loans to the educated unemployed by the banks ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). It is not true that the branches of public sector banks located in Nagpur District, Maharashtra are not providing loans to the educated unemployed. As per the information received from the Office of the

Development Commission (Small Scale Industries), Ministry of Industry during 1983-84, the banks sanctioned 1229 applications involving an amount of Rs. 198.21 lakhs. During 1984-85, the banks sanctioned 1057 cases involving an amount of Rs. 109.50 lakhs.

Loans to Weaker Sections by Nationalised Banks under 20-Point Programme in Union Territory of Dadar and Nagar Haveli

918. SHRI U.H. PATEL : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that a number of applications for the loan under D.R.I. of 4 per cent interest to weaker sections under 20-Point Programme have been received by various nationalised banks in the Union Territory of Dadar and Nagar Haveli during 1 January 1985 to 31 October 1985;

(b) if so, the number of such applications received by each bank and the details thereof;

(c) how many of them were sanctioned, rejected and are under consideration;

(d) the target for 1985-86 by each bank for granting such loans;

(e) whether some simple procedures have been made for granting such loans; and

(f) if so, the details thereof ?

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.

(d) Under the Differential Rate of Interest (DRI) Scheme, the public sector banks are required to attain a level of 1% of their total advances as at the end of previous year. No Statewise/Union Territorywise targets have been stipulated under the DRI Scheme.

(e) and (f). Guidelines have been issued

to the banks by Reserve Bank of India on priority sector advances and advances to weaker sections under the 20-Point Programme. Liberalised margin and security norms have been laid down for advances to priority sectors/weaker sections. Simplified application forms in the regional languages with the terms and conditions relating to margin and security norms printed thereon are to be made available to the borrowers. Reserve Bank of India has reported that the total advances by scheduled commercial banks to weaker sections in priority sector stood at Rs. 12.26 lakhs covering 633 beneficiaries in Dadra and Nagar Haveli as at the end of December, 1983.

[Translation]

Self Sufficiency in Copper

919. PROF. CHANDRA BHANU DEVI : Will the Minister of STEEL AND MINES be pleased to state :

(a) the value of copper produced and imported by the Hindustan Copper Ltd. during the last three years separately; and

(b) the time by which the country is likely to become self-sufficient in the field of copper ?

THE MINISTER OF STATE IN THE DEPARTMENT OF MINES (SHRIMATI RAM DULARI SINHA) : (a) The value of copper produced by Hindustan Copper Ltd. (including copper received back after toll-smelting abroad) and value of copper sold by Minerals and Metals Trading Corporation from imported stock during the last three years is as under :

(Rupees in crores)

Year	Value of copper produced by HCL (including Excise Duty)	Value of copper sold by MMTC from imported stock
1982-83	117.86	180.94
1983-84	145.51	157.79
1984-85	189.81	186.72

(b) According to the Working Group

on Non-Ferrous Metals set up in connection with the Seventh Plan copper concentrates production by 1990 would be equivalent to 65,000 tonnes of refined copper as against the estimated demand of 1,41,400 tonnes. As per the present known reserves of copper, the country is not likely to become self-sufficient in copper in the foreseeable future.

[*English*]

Reward for Seizure of Smuggled Goods

920. SHRI S.G. GHOLAP : Will the Minister of FINANCE be pleased to state :

(a) whether Government have approved a scheme to reward the person who seize the smuggled goods;

(b) if so, the details of the scheme; and

(c) the results achieved ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). As part of intensification of the anti-smuggling drive, the scheme of rewards and other incentives granted to informers and departmental officers engaged in anti-smuggling work was reviewed by the Government in March, 1985.

As a result of the review, apart from further strengthening the anti-smuggling infrastructure, it was considered necessary to rationalise the reward policy. It was, accordingly, decided to raise the reward eligibility of the informers and departmental officers alike from 10 to 20% of the value of contraband goods seized, with provision for grant of part of the reward immediately after seizure.

The new package of incentives includes creation of three Funds, with amounts, ranging from 1 to 5% of the value of contraband goods seized, accruing to it to be used by the Government for the purpose of encouragement of better performance, acquiring anti-smuggling equipment and providing a measure of security and amenities to the departmental officers engaged in

anti-smuggling task and to the families of those who die or are injured in the course of anti-smuggling operations, etc.

(c) As a result of various measures taken by the Government for intensification of the anti-smuggling drive, the total value of contraband goods seized during the first 10 months of 1985 has exceeded Rs. 142 crores as against Rs. 101 crores worth of goods seized during the entire year of 1984.

[*Translation*]

Issue of Directives to Banks to Avoid Delay in Payment of Outstation Cheques

921. DR. CHANDRA SHEKHAR TRIPATHI : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that directives have been issued to banks to avoid delay in the payment of outstation cheques;

(b) if so, when and if not, the reasons therefor;

(c) whether any progress has been noticed in the working of bank after this directive and if so, the details thereof; and

(d) if no progress has been made, whether any effort is being made to bring about improvement in their working ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (d). Banks have been advised to improve customer service in all its aspects and also to create an effective machinery for redressal of customer grievances. Since delays in collection of outstation cheques were often observed to be the cause of customers' grievances, banks have been asked in September 1985 to look into the procedures and practices relating thereto specifically.

Introduction of Magnetic Ink Character Recognition (MICR) technology, computerisation of Clearing Houses, and establishment of National Clearing are

measures which are being taken for quickening the process of collection of outstation cheques.

[English]

Revision of Rate of Royalty of Various Minerals

922. SHRI RADHAKANTA DIGAL : Will the Minister of STEEL AND MINES be pleased to state :

- (a) whether the rate of royalty of various minerals have been revised;
- (b) if so, when the last revision was made;
- (c) whether the royalty rates of iron ore and manganese ore have also been revised; and

(d) if so, when and the details of the revision made ?

THE MINISTER OF STATE IN THE DEPARTMENT OF MINES (SHRIMATI RAM DULARI SINHA) : (a) and (b). The rates of royalty in respect of various minerals except iron ore, copper, manganese and magnesite were revised on 23rd July, 1981. A Study Group on revision of rates of royalty has been constituted by Department of Mines to recommend on the revision of rates of royalty.

(c) and (d). The rates of royalty for iron ore and manganese were revised on 12-6-78 and 1-1-1979 respectively. The details of the revision made are given in the Statement below. The Study Group constituted for the revision of royalty will also recommend on the revision of rates of royalty on these minerals.

Statement

IRON :

(i) ORE LUMPS :

(a) with 65% Fe or more	Four rupees per tonne.
(b) with 62% Fe or more but less than 62% Fe	Three rupees per tonne.
(c) with 60% Fe or more but less than 62% Fe.	Two rupees per tonne.
(d) with less than 60% Fe	One rupee and fifty paise per tonne.

(ii) ORE FINES :

(A) fines (including natural fines and fines produced incidental to mining and sizing of ore)

(a) with 65% Fe or more	Two rupees and fifty paise per tonne.
(b) with 62% Fe or more but less than 65% Fe	One rupee and fifty paise per tonne.
(c) with less than 62% Fe	One rupee per tonne.

(B) Concentrates prepared by beneficiation and/or concentration of low grade ore, containing 40% Fe, or less than 40%.

Fifty paise per tonne,

MANGANESE ORE :

(a) Manganese dioxide (containing 78% or more of MnO_2 and 4% or below Fe).

(b) 46% Mn and above

(c) 35% Mn and above but below 46% Mn

(d) Below 35% Mn but above 25% Mn

(e) 25% Mn or below

Thirty rupee per tonne.

Twelve rupees per tonne.

Seven rupees and fifty paise per tonne.

Five rupees per tonne.

Two rupees per tonne.

Directive to Financial Institutions due to New Licensing Policy for Synthetic Fibre

923. SHRIMATI BIBHA GHOSH GOSWAMI : Will the Minister of FINANCE be pleased to state :

(a) whether in the new liberalised licensing policy for Synthetic Fibre Government propose to direct public financial institutions to concentrate their preferences for investors in the eastern and central regions, which have poor account of investment under the new policy on decentralisation of industries during the periods of 1972-1977 and 1978-1983;

(b) if so, the time by which the necessary directives are proposed to be issued; and

(c) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) No, Sir.

(b) Does not arise.

(c) The public financial institutions are expected to consider all viable proposals keeping in view the priorities that have been laid down for them.

Tariff Rates of Foreign Newsprint

924. SHRI SAIFUDDIN CHOWDHARY : Will the Minister of FINANCE be pleased to state :

(a) whether the forty-sixth Annual

General Meeting of Indian and Eastern Newspapers Society pleaded for re-structuring the tariff rates of foreign newsprint;

(b) if so, whether Government agree with the request of the Indian and Eastern Newspapers Society;

(c) if so, whether efforts were made to restructure the tariff rates of foreign newsprint, details thereof; and

(d) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The speech of the President of the Indian and Eastern Newspapers Society delivered at its 46th Annual General Meeting refers to the December, 1984 judgement of the Supreme Court in regard to the levy of customs duty on newsprint and makes a plea for the removal of the levy.

(b) to (d). A detailed study in accordance with the judgement of the Supreme Court has been undertaken by the Bureau of Industrial Costs and Prices in the matter. The Bureau have already submitted their report. The matter has thereafter been examined and is under consideration of the Government. A final decision will be taken shortly.

Abolition of Minimum Export Price for Tea

925. SHRI BASUDEB ACHARIA : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that Government

have abolished minimum export price for tea; and

(b) if so, the reasons thereof ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) and (b). In view of prospects of higher world production, presence of large quantities of low quality teas in the world market and higher stocks level, the prices of tea have shown declining trend during 1985. In the drop of this situation, minimum export price on tea exports has been abolished so to enable Indian teas to compete effectively in the world market.

[Translation]

Accumulation of Huge Stocks of Small Staple Cotton with Farmers

926. SHRI SHYAM LAL YADAV : Will the Minister of TEXTILES be pleased to state :

(a) whether farmers in the country are getting remunerative price for small-staple and long-staple cotton;

(b) whether large stocks have accumulated with the farmers producing small-staple cotton and if so, the reasons therefor; and

(c) the reasons for importing cotton last year ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) Yes, Sir. The Cotton Corporation of India has been asked to purchase cotton at the minimum support prices as and when the market prices of kapas trend to fall below the support price to assure the farmer of remunerative prices.

(b) No Sir.

(c) The import of medium staple cotton was resorted to during the last cotton season to meet a part of the shortage in this variety estimated at the time.

[English]

Interest of Delayed Payment on Out-station Cheques

927. SHRI D.P. JADEJA : Will the Minister of FINANCE be pleased to state :

(a) whether Government have directed nationalised banks to pay interest on out-station cheques which are not credited beyond 28 days;

(b) whether it is a fact that most cheques are delayed for a period between 21 and 25 days;

(c) whether Government propose to reduce the period of delay permitted to only 20 days to make concession meaningful; and

(d) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Reserve Bank of India advised banks in August 1984 to pay interest at Savings Bank rate on outstation cheques drawn on their own branches after a period of 28 days where credit was afforded or cheques returned to the depositors beyond a period of 28 days of their lodgement.

(b) No specific data is available regarding the time required for collection cheques.

(c) and (d). The question of reducing the time taken by banks for collection of outstation cheques has been engaging the attention of government and the banks and significant improvement in this regard is expected with progressive improvement in communications and mechanisation.

Tourist Package Scheme for Members of Parliament

928. SHRI M. SUBBA REDDY : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) whether there is any proposal to arrange package tours on weekends for the

Members of Parliament (during Session days) to visit nearby places of interest; and

(b) if so, details thereof ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT) : (a) and (b). Study tours of Members of Parliament are arranged by the Department of Parliamentary Affairs either on request of Members of Parliament or on sponsorship by Ministries/ Departments of the Government of India from time to time to visit National Projects to enable the Members to have first hand knowledge of such projects.

At present, however, there is no proposal with the Department of Tourism to arrange package tours on weekends for Members of Parliament.

Impact of Economic Liberalisation Policy

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

(a) whether Government have studied the impact of its economic liberalisation policy, before considering further step to reinforce the policy; and

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

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The impact of economic policy measures is continuously under review, and changes as necessary in policy are made in the light of emerging trends and our national priorities.

(b) Does not arise.

Amount Received from West Bengal as Customs, Excise and Income Tax during Sixth Five Year Plan

930. SHRI SATYAGOPAL MISRA : Will the Minister of FINANCE be pleased to state :

(a) the details of amount received from West Bengal by the Union Government by way of customs duty, excise duty, income tax etc. during the Sixth Five Year Plan period; and

(b) the details of amount released to Government of West Bengal by the Union Government during the Sixth Plan period ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Amount received from West Bengal by the Union Govt. by way of Customs Duty, Excise, Duty, Income-tax during the Sixth Five Year Plan Period (1980-85).

Tax/Duty	Amount received (Rs. in crores)
I. DIRECT TAXES	
(i) Income Tax	553.24
(ii) Corporation Tax	1917.99
(iii) Interest Tax	244.84
(iv) Wealth Tax	39.82
(v) Gift Tax	3.73
(vi) Estate Duty	8.14
II. INDIRECT TAXES	
(i) Customs Duty	3860.21
(ii) Excise Duty	3523.53

NOTE : Revenue from Union Excise duties is inclusive of collection from Sikkim and Andman and Nicobar Islands.

(b) Amount released to Govt. of West Bengal by the Union Govt. during Sixth Plan Period 1980-85 :

(a) On account of Share of Taxes

Share of Tax/Duty	Amount (Rs. in crores)
(i) Incomes Tax	444.92
(ii) Estate Duty	14.94
(iii) Grant on account of Wealth Tax on Agricultural property	1.81
(iv) Basic Excise Duty	1230.46
(v) Adul. Excise Duty	253.16

NOTE : Collection on account of Customs duties are not shareable with States.

(b) Amount released to Govt. of West Bengal by the Union Government for State Plan Scheme, Natural Calamities etc., during the Sixth Plan period.

	Amount (Rs. in crores)
(i) Normal Central assistance	671.13**
(ii) For External aided projects	91.02
(iii) For Hill areas	30.41
(iv) Non-Plan Medium Term Loan	414.43*
(v) Advance Plan assistance for drought relife	82.48@
(vi) Non-Plan grant for natural calamities other than drought.	40.46
Total :	1329.93

NOTE : 1. **includes sum of Rs. 0 30 crores released during 1984-85 for relief Assam refugees.

2. *includes of sum of Rs. 340.71 crores released during 1982-83 as terms loan for covering opening deficit.

3. @includes Rs. 3 crores as advanced plan assistance for flood during 1982-83.

Higher Custom Duty on Drug Intermedlates

931. SHRIMATI N P. JHANSI LAKSHMI : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the small scale bulk drug units in the country are not able to manufacture the bulk drugs which are at present being imported due to higher custom duty on the drug intermediates than that levied on the final drug itself; and

(b) if so, the steps taken by Government in the matter to encourage small scale sector to produce the drugs indigenously ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POJJARY) : (a) and (b). The prices of bulk drugs are statutorily controlled and in fixing the prices, landed cost of import of the intermediates is taken into consideration. The small scale sector units are also manufacturing bulk drugs. Small scale sector units are not required to obtain any industrial licence before resorting to the production of bulk drugs and they are also freely allowed the imports of intermediates and chemicals in accordance with the import policy in force. The customs duty on drugs and drug intermediates are reviewed from time to time in consultation with the administrative Ministry.

Increase of Price of Cigarettes

932. SHRI AKHTAR HASAN : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that price of cigarettes shot up to almost double the rates during the last two months;

(b) if so, reasons therefor; and

(c) the steps being taken to check the prices of cigarettes ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POJJARY) : (a) to (c). There were reports of cigarettes prices of different brands having gone up in the market during the last two months. The extent of increase in the prices varied as between different brands and also for the same brand as between one market and another.

Prior to 2-9-1985, the excise duty on cigarettes varied with every five-paise change in the prices of cigarettes. It was found that some manufacturers of cigarettes were clearing identical brands at two prices paying duty on the lower price and selling these at the higher price. In order to minimise the scope for such manipulation, the Government introduced a revised duty structure on cigarettes on 2-9-1985 with only five rates of duty, followed by a stipulation that the surface design of each brands of cigarette should be got approved

by a central authority. These changes were followed by temporary disruption in the clearance of cigarettes from the factories for some time which was exploited and cigarettes of various brands were sold in the market at prices higher than the declared prices printed on the packages of cigarettes for retail sale.

There is no price control on cigarettes. State Governments have however been advised to take suitable action under the provisions of the Standards of Weights and Measures Act, 1976, and the Rules made thereunder.

Diversion of Money Towards Ostentatious Expenditure on Marriages

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

(a) whether it is a fact that many corporate enterprises diverted huge amounts of money towards ostentatious expenditure; and

(b) if so, the steps Government propose to take only to check the present ostentatious expenditure on marriages and other social corporate functions in 5 star hotels in big cities but also to examine the concept of Expenditure Tax ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). The assessing officers are empowered to disallow any expenditure which is not incurred wholly and exclusively for the purpose of business. Section 133A(5) of the Income-tax Act, 1961 also authorises the assessing officers to enquire into the nature, scale and source of ostentatious expenditure on marriages and other social functions.

The Government have decided to appoint a Committee to study the desirability of moving towards expenditure, wholly or partly as the base for progressive taxation of individuals and non-corporate entities and to examine the implications of the levy of tax on expenditure in all its aspects, particularly in relation to taxation of corporate sector.

Instalments of Dearness Allowance Due to Central Government Employees

934. SHRI MANVENDRA SINGH : Will the Minister of FINANCE be pleased to state :

(a) the number of instalments of dearness allowance due to the Central Government employees as on 31st October, 1985;

(b) out of these instalments how many instalments of dearness allowance had been granted to the employees upto September, 1985; and

(c) when the rest of instalments of dearness allowance would be paid to Government employees ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Consequent on the average index crossing 592 points at the end of July, 1985, one more instalment of D.A. became due for consideration w.e.f. 1st August, 1985.

(b) Nil.

(c) Payment of each instalment of Dearness Allowance to Central Government employees cost exchequer approximately Rs. 70 crores per annum. Therefore, question of payment of each instalment has to be considered carefully with regard to their impact on the economic situation and the Budget. The question of sanction for payment of the Government is receiving the attention of the D.A. instalment. It is, however, not possible to indicate any time-limit for taking a decision in this regard.

Infrastructure Facilities at Tourist Centres in U.P.

935. SHRI MANENDRA SINGH : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state the amount spent by Union Government during the past three years in developing the infrastructure facilities in tourist centres of Uttar Pradesh, town-wise details thereof ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H. K. L. BHAGAT) : During the past three years (1982-83, 1983-84 and 1984-85) the Central Department of Tourism

has incurred an expenditure of Rs. 254.85 lakhs in developing the infrastructure facilities in tourist centres of Uttar Pradesh, town-wise details of which are given below :

	Rs. in lakhs	Rs. in lakhs
1. AGRA		120.92
(a) Floodlighting at Agra Fort and Sikandra	9.40	
(b) Hotel and Transport unit of ITDC	101.44	
(c) Youth Hostel	10.08	
2. LUCKNOW		6.84
(a) Floodlighting at Residency	6.39	
(b) Celebration of Festivals/fairs	0.45	
3. FATEHPUR SIKRI		42.05
Construction of Tourist Complex	42.05	
4. SRAVASTI		22.23
Construction of Tourist Complex	22.23	
5. VARANASI		41.14
(a) Development of Ghats	21.50	
(b) Hotel and Transport unit of ITDC	19.64	
6. AULI-JOSHIMATH		10.00
(a) Construction of Cottages and Restaurant	10.00	
7. BRIJ BHOOMI		7.50
(a) Master Plan and Raslila Stage	1.26	
(b) Yatrika at Vrindaban by Bharitiya Yatri Avas Vikas Samiti	6.24	
8. KOSI-RESTAURANT (ITDC)		0.27
9. NAINITAL—Purchase of sails for Yatch Club		80.53
10. KAMPIL—Yatrika		2.24
11. NAND MEHAR		0.50
12. Trekking equipments		0.63
TOTAL :		254.85

Quantity of Coffee Exported During 1984

936. SHRI MANVENDRA SINGH : Will the Minister of COMMERCE be pleased to state :

(a) the quantity of Coffee exported from India during the last year and how does it compare with the year export made during the 1983;

(b) the names of the countries to whom Indian Coffee is exported; and

(c) keeping in view the increasing demands of Indian coffee in the international market what steps Government propose to take increase the coffee production in the country ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) The quantity of coffee exported from India during 1984 was around 65000 tonnes valued at about Rs. 193 crores compared to a quantity of around 70,000 tonnes valued at about Rs. 169 crores exported during 1983.

(b) Indian coffee is exported to over thirty countries in various parts of the world. USSR, USA, Japan, West Germany, Yugoslavia, Italy, Spain, Canada, Newzealand and Australia being the major buyers.

(c) Besides the various development loans and subsidy schemes, the Board has opened seed multiplication units, coffee demonstration farms, research farms, mobile soil testing units etc. for increasing production of coffee in the country.

Foreign Exchange Earned by Exporting Pearls and Precious Stones

937. **SHRI MANVENDRA SINGH :** Will the Minister of COMMERCE be pleased to state :

(a) the total foreign exchange earned

by exporting pearls and precious stones from India during last year;

(b) the names of the countries to which these pearls and the precious stones were exported;

(c) the quantity and the value of the stones exported, country-wise details thereof;

(d) whether some steps have been taken by Government to promote the export of these pearls; and

(e) if so, the details thereof ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) Value of exports of pearls and precious and semi-precious stones during 1984-85 was as under :—

Pearls	Rs. 718.56 lakhs
Precious and Semi-precious Stones	Rs. 3511.63 lakhs

(b) and (c). A statement is given below.

(d) and (e). Import of requisite machinery/equipment/tools with a reduced import duty so as to facilitate product development besides improvement in productivity and market diversification are some of the steps taken to promote export of pearls and precious and semi-precious stones.

Statement

Country	Destinations-wise Exports of pearls during 1984-85		Country	Destination-wise Exports of Precious/ Semi-precious Stones during 1984-85
	Quantity in lacs carats	Value Rs. in lakhs		Value Rs. in lakhs
1	2	3	4	5
Japan	24.54	190.90	U.S A.	1699.65
U.S.A.	23.78	149.49	Hong Kong	792.90
Dubai	15.67	120.66	West Germany	518.06
Hong Kong	13.85	91.67	Switzerland	392.13
West Germany	15.83	36.70	France	391.17

1	2	3	4	5
Kuwait	5.79	30.61	U.K.	244.02
U.A.E.	3.03	17.24	Thailand	161.55
Singapore	3.58	14.03	Japan	144.68
France	0.44	9.82	Singapore	140.83
U.K.	1.60	9.49	Canada	53.12
Other countries	5.88	64.56	Other countries	380.53
Total :	113.99	735.17	Total :	4918.74
Return Cosigament	1.99	16.61	Return consignment	1407.11
Net Exports	112.00	718.56	Net Exports	3511.63

Finalisation of Branch Licensing Policy for 1985-88

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

(a) whether the Branch Licensing Policy has been finalised by the Reserve Bank of India for the years 1985-88;

(b) if so, the main features thereof and the likely date by which it would be implemented;

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

(d) the likely date by which it would be announced ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJA RY) : (a) to (d). The branch licensing policy for the period from 1-4-1985 to 31-3-1990 (so-terminus with Seventh Five Year Plan) has since been finalised by the Reserve Bank of India (RBI). RBI has indicated to the banks and the State Governments/Union Territories the main features of the policy on 18th October, 1985. The main objective of the branch licensing policy is aimed at achieving a coverage of 17,000 population per bank office in rural and semi-urban areas of each block and eliminating spatial gaps in the availability of banking facilities. Under this policy, unbanked pockets in each block will be identified and suitable

centres for opening bank offices to cover such unbanked pockets will be selected. The centres will be allowed in such a manner that a bank office would normally be available within a distance of 10 kms. from each village.

Proposal to abolish Sales Tax

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

(a) whether the proposal to abolish the sales tax has made any headway with the States;

(b) if so, the names of the States which are still resisting the proposal and the steps taken by the Union Government to arrive at a conclusion in this regard; and

(c) the likely date by which a final decision would be taken in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). There has been a demand from certain sections for abolition of sales tax and its replacement by additional excise duties. As sales tax is mainly a State subject of taxation, the matter was considered in a Conference of Chief Ministers held in September, 1980 and again in February, 1981. Thereafter an Expert Committee was set up to study the financial implications

of the extension of the scheme of additional excise duties in lieu of sales tax on vanaspati, drugs and medicines, cement, paper and paper board, and petroleum products and the manner in which the financial interests of the States could be safeguarded. The proposal was thus for replacement of sales tax by additional excise duty and not for abolition of sales tax on the five commodities. The Expert Committee, under the Chairmanship of Shri Kamalapati Tripathi, M.P. submitted its report on 29th January, 1983. The report containing the recommendations of the Committee was placed on the Table of both the Houses of Parliament on 29th April, 1983. The recommendations of the Tripathi Committee were considered in the Conference of Chief Ministers held on 2nd November, 1983. A large number of Chief Ministers indicated their acceptance of the scheme suggested by the Tripathi Committee for introduction of the additional excise duty in lieu of sales tax, in principle. Some of the Chief Ministers, however, indicated that they were not in a position to accept the scheme recommended by the Tripathi Committee. The Chief Ministers resolved that efforts should be continued to bring about consensus among the State Governments on these issues. As sales tax is mainly a State subject of taxation, any reform in the sales tax system can be undertaken only in consultation with and cooperation of the States. Efforts made so far have not resulted in reaching a consensus.

Programme for Location and Extraction of Minerals in Hilly Regions

940. PROF. NARAIN CHAND PARASHAR : Will the Minister of STEEL AND MINES be pleased to state :

(a) whether any comprehensive programme has been drawn up by Government to locate and extract minerals in the Hill States/Regions of the country during the Seventh Five Year Plan;

(b) if so, the main outline thereof alongwith the names of the minerals and the regions in which they have been located and are likely to be extracted or where a survey for this purpose would be made;

(c) the specific items from this programme stated for the Annual Plans; and

(d) if not, whether any such programme would be drawn up or taken up for execution in the Seventh Five Year Plan ?

THE MINISTER OF STATE IN THE DEPARTMENT OF MINES (SHRIMATI RAM DULARI SINHA) : (a) Yes, Sir. Survey of minerals is a continuous process and is being continued in various parts of the country by Geological Survey of India, State Directorates of Mines and Geology and Mineral Exploration Corporation Limited as per their respective programmes. For the Seventh Five Year Plan also, there are programmes to locate and assess mineral potentialities of Hilly States/Regions. The extraction of these minerals will depend on the techno-economic viability of the deposits/minerals.

(b) Regional and detailed investigation for base metals is envisaged in Meghalaya, Assam, Darjeeling area of West Bengal, Sikkim, Uttar Pradesh and Jammu and Kashmir. Tin-Tungsten investigation in Sikkim and Almorah and Pithoragarh area of U.P. Survey for gold incidence in the Himalayan foothills (Siwalik belt) of northern and north-eastern India will be continued. Sapphire investigation will be undertaken in Jammu and Kashmir. Ophiolite belt of Manipur-Nagaland and Indus ophiolite belt will be surveyed for chromite, nickel, cobalt and platinum. Assessment of limestone in Meghalaya, Uttar Pradesh, Himachal Pradesh and Jammu and Kashmir is proposed. Investigations of industrial minerals like kyanite and sillimanite are also proposed in Assam and Meghalaya. Regional exploration for coal in Arunachal Pradesh and Meghalaya are to be undertaken. Airborne Geophysical surveys have envisaged in north eastern States of the country.

(c) and (d). As per this programme besides geological mapping, thirty seven specific items of mineral investigations have been proposed by GSI in their Annual Plan during 1985-86. Continuation or otherwise of these items in succeeding years of Seventh Plan will depend upon the results assessed from time to time. Mineral Exploration Corporation Ltd. has also

specific projects in mountainous areas of Himalayas and north-eastern Region including Askot Lead-zinc project in Pithoragarh district, U P. and in several coal areas in north-eastern Region.

Financial Assistance from World Bank During Current Financial Year

941. SHRI LAKSAMAN MALLICK : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that India would be received less financial assistance during the current financial year from the World Bank while Latin America is getting the lion's share; and

(b) if so, the details regarding the amount India is going to received during the current financial year ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The lending programme of the World Bank is based on annual budgets approved by its Executive Board and country-wise allocations are made based on Bank's lending criteria. The Latin America region, for purposes of Bank group assistance, consists of 17 countries in the Latin America and the Caribbean countries. The figures of these countries are not comparable with those of India.

(b) The amount of Bank group assistance indicated in the Aid India Consortium for the Bank fiscal year, 1986 (1st July 1985 to 30th June, 1986) is US \$ 2500 million. The exact quantum of assistance depends upon the availability of Bank group funds and the status of project preparation and processing.

Reduction of Custom Duty on Various Drug Intermediates

942. DR. KRUPASINDHU BHOI : Will the Minister of FINANCE be pleased to state :

(a) whether Government have reduced the customs duty on various drug intermediates;

(b) if so, since when;

(c) the names of the intermediates, the value of the same imported year-wise during the last three years; and

(d) the extent of benefit in value per pack which has been passed on to the public on this account ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). Customs duty on various specified drug intermediates has been reduced from time to time and notifications issued in this respect have been laid on the Table of the House with Explanatory Memoranda. A statement containing a list of such drug intermediates exempted together with date of exemption is given below. Further, certain specified drug intermediates have been exempted from Excise duty and if these are imported they would not be liable to additional duty under section 3 of the Customs Tariff Act, 1975. As no separate statistics for import of drug intermediates are maintained, it has not been possible to furnish the information regarding value of imports of drug intermediates.

(d) As the formulation prices are based on the notified prices of bulk drugs, the public would stand to benefit from customs duty reduction on the drug intermediates. However, the extent of the same cannot be precisely assessed.

Statement

Notification No. and Date	Name of Drug Intermediates Covered
1. 64-Customs dated 6-3-79	1. Novaldiamine. 2. Ethoxymethylene Diethyl Malonate. 3. Mono Sodium Glufanate. 4. Dicyanadiamide.

Notification No. and Date	Name of Drug Intermediates Covered
	5. Furfurylamine.
	6. Acetonitrile.
	7. Acrylonitrile.
	8. Furfuraldehyde.
	9. Pancreas.
	10. 8-Hydroxy quinoline.
2. 23-Customs date 1-3-81	1. Guanidine Nitrate.
	2. DL-2 Aminobutanol.
	3. D-Alpha Phenyl Glycine Chloride Hydrochloride.
	4. D (—) Alpha Phenyl Glycine Ethyl Potassium Salt.
	5. Dhane Salts for the production of Amoxycillin.
	D (—) P-Hydroxy Phenyl Glycine Ethyl Potassium Salt.
	6. 3 : 4 Xylidine.
	7. 2-6 Xylidine.
	8. Iodine.
3. 41-Customs dated 1-3-83	1. D (—) Alpha Phenyl Glycine Base.
4. 287-Customs dated 5-12-84	1. Gamma Picoline.
5. 57-Customs dated 17-3-85	1. Guanidine Hydrochloride.
	2. D-Pentalactone.
	3. DL-Pentalactone.
	4. 2-Aminothazole.
	5. Piperazine Hexahydrate.
	6. Diethyl Carbamoyl Chloride.
	7. 3-Amino Oxazolidane Sulphate.
	8. DL-Alanine.
6. 261-Customs dated 16-8-85	1. Para Hydroxy Alpha Glycine.
	2. Chloro Pyrazine.
	3. 5-Methyl 4-Hydroxy Methyl Imidazole.
	4. DL-Naproxin.
	5. DL-Oxyphene.
	6. 7-ADCA.
	7. 2 (2, 4 Dimethoxy Phenyl) 2 Isopropyl 5-Chloro Pentanenitrile.
	8. N/2-(3-4-Dimethoxyphenyl) Ethyl/N-Methylamine Aceat Acetate.
7. 89-Customs dated 17-3-85	1. Rifampicin S.
	2. 3-Formyl-Rifamycin SV.
	3. 1-amino-4-methyl Piperazine.

Increase in Import Duty on Polyester Fibre

243. DR. KRUPASINDHU BHOI : Will the Minister of FINANCE be pleased to state :

(a) whether the import duty on polyester staple fibre has been raised;

(b) if so, since when and how much; and

(c) the effect of this rise in import duty on polyester fibre to general public ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) No, Sir. In fact, the total incidence of import duty on polyester fibre has come down with effect from 28th August, 1985 when the additional duty of customs (commonly known as countervailing duty) came down from Rs. forty-five per kg. to Rs. twenty-five per kg., consequent to reduction of excise duty on polyester fibre by the same amount.

(b) and (c). In view of the above, does not arise.

Discovery of Iron Ore, Mangannese, Graphite and Bauxite Deposits

944. SHRIMATI JAYANTI PATNAIK :
SHRI PURNA CHANDRA
MALIK :

Will the Minister of STEEL AND MINES be pleased to state :

(a) the total quantum of iron-ore, manganese, graphite and bauxite deposits found in the recent survey conducted by the Geological Survey of India and the Directorate of Mining and Geology of Orissa;

(b) the different mining areas in Orissa where such mineral resources are located;

(c) the steps taken for the proper exploitation of those minerals; and

(d) the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF MINES (SHRIMATI RAM DULARI SINHA) : (a) As per surveys carried out by Geological Survey of India and Directorate of Geology and Mining of Orissa, the following reserves of iron ore etc. have been estimated in that State :—

Mineral	Estimated Reserves (in million tonnes)
Iron ore	3,12,3 87
Manganese ore	33.422
Graphite	0.407
Bauxite	1,601.473

(b) The different minerals located are in the following areas :—

Mineral	Area
Iron ore	Keonjhar, Sundergarh, Cuttack, Mayurbhanj and Koraput.
Manganese ore	Bonai Keonjhar, Koraput, Kalahandi, Bolangir, Sundergarh and Sambalpur.
Graphite	Sambalpur, Bolangir, Kalahandi, Phulbani and Dhenkanal.
Bauxite	Koraput, Kalahandi, Bolangir, Sambalpur, Sundergarh and Phulbani.

(c) and (d). Except bauxite, all other minerals are under exploitation. National Aluminium Company Limited is developing a bauxite mine at Panchpatmali of 24 lakh tonnes annual capacity. Bharat Aluminium Company is also developing a bauxite mine at Gandhamardhan as alternative source of material to its Aluminium plant in Korba.

Trade Agreement between India and China

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

(a) whether an agreement has been signed between Indian Chambers of

Commerce and Industry and China Council for Promotions of International Trade to develop and expand trade relations between the two countries;

(b) if so, the different fields in which Indo-China trade is proposed to be expanded;

(c) the specific commodities identified export and for import; and

(d) the details thereof ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) Yes, Sir.

(b) Under the Agreement, FICCI and CCPIT have agreed to exchange and distribute information and materials concerning new products, new technologies and new processes in production in their respective countries (i) to assist each other in mutual cooperation in promotion of consultancy services and joint ventures and (ii) to assist each other in holding economic and trade exhibitions and specialised fairs in each other's country.

(c) and (d). This Agreement does not identify specific commodities for export and import between the two countries.

Fiscal Policy to Curb Black Money

946. SHRI CHINTAMANI JENA :

SHRI MOHANBHAI PATEL :

Will the Minister of FINANCE be pleased to state :

(a) whether Government are considering to introduce a long term fiscal policy to curb black money;

(b) if so, the details thereof; and

(c) the time by which the policy will be introduced ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). The Report of the National Institute of Public Finance and Policy on "Aspects of Black Economy in India" has been released to

the Press with a view to encourage a public debate on it. Copies have also been sent to all Members of Parliament. Suggestions so received will be considered for drawing up a long term fiscal policy to curb black money.

Non-Payment by Companies/Traders to Tobacco Growers

947. SHRI V. SOBHANADREESWARA RAO : Will the Minister COMMERCE be pleased to state :

(a) whether it is a fact that tobacco growers are yet to get crores of rupees dues from traders;

(b) if so, the outstanding dues company/trader-wise for the last three years; and

(c) the action taken by Government for payment of dues to the growers ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) According to complaints received by the Tobacco Board from the growers, an amount of Rs. 1.57 crore is payable to the growers by the trade in respect of Tobacco sold before the introduction of the Auction System in 1984-85.

(b) The details of outstanding dues are given below :—

S. No.	Name of the Co.	Amount due as on 7-11-85 (Rs. lakhs)
1	2	3
1.	M/s Sree Sanjaya Tobacco Co.	10.81
2.	Kandimolla Raghavaiah Co.	19.29
3.	Integrated Tobacco Traders Pvt. Ltd.	1.01
4.	Komminela Venkateswara Rao and Co.	2.11
5.	Sree Durga Tobacco Co.	40.48
6.	Sree Lakshmi Tobacco Co.	42.16

1	2	3
7.	Globe Leave Tobacco Enterprises.	39.33
8.	Vijaya Shanti Enterprises.	0.14
9.	Ambika Tobacco Enterprises.	0 25
10.	Sri Vijayalakshmi Tobacco Co.	0.47
11.	Thirumala Enterprises	1.72

(c) Besides given notices and cancellation of registration wherever necessary, the Tobacco Board has not renewed the registration of the defaulting firms for 1984 and 1985 in respect of the companies at S. No. 4 to 11. Other companies have given an undertaking to clear the dues shortly.

The Tobacco Board Act, 1975 has been amended recently to provide for

prosecution for for contravention of the regulations made under the Act and to provide for enhanced penalties for contravention thereof, Further, there is no scope for companies defaulting in payment to the growers in the auction system introduced last year.

Recommendations of Pande Committee on Leather and Leather Manufacturers

948. SHRI K.S. RAO : Will the Minister of COMMERCE be pleased to state :

(a) the recommendations of Pande Committee on leather and leather manufacturers; and

(b) the action taken so far on the recommendations of the Committee ?

THE MI ISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) and (b). A statement is given below.

Statement

Recommendation	Action taken
1. A professional study of the system of collection and marketing of raw hides and skins in India may be commissioned by Government.	A study has been Commissioned through CLRI, Madras.
2. The ISI standard defining finished leather should be made realistic and the export incentives should be applicable to the finished leather so defined.	Finished leather for export has been re-defined as per IS : 8170-1979 Guidelines for identification of finished leather for export w.e.f. 1-9-1985.
3. While there is adequate availablity of leather resources in India to achieve the Seventh Plan targets, it would be desirable to import finished leather from bovine hides and skins free of duty.	Duty free import of bovine finished leather under OGL has been permitted.
4. A five year announcement, to coincide with the Seventh Plan, should be made for duty free imports under OGL, of raw hides and skins, wet blue chrome tanned and crust leather including splits and sides.	Duty free import under OGL of raw hides and skins, wet blue chrome tanned and crust leather includ ng splits and sides thereof has been permitted.
5. As the Review Committee consisted of diverse interests, including representatives of the trade and industry, it was felt that its recommendations with regard to the exports policy and export incentives should be confined to broad indications	

Recommendation

Action taken

of the direction, leaving the detailed policy prescriptions to be worked out by Government. Accordingly the following recommendations were made :

- | | |
|--|---|
| (a) A stage has now come when Government should rationalise the export quota mechanism for regulating the exports of semi-processed leather. | Government is yet to take a view on this. |
| (b) The stipulation of 40% export obligation on finishing units may be done away with. | The recommendation has been taken up with the Ministry of Industry. |
| (c) The incentives relating to finished leather exports require a fresh look by Government. | Finished leather for export having been re-defined with effect from 1-9-1985, incentives thereon as per the new CCS regime will be decided in due course. |
| (d) A graded system of incentives, based upon comparative value addition at different stages should be considered by Government. | Government is yet to take a view on this recommendation. |
| 6. The need for extension services in the cottage sector for technological upgradation for rural tanners and producers of value-added leather products is self-evident. The Department of Industrial Development should chalk out clearly defined schemes for this purpose. | Department of Industrial Development have been requested to take necessary action. |
| 7. The machinery and equipment detailed in the report may be placed under OGL for import. | Implemented. |
| 8. The committee strongly endorses recommendation of the Task Force (1979) that the import duty on machines should be brought down uniformly to 25% on all tanning, finishing footwear and other leather goods machines which find place in the OGL. | Duty has been reduced to 35% on almost all machines appearing in the OGL. |
| 9. Non-availability of trained manpower at all levels is a serious constraint in the development of the leather manufactures industry along modern lines. Fellowships should, therefore, be instituted in order to depute artisans, supervisors and managers for foreign training. | Artisans have already been deputed abroad for such training. |
| 10. Foreign experts should be invited to give in-plant training to production personnel at all levels. | Action is in progress. |
| 11. The existing training centres should be equipped with modern machinery and equipment, for which the Department of Industrial Development should formulate appropriate schemes. | Department of Industrial Development have been requested to take necessary action. |

Recommendation	Action taken
12. Technical training should be taken up by the Council for Leather Exports as a Code activity, which should be made eligible for MDA.	Proposals have been formulated.
13. With regard to the requirements of raw materials, components and consumables for production of finished leather, footwear and other leather goods, the following recommendations are made :	
(a) Inclusion in Appendix 17 of the Import Policy of the items listed in the Report.	Implemented.
(b) Inclusion in the OGL for import of the items listed in the Report.	Implemented.
(c) Inclusion in Annexure 1 of Appendix 21 of the Import Policy of the items listed in the Report.	Implemented.
(d) Reduction/abolition of import duties in respect of the items listed in the Report.	Implemented as far as considered feasible.
14. The Committee has identified the following infrastructural gaps coming in the way of export production of footwear :	
(a) Non-availability of the required grades and quality of finished leather at competitive prices.	
(b) Absence of good quality training in footwear engineering, design and pattern making skills.	
(c) Lack of indigenous production of well engineered lasts, components and soles for the footwear industry including upgradation of the sole leather from buffalo hides.	
(d) Lack of a network of modern laboratories and testing units for quality control.	
(e) Absence of a brand image for India-made footwear in the world market.	
(f) Lack of attractive and durable packaging.	
(g) Lack of a meaningful nexus between development and research.	

It is of the view that a determined initiative on the part of Government is essential to create a catalytic model which can be replicated. The Committee recommends for the consideration of Government a concrete operational model, in which a centralised autonomous agency, working

The recommendation has been accepted in principle.

Recommendation

Action taken

under the umbrella of a reputed institute of technical education such as an Indian Institute of Technology, will perform some direct functions apart from assisting in the development of a supporting infrastructural base. A project profile for such a Footwear Design and Development Institute is appended to the Report. The project will involve an investment of Rs. 9.5 crores and an employment of 2900. It will be completed in four phases.

15. In the context of the recommendation regarding FDDI, it will be necessary to replicate this operational strategy in different States where nodal agencies be entrusted with the task of coordinating the development of the six supporting functions enumerated above, leaving the direct functions to be performed by FDDI alone.

Implementation of this recommendation will be possible after the establishment of FDDI.

16. Government may consider enlargement of the scope of the proposed Institute to include other leather goods, such as garments, handbags, gloves etc.

Accepted in principle.

17. Liberal assistance from MDA should be made available, in foreign exchange, for individual brand promotion abroad.

Scheme for MDA assistance for brand publicity abroad is in existence.

18. The list of raw materials required for production of intermediates for use in the export production of footwear should be included in Annexure VI to Appendix 19 of the Import Policy.

Implemented.

19. Institutional Coordination

The Committee recognises the existence of a number of agencies which have been set up by Government such as STC, BLC, State Leather Development Corporations, CLRI, CLE, CFTCs, KVIC, etc. to service varying interests. Within the Government itself, there are several Ministries which deal with different aspects of the industry. It is recommended that :

- (a) Government should examine the performance of these organisations with respect to the rationale of their creation and take remedial action to avoid duplication and ensure co-ordination. As a first step, it is recommended that the Department of Industrial Development should examine the extent to which the State Leather Development Corporation and BLC have served their objectives,

Department of Industrial Development have been requested to take necessary action.

Recommendation

Action taken

- (b) The role of a harmonising agency could be played by the creation of a statutory All India Leather Board on the analogy of other commodity Boards by integrating one or more of the existing organisations. Such a Board could also coordinate the activities of the institutions whose continuance may be considered necessary.

Government is yet to take a view which will depend on the result of a review of the performance of the various agencies.

Export of Salt

949. SHRI K.S. RAO : Will the Minister of COMMERCE be pleased to state :

(a) the names of the countries to which India is exporting salt; and

(b) the quantity of salt exported during the last three years and the amount of foreign exchange earned thereby Government ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) India is exporting salt to Bangladesh, Nepal, Bhutan, Maldives, Malaysia, Tanzania, Singapore, Japan, Hongkong, Uganda, Kenya and Burundi.

(b) The quantity and value of salt exported during the last three years are given below :—

Year	Quantity (MT)	Value (Rs. Lakhs)
1982-83	322763	411.23
1983-84	540080	787.76
1984-85	248932	334.13

Export of Jewellery

950. SHRI MOHANBHAI PATEL : Will the Minister of COMMERCE be pleased to state :

(a) the value of jewellery exported during the years 1983-84 and 1984-85 and likely to be exported during the year 1985-86;

(b) the names of the cities which are

involved in jewellery export and the amount of jewellery exported from each such cities during the above period; and

(c) the names of the agency through which the export is being made ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) The value of gold jeweller exported during 1983-84 and 1984-85 and the target for export during 1985-86 are as under :—

(Rs. in lakhs)

Export during		Target for
1983-84	1984-85	1985-86
8338.19	8609.86	12,500.00

(b) and (c). Exports of gold jewellery are made mainly through associates of the Handicrafts and Handlooms Export Corporation of India Ltd. (HHEC) under the scheme for export of gold jewellery against gold supplied by the foreign buyer and directly under the Gold Jewellery Export Promotion and Replenishment Scheme through the Custom House at Bombay/Calcutta/Madras/Delhi/Jaipur. Exports of gold jewellery during 1983-84, 1984-85 and April-September, 1985 from these centres are given below :—

(Rs. in lakhs)

Name of City	1983-84	1984-85	April-Sept. '85
1	2	3	4
Bombay	7782.12	8408.28	4535.97
New Delhi	597.15	397.21	94.57

1	2	4	3
Jaipur	—	0.12	—
Calcutta	8.39	24.49	19.15
Madras	—	4.36	—
Total :	8337.66	8834.46	4649.69
Return Con- signment	49.47	224.60	250.10
Exports	8338.19	8609.86	4399.59

Trade Protocol between India and U.K.

951. SHRI MOHANBHAI PATEL : Will the Minister of COMMERCE be pleased to state :

(a) whether India and U.K. have signed a trade-protocol in London recently; and

(b) if so, the details thereof ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) and (b). The Seventh Meeting of the Indo-British Economic Committee was held at London from 11th to 13th September 1985. Matters relating to bilateral trade imbalance, trade promotion programme better access for Indian goods in the EEC markets and industrial cooperation as also collaboration in third country projects were discussed.

Import and Export Trade Position Since 1982

952. SHRI CHITTA MAHATA : Will the Minister of COMMERCE be pleased to state :

(a) the position of the import and export trade since 1982 till date; and

(b) the steps Government propose to take to boost the export trade and discourage the import trade in the Seventh Plan period ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) The position

of India's import and export trade since 1981-82 is as below :—

(Value Rs. crores)

Year	Imports	Exports
1981-82	13607.56	7805.90
1982-83	14355.76	8907.75
1983-84	15762.95	9872.10
1984-85*	16812.93	11493.72
April-July, 1985-86 (Provisional)	6021.12	2942.04

*Provisional, updated till July, 1985.

Source : DGCI and S, Calcutta.

(b) Policy measures are being continuously evolved for increasing India's exports. These include measures for increasing and diversifying the production, making our exports more competitive, finding new markets for our products and processing commodities for higher value realisation. Efforts would be made to gear up these measures further during the Seventh Plan period.

The Government has taken a number of policy initiatives in the sphere of trade policies, industrial policies and fiscal policies. The current import-export policy which will be operative for a three year period, 1985-88, is designed to introduce an environment of continuity and stability in foreign trade planning. It aims at providing a major thrust towards increased production, both for domestic consumption and exports, and to bring about efficient import substitution. The Government have also decided to select thrust sectors for export promotion which would make a substantial contribution to growth in exports over the medium term. Public sector undertakings are being involved for greater participation in export efforts. Simultaneous efforts are also being made to step up our indigenous production of importables during the Seventh Five Year Plan period, particularly in the sphere of bulk imports.

Setting up of Cotton Mills in the Country

953. SHRI M. RAGHUMA REDDY : Will the Minister of TEXTILES be pleased to state :

(a) the details of cotton mills in the country, State-wise;

(b) whether it is a fact that mostly cotton mills have been situated far away from the source of raw material with the result that huge sums are spent on the transport of raw material with the result that huge sums are spent on the transport of raw material like cotton etc. thereby making the ultimate product very costly;

(c) whether Government have any plan to set up new cotton mills during 1985-86;

(d) if so, places of their location and how far away will such factories be from the source of raw material; and

(e) whether Government are planning to set up some co-operatives for such mills so that the product is cheap and of a good quality ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN): (a) With the policy of fibre flexibility, it is no longer possible to classify mills according to the fibre used.

(b) The licensing policy of textile mills does not seek to confine their location to cotton producing areas and takes into account all factors including the consumer requirements into view.

(c) No, Sir.

(d) Does not arise.

(e) There is adequate spinning capacity in the country for the anticipated requirements up-to the end of the Seventh Plan and hence the question of setting up new cooperative spinning mills may not normally arise.

[Translation]

Memorandum Regarding Labour Participation in Hindustan Steel Works Construction Limited

954. SHRI SARFARAZ AHMAD : Will the Minister of STEEL AND MINES be pleased to state :

(a) whether Government have received any memorandum or suggestion from the employees of the Hindustan Steel Works Construction Limited in Bokaro that labour participation should be introduced in this factory and they are prepared for it; and

(b) if so, the decision taken by Government in this regard and the basis on which this decision has been taken ?

THE MINISTER OF STEEL AND MINES (SHRI K.C. PANT): (a) No, Sir.

(b) Does not arise.

Withdrawal of Money by Forged Cheques from Banks in Delhi

955. SHRI SARFARAZ AHMAD : Will the Minister of FINANCE be pleased to state :

(a) the number of cases in which money was withdrawn by forged cheques in Delhi during the last year, bank-wise and the details of the amount withdrawn by the culprits in each case;

(b) whether Government have got these cases investigated;

(c) if so, the number thereof and the number out of them in which bank employees were found involved; and

(d) the number of cases which were not reported by the bank officers to the police despite the knowledge that the payment has been made against forged cheques and action taken against the officers responsible therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) to (d). The Reserve Bank of India has reported

that the present system of maintaining statistics does not contain the break-up of frauds according to the type of transactions in which a fraud has taken place. However, the banks report to Reserve Bank of India all cases of frauds detected by them. The banks investigate the modus operandi, the involvement of bank employees and according to the nature of involvement, i.e. negligence or connivance in the fraud, action is taken by the bank which includes reporting to the Police/Central Bureau of Investigation for prosecution under the law. The number of cases where employees/officers of public sector banks were involved in fraudulent transactions and the action taken against them in all cases of frauds throughout India during the year 1984 is given below :

(i) No. of employees against whom departmental enquiries were held	— 465
(ii) No. of employees against whom challans were filed	— 156
(iii) No. of employees who were arrested	— 68
(iv) No. of employees against whom court cases were filed	— 84
(v) No. of employees who were convicted	— 14

[English]

Jute and Cotton Growers Facing Slump in Prices

956. SHRI AMAR ROYPRADHAN : Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that jute and cotton growers have been facing slump in prices of their products; and

(b) if so, the reasons therefor and the incentives Government propose to give to the jute and cotton growers ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) and (b). With record crop for the current year,

there has been a decline in prices for both jute and cotton. In order to safeguard the interests of the farmers, Government have announced minimum support prices for the season and both Cotton Corporation of India and Jute Corporation of India are in the market to provide remunerative return to the farmers.

The Jute Corporation of India has already procured over 15 lakh bales of jute so far which is substantially higher than the highest ever recorded during this period. Moreover, directives have been issued by the Jute Commissioner to the private sector mills under Jute (Licensing and Control) Order to build up adequate stocks of raw jute. The Jute Corporation of India will continue to procure jute from the farmers all the offerings at minimum support prices.

As regards cotton, the Government have released since January, 1985, a quota of 3.95 lakh bales for export through various agencies in order to relieve the pressure of arrivals. The Reserve Bank of India has recently notified selected credit control for enabling cotton trade and ginning as well as pressing factories to make purchase of cotton.

Import of Indian Engineering Products by Soviet Union

957. SHRI SRIVALLAV PANIGRAHI : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that Soviet Union which has emerged as the top importer of Indian engineering products is planning to change the pattern of trade with India by going in for long-term production of orders;

(b) if so, whether any delegation has recently visited Indian in this regard; and

(c) if so, the details regarding the agreements, if any, in this regard ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) to (c). Both India and the Soviet Union have been taking steps to diversify and broad-base

bilateral trade and to ensure its growth through new forms of cooperation. In that direction, a Soviet delegation recently visited India to identify areas of production cooperation between Indian and Soviet organisations. The delegations had detailed discussions to identify various products and fields in which mutually beneficial production cooperation could take place.

Orissa Government's Request for Second Jute Mill

958. SHRI JAGANNATH PATTHAIK : Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that the Government of Orissa have approached Union Government to establish a second jute mill in that State; and

(b) if so, the details regarding the reaction of Union Government thereto ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) and (b). Government have recently received an application for grant of Letter of Intent for establishment of jute processing unit at Kendrapara District, Cuttack, Orissa from the Orissa State Cooperative Marketing Federation Ltd., Bhubaneswar. Action has been initiated to process the matter.

[Translation]

Textile Mills Declared Sick in U.P., Maharashtra and Gujarat

959. SHRI RAJ KUMAR RAI : Will the Minister of TEXTILES be pleased to state :

(a) the number of textile mills declared sick in Uttar Pradesh, Gujarat and Maharashtra since 1980 to date and the annual amount being spent by Government on these mills;

(8) the number of workers retrenched from said mills, mill-wise; and

(c) the total number of workers rendered jobless due to this retrenchment during the year 1984-85 and steps taken by

Government to re-instate them and the number of workers who are still jobless ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) The number of large Textile Mill (i.e. those individually enjoying aggregate bank credit limit of Rs. 1 crores and over from the Banking System) identified as sick by the Reserve Bank of India, during the period 1-1-1980 to 31-12-1984 in Uttar Pradesh, Gujarat and Maharashtra is given below :

Uttar Pradesh	Gujarat	Maharashtra
6	22	22

As reported by R.B.I. total outstanding bank credit, as at the end of December, 1984, to these units was around Rs. 300 crores.

(b) and (c). Data of this classification is not available.

[English]

Supply of Excise Free Polyester Fibre to National Textile Corporation Mills

960. SHRI SRIHARI RAO : Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that as a result of recent revision of textile duty structure by Government, the National Textile Corporation mills will be supplied excise duty-free polyester fibre;

(b) whether this would result in production of low-priced shirting and suiting cloth; and

(c) if so, the details thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) The Government has decided to supply excise duty free-polyester fibre to the National Textile Corporation subject to certain conditions.

(b) and (c). Yes, Sir. National Textile Corporation has started production of low-priced polyester cotton shirtings and

suitings under the approved scheme. The retail prices of these shirtings ranges from Rs. 15.90 to Rs. 18.50 per metre. The retail prices of these suitings are from Rs. 38.00 to Rs. 42.90 per metre.

Ban on Export of Frog Legs

961. SHRI R.P. DAS :

DR. SUDHIR ROY :

SHRI PURNA CHANDRA
MALIK :

SHRI P.R. KUMARAMANGA-
LAM :

Will the Minister of COMMERCE be pleased to state :

(a) whether Indian Council of Agricultural Research has urged Government to impose a ban on the killing of frogs of Rana Tigrina and Rana Hexadactyle varieties;

(b) if so, the details of the request;

(c) the reasons for such request made by the I.C.A.R.; and

(d) the measures taken by Government on the request ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) to (d). No such request has been received by the Ministry of Commerce from the Indian Council of Agricultural Research. Government have, however, taken a number of steps for restriction of export of froglegs which include :

(i) allowing such exports only units having facilities for humane killing of frogs and hygienic processing of froglegs;

(ii) putting a ceiling on these exports; and

(iii) regulating the catching of frogs for processing.

Committee on Spotting out of Wastage and Overspending of Non-Plan Expenditure

962. SHRI S.M. BHATTAM : Will the Minister of FINANCE be pleased to state :

(a) whether a committee has been constituted with the Cabinet Secretary as Chairman to spot out wastage and overspending particularly in the area of non-plan expenditure;

(b) if so, the terms of reference of the Committee and when it is expected to submit its report; and

(c) whether the Prime Minister addressed any communication to various Ministries emphasizing the need for economy and reduction of avoidable expenditure ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). A Working Group has been set up under the Chairmanship of Cabinet Secretary to review all on-going activities and organisations of the Central Government and to discontinue those which have lost their utility. No formal terms of reference have, however, been prescribed for this Group. The result of the review by this Working Group will be known in due course.

(c) Yes, Sir.

Training Centres for Employees of Nationalised Banks in Backward Areas

963. SHRI M. RAGHUMA REDDY : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the main reason behind the Prime Minister's directives for setting up training centres for employees of nationalised banks in the economically backward areas was to give first-hand knowledge and on the spot practical experience of problems of backward areas to the trainees and thus boost the economy of the backward areas;

(b) if so, the details of such training centres in backward areas as on date

(Bank-wise) along with date of their setting up;

(c) whether Government propose to set up such new training centres in other backward areas also; and

(d) if so, the details of comparative rent and over-head expenses etc. involved in setting up of training centres in economically backward areas and those set up elsewhere ?

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

Shifting of Training Centres for Bank Employees

964. SHRI M. RAGHUMA REDDY : Will the Minister of FINANCE be pleased to state :

(a) whether he is aware that as per Prime Minister's directives, training centres have been set up in different parts of the country especially in the backward areas for training bank employees with a stress on improving efficiency;

(b) if so, the details of such centres, State-wise;

(c) whether he is aware that some training centres and especially those set up in the economically backward areas are proposed to be shifted to other places even though the rent and overhead expenses at existing places are very low being backward areas;

(d) whether Government have carried out a study to see how much more expensive it would be to shift the existing centres to new places even though such places are not economically backward areas;

(e) if so, the details of such a study and Government's reaction thereto;

(f) whether Government propose to lay down guidelines for shifting training centres from economically backward areas ?

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

Smuggling of Indian Wheat into Pakistan Through Rajasthan Border

965. SHRI M. RAGHUMA REDDY :

SHRI MANIK REDDY :

SHRI VISHNU MODI :

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that Indian wheat is being smuggled into Pakistan through Rajasthan border;

(b) if so, the number of such cases which have come to the notice of Government during the last one year;

(c) the quantity of wheat seized; and

(d) the action taken by Government in regard thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Reports received by the Government do not indicate that Indian wheat is being smuggled into Pakistan through Rajasthan border.

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

(d) The anti-smuggling drive has been intensified. The preventive and intelligence machinery in the Indo-Pak region has been reinforced in terms of manpower and equipment. The Customs field formations remain vigilant in the Indo-Pak sector against smuggling activities in general. The trends in smuggling and seizures made are kept under constant review for taking appropriate anti-smuggling measures in close coordination with the concerned Central and State Government authorities.

Legislation to Make Drug Peddling as a Serious Offence

966. SHRI V. SOBHANADREESWARA
RAO :

SHRI D.N. REDDY :

Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware that raw narcotics like poppy are grown in Chambal valley and in the North East Region which is intended for Government factories for the manufacture of opium and morphine, finds its way clandestinely to drug manufacturers;

(b) if so, the steps taken by Government to check the illegal flow of poppy etc., to drug manufacturers;

(c) whether Government propose to introduce legislation to make drug peddling as serious offence as murder rape etc. and provide deterrent punishment; and

(d) whether peddling in drug is treated equivalent to rape and murder in U.S.A. where first offenders are given upto 18 years jail sentence ?

THE MINISTER STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Opium poppy is cultivated in India only in the tracts notified by the Government and under proper licence. The main growing areas which lie in the course of river chambal are the districts of Mandsaur in Madhya Pradesh and Kota in Rajasthan. Strict vigilance is maintained by the departmental staff in the poppy growing areas and as a result, leakage of opium from licit cultivation is minimal. The seizure of opium in internal traffic is less than 0.5% of the total quantity of opium produced from licit cultivation.

(b) to (d). The field formations remain vigilant to check the leakages from licit cultivation. Strict supervision is exercised over the poppy cultivation right from the stage of its sowing to final handing over to the Departmental Officers. These measures include a cent percent measurement of plots for checking excess and

unauthorised cultivation; strict watch on the trafficking activities; weighment of daily collections of cultivators and preventive checks in and around the growing areas in close coordination with State Government authorities. Narcotic Drugs and Psychotropic Substances Act, 1985 which inter-alia provides deterrent punishment for trafficking offences, passed by the Parliament in the last session has been brought into force from 14-11-1985. The punishments provided therein for trafficking offences range from a minimum of ten years rigorous imprisonment and a fine of Rs. 1 lakh to a maximum of 20 years rigorous imprisonment and a fine of Rs. 2 lakhs. For repeat offences, the punishments range from a minimum of 15 years of rigorous imprisonment and a fine of Rs. 1.5 lakhs to a maximum of 30 years rigorous imprisonment and a fine of Rs. 3 lakhs. Further, the Courts have also been given the discretion to impose a fine exceeding the maximum limits stated above.

Smuggling of Charas, Hashish into the Country Through Pakistan

967. SHRI CHINTAMANI JENA :

SHRI JAGANNATH
PATTNAIK :

Will the Minister of FINANCE be pleased to state :

(a) whether a large quantity of charas, hashish and other such items are being smuggled into the country through Pakistan;

(b) if so, the quantity and value of such items seized during the months April-September this year and the number of persons arrested; and

(c) the steps being taken to stop the smuggling ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). Yes, Sir. According to the reports received, the quantities of narcotic drugs seized and the number of persons arrested during the months April-September this year are as below :—

Name of drug	No. of persons arrested	Quantity seized
1. Chararas/ Hashish	4	3,448.400 Kgs.
2. Opium	5	155.600 Kgs.
3. Ganja	—	4.900 Kgs.
4. Heroin	5	357,452 Kgs.

(Note : Figures Provisional)

No precise value of the drugs seized can be furnished as the illicit market price varies widely depending upon the time and place of seizure, purity of the drug, local demand and supply position, etc.

(c) The field formations remain vigilant to check the smuggling of narcotics. Appropriate anti-smuggling measures are taken in consultation with the State Government authorities.

The matter regarding checking of smuggling of narcotics across the Indo-Pak border was also discussed at the second meeting of India-Pakistan Joint Commission held from the 2nd to 5th July, 1985 at New Delhi.

Close co-operation with the international agencies concerned is also maintained to curb smuggling of drugs.

A new Act, namely, "The Narcotic Drugs and Psychotropic Substances Act, 1985" has been brought into force with effect from 14th November, 1985 which *in'er alta*, provides for stringent penalties for drug trafficking offences.

Earning of Foreign Exchange from Tourists

968. SHRIMATI N.P. JHANSI LAKSHMI : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state the foreign exchange earned from tourists during the first six month of 1985 ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT) : (a) The latest available estimate of foreign exchange

earnings from tourism as released by the Reserve Bank of India relates to the first six months of 1983-84 and is Rs. 733.4 crores.

Apprehension of Heroin Peddlers in Delhi and other Parts of the Country

969. SHRI BALASAHEB VIKHE PATIL :

SHRI RAJKUMAR RAI :

SHRI SOMNATH RATH :

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that during the last six months many heroin peddlers have been apprehended in Delhi and other parts of the country;

(b) whether consumption of heroin in our country has increased or our country is being used only as a transit point;

(c) the steps being taken to step up searches and seizures to end this evil; and

(d) whether the officers who has successfully made the seizures have been rewarded suitably ?

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

(b) and (c). Reports received and seizures made indicate that India, in recent years, has become a transit point for the smuggling of heroin mainly destined for the Western countries. There are also reports of increased consumption of heroin in the major cities like Bombay and Delhi.

The Government have been taking various measures to further tighten the controls and to intensify preventive and intelligence activities to meet the situation. The field formations remain vigilant in the matter. In addition to appropriate anti-smuggling measures taken in co-ordination with the concerned Central and State Government authorities, close co-operation with the concerned international agencies

is maintained to curb smuggling of drugs. The matter is kept under constant review. A new Act has since been passed which provides deterrent penalties for offences connected with trafficking in drugs.

(d) The officers responsible for making the seizures of narcotic drugs are paid rewards under the reward scheme of the Government.

Smuggling of Indian Drugs into Bangladesh

970. SHRI SRIBALLAV PANIGRAHI : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that drugs manufactured in India find their way through Pakistan into the stores of Bangladesh;

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

(c) the efforts Government have made in this regard to check such smuggling taking place from India ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). Reports received by the Government do not indicate that drugs manufactured in India find their way through Pakistan into Bangladesh.

(c) The anti-smuggling drive has been intensified. The Customs field formations remain vigilant against smuggling activities across the borders. The preventive and intelligence machinery of the Customs Department has been reinforced in terms of man-power and equipment in the areas vulnerable to smuggling. The trends in smuggling and seizures made are kept under constant review for taking appropriate anti-smuggling measures in close co-ordination with the concerned Central and State Government authorities.

[Translation]

Recommendations of Abid Hussain Committee on Foreign Trade

971. SHRI SHANTI DHARIWAL :

SHRI S.M. BHATTAM :

SHRI R.P. DAS :

Will the Minister of COMMERCE be

pleased to state :

(a) whether Government have received the recommendations of Abid Hussain Committee on trade policy;

(b) if so, the important recommendations in regard to the implementation of which Government have taken a decisions;

(c) the time by which Government intend to implement their recommendations; and

(d) if some recommendations are not proposed to be implemented the reasons therefor ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) Yes, Sir.

(b) to (d). The Government has by and large accepted the recommendations of the Committee and they are in various stages of implementation. Copies of the Report have been made available to the Library of Parliament.

[English]

Achievements of Rural Banks in Bihar

972. SHRI RAMASHRAY PRASAD SINGH : Will the Minister of FINANCE be pleased to state the achievements of the rural banks in Bihar during the Sixth Five Year Plan and also the position with regard to loan recovery ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : As per information received from National Bank for Agriculture and Rural Development, during the Sixth Five Year Plan, 11 more Regional Rural Banks were established in Bihar taking the aggregate number of Regional Rural Banks to 22 covering 37 districts in the State. The achievements of the Regional Rural Banks in Bihar during

the Sixth Five Year Plan period are indicated below :

	As at the end of		Increase during
	March 1980	March 1985	end March 80 March 85
No. of branches	399	1702	1303
Deposits (Rs. in lakhs)	1620.53	16031.16	14410.63
Out-standing advances Rs. in lakhs)	1265.18	14612.45	13347.27

As at the end of March, 1985 the over-dues of Regional Rural Banks in the State of Bihar constituted 22.6 per cent of their total outstanding advances.

[Translation]

Loan to Persons in Bihar under "Samuhik Bank Rin Yojana"

973. SHRI RAMASHRAY PRASAD SINGH : Will the Minister of FINANCE be pleased to state :

(a) the number of persons in Bihar who were advanced loan till 31st December, 1984 under "Samuhik Bank Rin Yojana";

(b) the criteria adopted for giving these loans; and

(c) whether Government have reports to how the purposes for which these loans have been utilised ?

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

Payment of Insurance Amount to Riot Victim Parties in Bokaro and Dhanbad

974. SHRI RAMASHRAY PRASAD SINGH : Will the Minister of FINANCE be pleased to state :

(a) the particulars of the parties

getting insurance amount of more than Rs. 5 lakhs for the loss sustained by them in the riots which took place in November, 1984 in Bokaro and Dhanbad; and

(b) whether the claims for the loss have been scrutinised thoroughly ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) According to information received by Government, only one party, viz. M/s Khalsa Brothers, Amor Villa, G.T. Road, Durgapur, has been paid an amount of Rs. 11.52 lakhs in settlement of their insurance claim arising out of damage caused to their Excavator at Rajpura Colliery, Chirkunda near Dhanbad, during November, 1984, riots.

(b) Yes, Sir.

[English]

Illegal Dealings in Foreign Exchange

975. SHRI RAMASHRAY PRASAD SINGH :

SHRI NARAYAN CHOUBEY :

Will the Minister of FINANCE be pleased to state :

(a) whether attention of Government have been drawn to the news item captioned "A Small village with big dealings" appearing in "The Statesman" dated 22nd October, 1985;

(b) if so, the details thereof; and

(c) the steps being taken, if any, to check such illegal dealings in foreign exchange at Delhi airport ?

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

(b) During the current year, the Enforcement Directorate has booked some cases of illegal sale and purchase of foreign exchange in an around Delhi airport. The available information does not, however, indicate any large scale illegal dealings in

foreign exchange at the airport or in village Nangal Dairy as reported in the news paper.

(c) Vigilance at the airport has been tightened. Surprise checks are carried out from time to time and the persons apprehended are appropriately dealt with in accordance with the law.

Provision of Funds for Vijayanagar Steel Plant in 7th Plan

976. DR. V. VENKATESH :

SHRI H.M. PATEL :

Will the Minister of STEEL AND MINES be pleased to state :

(a) whether Planning Commission have not provided any funds for new steel projects in Seventh Five Year Plan and also for Vijayanagar Steel Plant in Karnataka;

(b) whether Government Karnataka have requested the Union Government to allocate funds for the Karnataka based Vijayanagar Steel Plant time and again; and

(c) if so, the reasons for not including the Vijayanagar Steel Plant during the Seventh Plan period ?

THE MINISTER OF STEEL AND MINES (SHRI K.C. PANT) : (a) The total plan provision for new steel plants in the VII Plan is only Rs. 10 crores.

(b) Yes, Sir.

(c) Due to overall constraints in resources it has not been possible to provide funds adequately for this project.

Increase in Prices

977. SHRI BHOLANATH SEN :

SHRI CHINTAMANI
PANIGRAHI :

Will the Minister of FINANCE be pleased to state :

(a) whether Government have taken steps to check the upward trend of prices;

(b) if so, the details thereof;

(c) the inflation rate as measured by the rise in wholesale price index during the period January-October 1985 as compared to the rate of inflation during the corresponding period of last three years;

(d) the impact of increase in administered prices of commodities and the increase in wholesale price index on the general price trend during the period 1970-71 to 1983-84 and January-October 1985; and

(e) the rates at which the administered prices of commodities and the wholesale price index have increased during the periods mentioned above ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). Government has been closely watching the price situation and has taken a number of steps for effective demand and supply management including strengthening of the Public Distribution System, enforcement of fiscal discipline and keeping the aggregate liquidity in the system under control. The requisite information on increase in the wholesale price index during January-October is given below :

Period/Year	Increase in Wholesale Price Index (per cent)
January-October '85	5.6
January-October '84	6.3
January-October '83	9.7
January-October '82	3.1

(d) and (e). Data on movement of wholesale prices (WPI) and administered

prices are as follows :

Impact of administered Prices on Wholesale Price Index (1970-71=100)

	Between 1970-71 and	1983-84	Between Jan. and	Oct. 1985
	%age change	%age share in overall increase	%age change	%age share in overall increase
1. All commodities	216.0	100.0	5.6	100.0
2. Administered prices of selected items*	359.9	29.6	9.7	44.1
3. Administered prices (excluding petroleum)	266.7	15.2	10.0	26.2

*Petroleum, coal, electricity, fertilizers, iron and steel, cement, sugar, non-ferrous metals.

Development of Andamans as Free Port

979. SHRI BHOLANATH SEN : Will the Minister of COMMERCE be pleased to state :

(a) whether Government have received some suggestions for development of Andamans as a free port;

(b) if so, the details of such suggestion and the offers for investment, if any, received by Government; and

(c) the contemplation of Government in the matter ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) to (c). Some interest has been shown by some of the Non-resident Indians for making investment in Andamans for the purpose of its development as free port. No decision has been taken in this regard.

Under Utilisation of N.T.C. Mills in West Bengal

980. SHRI BHOLANATH SEN : Will the Minister of TEXTILES be pleased to state :

(a) whether the installed capacity of

looms in the mills in West Bengal under the National Textile Corporation Ltd. has not been fully utilised during the last three years;

(b) if so, the details thereof and the reasons therefor; and

(c) the steps taken/proposed by the National Textile Corporation to increase the weaving utilisation in the mills in West Bengal ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) and (b). A statement showing the mill-wise weaving utilisation of mills under the National Textile Corporation Ltd. in West Bengal, during the years 1982-83, 1983-84 and 1984-85 is given below. The reasons for under-utilisation of the weaving capacity in the said years can be attributed to the following :—

- (i) Inadequate supply of cotton;
- (ii) Power-cuts and tripping in the State; and
- (iii) Recurring labour problems, including non-acceptance of work load norms,

(c) The following steps have been taken/being taken, by the National Textile Corporation Ltd. to improve the weaving utilisation :—

- (i) Arrangements are being made for timely procurement of cotton from different available channels;
- (ii) working capital has been replenished to make up for a cash losses;

(iii) to overcome the power shortage, self generating capacity has been provided in most of the mills.

(iv) emphasis on machinery maintenance is being stressed; and

(v) workers' participation scheme in the management of the mills is being introduced to achieve higher productivity.

Statement

%age Weaving Utilisation

NTC (WBAB and O) Limited West Bengal	1982-83	1983-84	1984-85
1. Bengal Textile*	—	—	—
2. Manindra	69.7	59.7	62.8
3. Central Cotton	45.7	34.9	33.1
4. Bengal Fine No. 1	57.1	47.1	34.0
5. Bengal Luxmi	47.4	37.8	24.2
6. Shree Mahalaxi	74.1	57.6	51.4
7. Rampooria	28.3	21.7	34.8
8. Luxmi Narayan*	—	—	—
9. Arati*	—	—	—
10. Bangasri	53.3	37.7	36.5
11. Bengal Fine No. II*	—	—	—
12. Jyoti	25.9	28.2	25.9
13. Kanoria*	—	—	—
14. Sodepur*	—	—	—
15. Mohini (Managed)	55.4	44.7	63.7

*Spinning Units

Fashion Institute in Delhi

981. SHRIMATI KRISHNA SAHI : Will the Minister of TEXTILES be pleased to state :

(a) the progress made in construction of the Fashion Institute in Delhi; and

(b) the steps taken in this regard ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) and (b). A decision has been taken by the Central Government to establish a National Institute of Fashion Technology in India for education, research, service and training in areas of fashion industry. The project report for the Institute has been prepared

in collaboration with the Fashion Institute of Technology, New York. The Institute is to be registered as an antonomus society, the Memorandum of Association of which has been prepared and the constitution of the governing body has been decided. The members designate of the governing body met in Delhi on 6-11-1985 and approved the Memorandum of Association which has been filed with the Registrar of Societies for registration. A draft project report for UNDP Assistance has also been prepared and sent to the concerned authorities.

Excise Duty Pending Against Hindustan Lever Ltd. and Gestetners Ltd.

982. SHRI V. SOBHANADREESWARA
RAO :

SHRI MANIK REDDY :

Will the Minister of FINANCE be pleased to state :

(a) The details of the excise duty pending realisation against various units of the Hindustan Lever Ltd. and the Gestetners Ltd.;

(b) since when it is pending; and

(c) the time by which the excise duty is likely to be realised from time ?

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

Production and Export of Aluminium

983. SHRI V. SOBHANADREESWARA RAO : Will the Minister of STEEL AND MINES be pleased to state :

(a) whether the country is likely to emerge as a surplus producer of aluminium in the Seventh Five Year Plan;

(b) the production of aluminium during Sixth Five Year Plan and the production target for Seventh Five Year Plan;

(c) whether India is already exporting aluminium, if so, to which countries;

(d) whether Government have identified

new markets for export or carried out a survey for diversifying use of aluminium in the country to ensure that higher production is not wasted; and

(e) if so, the details thereof and if not, the reasons therefor ?

THE MINISTER OF STATE IN THE DEPARTMENT OF MINES (SHRIMATI RAM DULARI SINHA) : (a) Yes, Sir.

(b) The production of aluminium during the Sixth Five Year Plan was as under :—

Year	(Figures in Tonnes)
1980-81	199,018
1981-82	206,763
1982-83	308,146
1983-84	220,216
1984-85	276,492

The domestic production of aluminium during the Seventh Five Year Plan is likely to be as under :—

Year	(Figures in Tonnes)
1985-86	280,000
1986-87	289,000
1987-88	393,000
1988-89	483,000
1989-90	499,000

(c) Yes, Sir. India has been exporting small quantities of aluminium in the form of conductors, foils, powder and other semi-finished and finished products to some countries in the Middle East and South East Asia, Nepal, Bangladesh, Sri Lanka and on occasions to African and Western countries also.

(d) and (e). The cost of production of aluminium in India is not competitive with the aluminium exporting countries

because of high cost of power and other input materials in India. On the other hand, the per capita consumption of aluminium in India is very little (0.4 kg) as compared to over 20 kg in the developed countries. There is a great scope for development and diversification in the new uses of aluminium. It is hoped that the surplus position of aluminium will last for only a few years with the anticipated increase in demand. Government have constituted a High Power Action Group for Promotion of Aluminium in Transport Sector and have also constituted a Development Council for Aluminium. Moreover, the licencing policy for aluminium semi-fabrications has also been liberalised.

Building up of Raw Jute Stocks in West Bengal by Private Jute Mills

934. SHRI PRIYA RANJAN DAS MUNSI : Will the Minister of TEXTILES be pleased to state :

(a) whether Government have issued orders making it obligatory for all private jute mills to build up raw jute stocks to the prescribed levels within a stipulated period;

(b) if so, the details of Government orders and the progress of purchases so far made by the jute mills in West Bengal to build up stocks; and

(c) the steps, if any taken/proposed against those private jute mills who have failed to build up stocks to achieve the prescribed inventory level ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) Yes, Sir.

(b) and (c). A statement is given below.

Statement

In order to arrest declining trend in raw jute prices, an Order dated 6-9-1985 was issued by Jute Commissioner under Clause 9A of Jute (Licensing and Control) Order, 1961 on 54 working private sector jute mills, directing them to make their purchases of raw jute in such a manner as

to ensure raising of their individual inventory of raw jute equivalent to six weeks and ten weeks consumption requirements by 30-9-85 31-10-85 and respectively. On a review of latest situation, time limit for building up ten weeks' stock level has been extended by an Order 31-10-85 and mills have been directed to ensure that their stocks do not go below ten weeks' level upto 30-11-85.

The performance of 44 mills based in West Bengal, to whom the above order is applicable, is as under :—

Raw Jute Stocks	No. of Mills
(a) Ten weeks above.	30
(b) Six weeks and above but below ten weeks.	6
(c) Five weeks and above but below six weeks	3
(d) Below five weeks.	5
Total :	44

As a punitive measure, Jute Commissioner debarred 15 defaulting mills from B. Twill quota allocation for the month of November, 1985. With-holding of B. Twill quota allocation has had a salutary effect and there has recently been a perceptible improvement in stock-building efforts by defaulting mills. Recently, the staff of Jute Commissioner physically verified the stock reports of 6 mills for checking accuracy thereof and in all these cases the reports have been found to be in order. The Jute Commissioner is keeping a continuous watch over the situation.

Implementation of Directives Regarding Recruitment of Minorities in Nationalised Bank

985. SHRI PRIYA RANJAN DAS MUNSI : Will the Minister of FINANCE be pleased to refer to the 15-Point directives issued by the former Prime Minister late Mrs. Indira Gandhi on 11 May, 1983 for giving special consideration to recruitment from minority communities in nationalised banks and to state :

(a) whether Government have taken

steps to implement the directives of the former Prime Minister in the banks;

(b) if so, the details thereof;

(c) what is the progress in the matter; and

(d) the steps Government are contemplating for effective implementation of the directives in future ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (d). Instructions were issued by the Government in 1983 to all the public sector banks and the Banking Service Recruitment Boards bringing to their notice Government's decision that all possible encouragement should be extended to the candidates belonging to religious minorities to train and equip them to compete in greater numbers in the competitive examinations conducted by the recruiting agencies of the Government. They were asked to conduct pre-recruitment training courses for the candidates belonging to religious minorities and to associate members belonging to the minority community in the interview board for various recruitments in the banks. From the reports received from the banks it has been observed that they are generally implementing Government instructions.

Monopoly Procurement Scheme for Raw Jute

986. SHRI PRIYA RANJAN DAS MUNSI : Will the Minister of TEXTILES be pleased to state :

(a) whether Government have received any proposal for monopoly procurement scheme for raw jute to ensure a remunerative price to the jute growers;

(b) if so, the details thereof; and

(c) the contemplation of Government in the matter ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KURSHID ALAM KHAN) : (a) No concrete proposal has been received in this regard by the Government.

(b) Does not arise.

(c) Monopoly procurement of raw jute will imply a lot of operational, administrative and infrastructural commitments on the part of the State Governments in the form of creation and development of regulated markets, co-operative organisations of jute growers etc. In the absence of any decision regarding such commitments by the State Governments, it is difficult to launch any scheme of monopoly procurement of raw jute.

However, the Jute Corporation of India is there to protect the interests of jute growers. The Corporation is responsible for undertaking price support operation of raw jute and undertakes to procure the entire quantity of raw jute offered to it at the minimum statutory price fixed by the Government. The Government has also accepted the liability to subsidise the losses incurred by the Corporation on price support operations of raw jute in the interests of jute growers.

Frauds in Public Sector Banks

987. SHRI RANJIT SINGH GAEKWAD : Will the Minister of FINANCE be pleased to state :

(a) the total number of frauds committed in the public sector banks from 1st June, 1985 to 31st October, 1985;

(b) the total amount involved in these frauds;

(c) the number of civil and criminal suits filed against employees concerned to recover the amount; and

(d) the number of employees of public sector banks convicted on charges of frauds from 1st April, 1984 to 31st March, 1985 ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). Information regarding fraud cases reported to Reserve Bank of India by 28 public sector banks during the period 1-4-85 to 30-9-85 and the amount involved therein is

as under :

No. of frauds	Amount involved (Rs. in crores)
1109	29.72
(Data provisional)	

(c) Information regarding the number of civil and criminal suits filed against employees concerned to recover the amount is not readily available. However, according to the R.B.I., the total number of employees of public sector banks against whom court cases were filed during the years 1984 and 1985 (upto 30-6-85) is 84 and 50 respectively.

(d) As per information furnished by R.B.I., the number of employees of public sector banks convicted on charges of frauds during the years 1984 and 1985 (upto 30-6-85) is 14 and 5 respectively.

Report of Fourth Pay Commission

988. SHRI RANJIT SINGH GAEKWAD : Will the Minister of FINANCE be pleased to state :

(a) whether the Fourth Pay Commission has concluded its deliberations with various unions and associations;

(b) when the Pay Commission is likely to submit its report; and

(c) the details of the activities in which the Commission is presently engaged ?

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

(b) and (c). The Commission is presently having discussions with officials of various Ministries/Departments. Simultaneously it is also engaged in the examination and review of pay, allowances and other related matters concerning Central Government employees, employees of Union Territories and Defence personnel.

According to its terms of reference the

Commission is required to make its recommendations as soon as practicable. It is, however, not possible at this stage to indicate the time by which the Report of the Pay Commission would be submitted.

[Translation]

Increase in Custom Duty in Respect of the Ship Breaking Industry

989. SHRI NARSINH MAKWANA : Will the Minister of FINANCE be pleased to state :

(a) the extent to which custom duty in respect of the ship-breaking industry in Gujarat has been increased from 15 per cent and the basis of this increase;

(b) the basis on which customs duty is realised from the ship-breaking industry running in places other than Gujarat;

(c) whether it is a fact that only 10 per cent duty is charges from Calcutta based ship-breaking industry;

(d) if so, the reasons thereof;

(e) the taxes other this duty which are being imposed on these people;

(f) whether any request to give concession in all these taxes has since been received from them; and

(g) if so, the decision taken by Government thereon ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). The current effective rate of Customs duty on vessels which are imported for breaking up is :—

(i) Customs duty — 30% ad valorem

(ii) Auxiliary duty — 50% ad valorem

(iii) Additional duty — 12% ad valorem

(c) and (d). Indian Flag vessels brought in at Calcutta for breaking up have been charged to duty at the rate of duty as on

the date of first import of the vessel into India in terms of judgement of Calcutta High Court in such cases.

(e) Central Excise duty at the rate of Rs. 365/- per M.T. on Iron and Steel re-rollable scrap and Rs. 3300/- per M.T. on non-ferrous scrap is recovered on scrap arising from ship breaking.

(f) and (g). Requests have been received from the representatives of ship breakers for relief from these duties. No decision has, however, been taken by Government in this regard.

[English]

**Wanchoo Commission's Recommendations
about Abolition of Sales Tax and Excise
Duty**

990. SHRI MAHENDRA SINGH :
Will the Minister of FINANCE be pleased to state :

(a) whether Wanchoo Commission which went into the causes of generation and accumulation of black money in the country had made valuable recommendations to prevent it including the abolition of the system of sales tax and replacement thereof by excise duties;

(b) if so, whether in compliance thereof, Government have already taken steps to withdraw sales tax from a number of items;

(c) the items on which sales tax has already been abolished and which further items are proposed to be exempted from sales tax in near future; and

(d) whether consultations with State Governments have been made in this regard, if so, the outcome thereof ?

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

(b) to (d). As sales tax is mainly a State subject of taxation, the matter

regarding abolition of sales tax and its replacement by additional excise duty was considered in a Conference of Chief Ministers held in September, 1980 and again in February, 1981. Thereafter an Expert Committee was set up to study the financial implications of the extension of scheme of additional excise duties in lieu of sales tax on vanaspati, drugs and medicines, cement, paper and paper board, and petroleum products and the manner in which the financial interests of the States could be safeguarded. The Expert Committee, under the Chairmanship of Shri Kamalapati Tripathi, M.P. submitted its report on 29th January, 1983, which was placed on the Table of both the Houses of Parliament on 29th April, 1983. The recommendations of the Committee were considered in the Conference of Chief Ministers held on 2nd November, 1983. A large number of Chief Ministers indicated their acceptance of the scheme suggested by the Committee for introduction of the additional excise duty in lieu of sales tax, in principle. Some of the Chief Ministers, however, indicated that they were not in a position to accept the same. The Chief Ministers, therefore, resolved that efforts should be continued to bring about consensus among the State Governments on these issues. As sales tax is mainly a State subject of taxation, any reform in the sales tax system can be undertaken only in consultation with and cooperation of the States. Efforts made so far have not resulted in reaching a consensus.

**Income Tax on Hawkers and Street
Vendors**

991. SHRI MAHENDRA SINGH :
Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware that majority of the hawkers and street vendors have income much above the Income Tax exemption limits and they never volunteer to declare their income, consequently their income remains outside the pale of taxation; and

(b) if so, the steps taken or proposed to be taken to bring it within taxation ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). Government is fully committed to take vigorous measures against tax evaders. All possible measures to check tax evasion, including administrative, legislative and institutional, are being taken from time to time.

Export/Import During Seventh Plan

992. SHRI MAHENDRA SINGH : Will the Minister of COMMERCE be pleased to state :

(a) total estimated value of imports of be made during each of the years in the Seventh Five Year Plan period;

(b) how these figures compare with the corresponding figures relating to exports targetted to be made under the Seventh Plan; and

(c) the steps contemplated under the Plan to maximise exports and minimise imports to obtain a favourable balance of trade under the Plan ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) and (b). In the Seventh Five Year Plan, imports are projected to increase at an annual rate of 5.8 per cent, to reach a total figure of Rs. 95,400 crores at 1984-85 prices in the five year period 1985-90. Exports are projected to rise by 6.8 per cent per annum to attain a total figure of Rs. 60,700 crores at 1984-85 prices in the five-year period of the Seventh Plan. It may be stated that estimated value of imports and exports for each of the years in the Seventh Five Year Plan are not available.

(c) Policy measures are being continuously evolved for increasing India's exports. These include measures for increasing and diversifying the production making our exports more competitive, finding new markets for our products and processing commodities for higher value realisation. Efforts would be made to gear up these

measures further during the Seventh Plan period.

The Government has taken a number of policy initiatives in the sphere of trade policies, industrial policies and fiscal policies. The current import-export policy which will be operative for a three year period, 1985-88, is designed to introduce an environment of continuity and stability in foreign trade planning. It aims at providing a major thrust towards increase production, both for domestic consumption and exports and to bring about efficient import substitution. Simultaneous efforts are also being made to step up our indigenous production of importables during the Seventh Five Year Plan period, particularly in the sphere of bulk imports.

Tax Collection During the Current Year

993. SHRI MAHENDRA SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether tax collections during the first six months of the current year have been much more than during the last year;

(b) if so, the figures relating to collection of various Central taxes during the said period as compared to those during the corresponding period last year; and

(c) how for the collections this year have met the expectations held out by him during Budget discussion this year ?

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

(b) A Statement showing collection of direct and indirect taxes upto September, 1985 and corresponding figures of collection upto September, 1984 is given below.

(c) The collections of central taxes upto the end of September, 1985 have met the expectations of collections higher than Budget Estimates.

Statement			
Tax/Duty	Collection upto Sept., 1985 (Rs. in crores)	Collection upto (Sept., 1984 (Rs. in crores)	Remarks + —
I. DIRECT TAXES			
(i) Income Tax (including Corporation tax)	1769.79	1390.64	+ 379.15
(ii) Interest Tax*	44.86	64.23	— 19.37
(iii) Wealth Tax	71.87	60.79	+ 11.08
(iv) Estate Duty**	08.96	08.38	+ 0.58
(v) Gift Tax	04.75	04.31	+ 0.44
	1900.23	1528.35	+ 371.88
II. INDIRECT TAXES			
(i) Customs duty	4196.58	3196.47	+1000.11
(ii) Central Excise	5971.97	5205.96	+ 766.01
	10168.55	8402.43	+ 1766.12
Grand Total of Direct and Indirect Taxes	12068.78	9930.78	+ 2138 00

*Interest Tax has since been abolished on interest accruing after 31-3-85.

**In cases of deaths occurring on or after 16-3-1985 there is no Estate Duty.

Diversification of India's Trade with the U.S.S.R.

994. SHRI S.M. BHATTAM : Will the Minister of COMMERCE be pleased to state :

(a) whether Government are considering to diversify India's trade with the USSR;

(b) whether this diversification of trade with the USSR would include non-ferrous metals, newsprint, etc.;

(c) if so, the details of the items that would be imported from the USSR under this scheme; and

(d) the details of the export from India to the USSR ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) to (d). Diversification of trade between India and the Soviet Union is a continuous process which is being followed by the two sides with a view to imparting stability to bilateral trade. India has been importing newsprint and non-ferrous metals like zinc, nickel and palladium from the USSR for the last many years. Other items of import from the Soviet Union consist of crude oil and petroleum products, machinery and equipment, fertilizers, chemicals and pharmaceuticals and other raw materials. Major items of export from India to the USSR are agricultural products, minerals and ores, chemicals and allied products, leather and leather manufactures, textiles engineering goods.

Free Trade Zone at Visakhapatnam

995. **SHRI S.M. BHATTAM :** Will the Minister of COMMERCE be pleased to state :

(a) whether Government have re-examined the question of setting up a Free Trade Zone at Visakhapatnam in the light of the latest policies of Government;

(b) if so, the present position thereof and the advantage in doing so; and

(c) what are the working results of other Free Trade Zones in the country ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) and (b). Due to resources constraints, it has not been feasible so far to include any new export processing Zone scheme in the 7th Five Year Plan programme. In case it is decided to have any other new Zones, the claim of Visakhapatnam would be considered alongwith other proposals.

(c) The two existing and functioning export processing zones at Kandla and Santacruz registered during 1984-85 exports of Rs. 238.74 crores and Rs. 95.83 crores respectively for new Zones are in the process of being established :

- (i) Falta Export Processing Zone, Falta (West Bengal).
- (ii) Madras Export Processing Zone, Madras.
- (iii) Cochin Export Processing Zone, Cochin.
- (iv) NOIDA Export Processing Zone, NOIDA (U.P.)

Procurement of Iron-ore by Minerals and Metals Trading Corporation from Daitari in Orissa

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

(a) the total quantity of iron-ore procured by the Minerals and Metals Trading Corporation for export purpose from

Daitari-Tomka sector in Orissa during the last three years;

(b) the name of the country to which iron ore procured from Daitari is exported at present; and

(c) the steps taken to increase the procurement of iron ore for Daitari-Tomka sector by the Minerals and Metals Trading Corporation for export ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) The total quantity of iron ore procured by the Minerals and Metals Trading Corporation for export purposes from Daitari Tomka sector in Orissa, during the last three years and upto October this year are as follows :

Year	Qty. (in Lakh tonnes)
1982-83	1.29
1983-84	0.53
1984-85	2.56
1985-86 (upto 31-10-85)	1.93 (Provisional)

(b) Iron Ore procured from Daitari is blended with ore procured from other mines in Barajamda Sector and then exported through Paradip to various countries like GDR, Japan, South Korea, Bulgaria, Czechoslovakia, Rumania, China, etc to meet sale commitments.

(c) The Minerals Trading Corporation has removed quota restrictions on procurement of iron ore from Daitari-Tomka sector and the quantities offered for supply are purchased by MMTS subject to iron ore conforming to quality specifications.

Chit Fund Companies

997. **SHRI MOANBHAI PATEL :** Will the Minister of FINANCE be pleased to state :

(a) the number of chit fund companies running legally in the country;

(b) the details of such companies which are running illegally;

(c) whether Government are aware that a large number of such fake companies disappear with huge amount every year;

(d) the number of such cases which came to the knowledge of Government and the action taken against them; and

(e) the steps being taken to check the illegal companies running in the country ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) According to Reserve Bank of India there were 2076 Companies classified as Conventional Chit Fund Companies, in existence as on 30th September, 1985.

(b) to (e). Government are aware that some of the these Conventional Chit Fund Companies have been resorting to unfair methods in the conduct of chit fund schemes. It was with a view to regulate the activities of these Companies and matters connected therewith, the Central Government enacted the Chit Funds Act, 1982 (40 of 1982). The administration of this Act has been left with State Governments. The Act has been brought into force in 10 State Governments/Union Territories. Reserve Bank of India is pursuing vigorously with other State Governments and Union Territories for bringing the Act into force in those States/Union Territories also.

Scheme to Develop Tourism in Kerala in Seventh Plan

998. **SHRI T. BASHEER :** Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) whether any scheme has been envisaged by Government to develop tourism in Kerala during the Seventh Five Year Plan;

(b) if so, the details thereof; and

(c) if not, the reasons therefor ?

THE MINISTER FOR PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT) : (a) and (b). In

the 7th Five Year Plan the State Government has made a provision of Rs. 9.00 crores for the development of tourism in Kerala. The State Government propose utilising these funds on schemes involving development of inter waterways, water sports and provision of tourism infrastructure all over the State with specific reference to the beaches and identified centres of tourism importance. Schemes received from the State Government by the Central Department of Tourism for financial assistance will be considered on merits according to the Department's guidelines.

(c). Does not arise.

Restriction on Import of Groundnut Extracts from India by U.K. Government

999. **SHRI MUKUL WASNIK :** Will the Minister of COMMERCE be pleased to state :

(a) whether Government of United Kingdom have virtually banned the import of groundnut extracts since August, 1982 by fixing a very low aflatoxin limit of 0.05 mg. per kg. for all groundnut and its diversities used as ingredients in animal feed-stuff; and

(b) if so, the action taken by Government to resolve the aflatoxin problem and avoid long term harm to the country's interest ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) The fixation of very low aflatoxin limit by the British Government of 50 parts per billion for all groundnut and its derivatives used as ingredients in animal feed stuff imported from all origins, has practically led to a stoppage of exports of groundnut extracts from India.

(b) Government has taken up the matter with the British Government with a view to exploring the possibilities of resolving the problem.

**Transfer of Foreign Exchange to Pakistan
and Misuse of Foreign Travel Scheme**

1000. SHRI C. JANGA REDDY :

SHRI BRAJA MOHAN
MOHANTY :

DR. A.K. PATEL :

SHRI KAMLA PRASAD
SINGH :

Will the Minister of FINANCE be pleased to state :

(a) whether his attention has been drawn to the news item appearing in 'Hindustan Times' of 11th October, 1985; that India has been giving thousands of dollars daily at the rate of 500 dollars per person to Jhuggi Jhompari dwellers at Turkman Gate, Delhi and others for going to Pakistan to meet their relations who apply on forms of 'Foreign Travel Scheme' and this money is being utilised by Pakistan for purchasing arms and ammunition from U S A ;

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

(c) whether Government have considered the proposal that the Indians going to Pakistan should be given Pakistan currency instead of dollars and if so, the decision taken by Government in this regard; and

(d) the amount of dollars that has reached Pakistan from India as per the statistics available for the last three years ?

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

(b) Any person resident in India, irrespective of age, proceeding to any foreign country, including Pakistan, under the Foreign Travel Scheme (FTS) is eligible to obtain from an authorised dealer, foreign exchange upto U.S. \$ 500/-, or its equivalent, once in two years. Further, under the Neighbour-hood Travel Scheme (NTS) a person resident in India, irrespective of age, is eligible to visit any country in the neighbourhood group of countries, including

Pakistan, and to the release of foreign exchange upto U.S. \$. 250/-, or its equivalent, once in two years. The foreign exchange thus taken out of India to any foreign country, including Pakistan and utilised there by the passengers, becomes the foreign exchange earnings of that country who may use it for any purpose. The Government has not come across any racket where the Pakistan authorities or Pakistan International Air-lines have sponsored passages of the Indians to Pakistan with the sole intention of earning more foreign exchange for Pakistan.

(c) No such proposal is under consideration at present.

(d) The information, to the extent possible, is being collected and will be laid on the Table of the House.

Facilities to Attract More Tourists

1001. SHRI CHINTAMANI JENA ;

SHRI AMARSINH RATHAWA :

Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) whether it is a fact that the present tourism industry is looking after only the rich and privileged class;

(b) whether it is also a fact that all the present facilities are being given to those people who belong to upper income group;

(c) whether Government propose to build the necessary infrastructure in the form of cheap and reasonable accommodation as well as provide facilities to travel at a reasonable cost to attract more tourists, from abroad as well as from within the country; and

(d) if so, the steps taken by Government in this respect ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT) : (a) and (b). No, Sir.

(c) and (d). The Central Department

of Tourism during the 7th Plan propose to construct a chain of Yatri Niwases in collaboration with the State Government/UT Administration with a view to providing clean accommodation for tourists both domestic and foreign. The tariff for the Yatri Niwases is expected to range from Rs. 15 per bed in a dormitory to Rs. 60 for a double room. These Yatri Niwases would be constructed selected tourist centres i.e. places of historical and cultural interests, holiday and mountain resorts, metropolitan and business-cum-transit centres.

Department of Tourism has set up a society called Bharatiya Yatri Avas Vikas Samiti for the construction of Yatrikas/Dharamshalas/Musfir Khanas at the important pilgrim centres in the country to enable persons belonging to middle and low-income groups to travel to places of religious and tourist interest.

In a recent State Tourism Ministers' meeting, State Tourism Corporation were requested to work out package tours for tourist spots within their jurisdiction. These could be inter-linked with package tours available in other States. Some of the States have already operated certain packages successfully.

Tourist Package Schemes for Public Servants According to their Salaries

1002. SHRI P.R. KUMARAMAN-GALAM : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) whether Government have decided to cater to the hotel needs of average citizen;

(b) if so, the details of the plan;

(c) whether Government propose to downgrade some of the existing losing and ailing hotels;

(d) the total annual subsidy provided by the Hotel Corporation of India for international travellers stopping in the country *en-route* and details of the new 'India on the House' scheme; and

(e) whether Government propose to

introduce tourist package scheme for public servants according to their salaries ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT) : (a) and (b). The Department of Tourism approves hotels including those of 1 and 2 star categories, which offer clean and comfortable accommodation for budget tourists. In order to further cater to the hotel needs of average citizens, the Department proposes to construct a chain of Yatri Niwases in collaboration with the State Governments/Union Territories. The Department has also set up a Society called the Bharatiya Yatri Avas Vikas Samiti for construction of Yatrikas, Dharmshalas, etc. at important religious centres in the country to provide inexpensive accommodation to average citizen.

(c) There is no such proposal. Classification and reclassification of hotels is linked with the standards of facilities and services provided.

(d) The India Tourism Development Corporation is offering a stop-over tour in co-operation with Air India to encourage long haul international travellers to stop over at the four international airports in India at \$ 19 for twenty four hours. The stop-over facility is not subsidised by the Hotel Corporation of India or any other agency.

(e) No such Scheme is under consideration of the Department of Tourism.

Proposal to Change Rules in Respect of LIC Claims

1003. SHRI P.R. KUMARAMAN-GALAM :

DR. G. VIJAYA RAMA RAO :

SHRI MANIK REDDY :

SHRI CHINTA MOHAN :

Will the Minister of FINANCE be pleased to state :

(a) whether in a recent dog-bite case in village Bhadol in Gujarat, Life Insurance Corporation refused to admit a claim as

the victim died after 92 days as against the rule of 90 days stipulated by the Life Insurance Corporation to be able to claim against a life insurance policy;

(b) whether the Life Insurance Corporation proposes to change its rules so as to abolish the present time-limit on such policies as in other countries in order to fulfil the purpose of such policies;

(c) whether Consumer Education and Research Centre (CERC), Ahmedabad has suggested setting up of tribunals for various LIC claims and also rating committees; and

(d) if so, Government's reaction thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) No, Sir. The LIC had already paid the basic sum assured of Rs. 35,000 on three Double Accident Benefit policies taken by the life assured, in July and August, 1982. However, an additional sum equal to the sum assured under the policy payable under the Double Accident Benefit policies could not be paid since the death took place after the stipulated period of 90 days from the date of the incident of dog-bite on 6-1-1982.

(b) to (d). Life Insurance Corporation has not yet formulated any such proposal to change its Rules at present. However, representations have been received on the subject, inter alia, from Consumer Education and Research Centre, Ahmedabad, who have also suggested the setting up of a Tribunal for settlements of Disputed Claims of Policy-holders. Government have noted the contents of these representations for appropriate necessary action.

Devaluation of Currency Faced by IMF— Aided Countries

1004. SHRI AMAR ROYPRADHAN : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that international Monetary Fund-aided countries have been facing devaluation of their currency in terms of US dollars and other hard money;

(b) if so, the details thereof; and

(c) whether India is also an affected country among them ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). During the period 1980-84 there was an unprecedented rise in the value of US dollar with respect to all major international currencies and currencies of the developing countries including India. The depreciation of other currencies in terms of US dollar during the above period was not confined to developing countries alone or countries having recourse to IMF facilities.

Between the period December, 1984, and August, 1985, however, the US dollar has lost to almost all major countries and in some cases to currencies of some developing countries which include India as well.

Present Position of Overdraft on State Governments

1005. SHRI AMAR ROYPRADHAN :
SHRI S.G. GHOLAP :
SHRI ANANTA PRASAD
SETHI :

Will the Minister of FINANCE be pleased to state; the present position of the overdraft on the State Governments and the reaction of Union Government thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : No State was in overdraft as on 18th November, 1985 the latest date which the information is available.

New Plan for Loans in Public Sector Bank

1006. DR. G.S. RAJHANS :
SHRIMATI KISHORI SINHA :
SHRI H.M. PATEL :

Will the Minister of FINANCE be pleased to state :

(a) whether his Ministry has directed

the public sector banks to have a new plan for loans as reported in the 'Indian Express' of 18th October, 1985;

(b) if so, the details thereof; and

(c) the extent to which the educated unemployed persons will be benefited by the new plan?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). Reserve Bank of India have been advised to instruct the Public Sector Banks that their rural branches should fix a specific day of the month for public disbursement of loans. Reserve Bank of India has also been asked to set up a Working Group under the Chairmanship of the Chairman, National Bank for Agriculture and Rural Development to examine the existing system of small loan disbursal and to suggest improvements. The improvements being effected in the system of disbursal of small loans are expected to remove some of the deficiencies in the existing system and to this extent are also expected to benefit all types of borrowers including the educated unemployed persons.

Loss in Foreign Exchange Due to Supply of Sub-standard Goods

1007. SHRI C. MADHAV REDDI : Will the Minister of COMMERCE be pleased to state :

(a) whether India's exports in garments, shoes and hosiery have declined recently because of supply of sub-standard goods or not adhering to the specifications;

(b) if so, the details of such cases foreign exchange lost; and action taken by Government separately against the private sector and public sector during the last three years;

(c) whether with a view to avoid such unfortunate incidents, Government have devised some quality check system etc.; and

(d) if so, the details thereof?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) and (b). There is no decline in the exports of garments, shoes and hosiery.

(c) and (d). Footwear Components are covered under the purview of Compulsory Quality Control and Preshipment Inspection under the Export (Quality Control and Inspection) Act, 1963. Garments and hosiery are not covered under compulsory Quality Control.

Development of Nagarjuna Sagar-Srisaillam Areas a Tourist Centre

1008. SHRI C. MADHAV REDDY : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) whether he is aware that Nagarjuna Sagar-Srisaillam area is a very picturesque area and rich in bounties of nature and therefore best suited for being developed as a tourist centre;

(b) if so, whether Government have any project under consideration for developing this area as a tourist resort;

(c) if so, the details thereof, and if not the reasons therefor; and

(d) whether Deverkonda port in Nalgonda district is being developed as a tourist resort?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT) : (a) Yes, Sir.

(b) and (c). The State Government proposes to develop Nagarjunasagar as a World Tourist Centre through the Andhra Pradesh Travel and Tourism Development Corporation for which a provision of Rs. 4700 lakhs has been made in the State's 7th Five Year Plan. A proposal for a cafeteria and other facilities at this place is under discussion with the State Government. The State Government is already conducting weekly tours from Hyderabad to Nagarjunasagar and also there is a launch service between Nagarjunasagar and Nagarjunakonda. Another fast launch is also operated for the tourists from

Nagarjunasagar to Srisailem on river Krishna.

(d) No such proposal for developing Deverkonda Port in Nalgonda district has been received from the State Government.

Identification of Spots for Development of Tourism in A.P.

1009. SHRI C. MADHAV REDDI: Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) whether in view of increase in tourism, Government have identified spots deserving special attention for being developed as tourist resorts;

(b) if so, the details of such spots, State-wise and funds allotted for the same during 1985-86;

(c) the criteria being followed for selecting such spots; and

(d) the details of such tourist resorts identified in Andhra Pradesh ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT): (a) The Department of Tourism in consultation with the respective State Governments has identified spots of tourist importance in each State for phased development with the combined resources of State, Centre and private sector.

(b) The Department does not allocate funds State-wise or for each individual tourist centre. State Government are expected to formulate specific schemes and the Department provides central assistance for tourism schemes based on the availability of resources and the merits of the project proposal forwarded by the State Governments.

(c) The general criteria followed for selecting a centre are the historical, cultural, religious and scenic importance of

the place and other potentials such as those for sports or adventure tourism.

(d) The following are the centres identified in Andhra Pradesh :

Hyderabad, Nagarjunasagar, Ethipothala, Srisailem, Mahanandi, Cuddapah, Tirupati, Kalahasti, Pulicat Lake, Horsley Hills, Lepakshi, Ananthapur, Kurnool, Medak, Bhongir, Yadagirikutta, Warangal, Ramappa, Pakhal (Lake and Ethunagaram Wildlife Sanctuary), Amravati (Chirala Vijaya)-wada, Suryapet, Visakhapatnam, Bhimuniapatnam, Burra Caves, Anantagiri, Araku.

Foreign Exchange Remittances by Companies to their Collaborators

1010. SHRI HUSSAIN DALWAI: Will the Minister of FINANCE be pleased to state :

(a) the amount of foreign exchange remittances effected by companies having technical or financial collaboration to their foreign collaborators towards (a) Royalty, (b) dividends, (c) technical consultancy fees, and (d) on any other account;

(b) whether Government consider automobile industry a sector from which such remittances are warranted;

(c) the amount of foreign exchange remittances from various industries like, pharmaceuticals, engineering, chemicals etc.; and

(d) whether Government have laid down any ceiling for an Industry for the amount of foreign exchange remittance ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) and (c). The remittances made by companies in India on account of profits, dividends, royalty and technical know-how fees during the year 1982-83, which is the latest year for which data is available, are as

follows :

(Rs. in crores)

Profits	Dividends	Royalty	Technical know-how fees
19.12	70.31	39.72	258.58

Industry-wise break-up of such remittances is not available.

(b) and (d). No industry-wise ceiling on foreign exchange remittances that can be made under foreign collaboration arrangements has been laid down. Foreign collaboration arrangements in desired areas, including the field of manufacture of automobiles, are allowed on a selective basis keeping in view inter-alia the nature and sophistication of technology, our need for it, its potential for effecting cost reduction, employment generation, energy conservation, export possibilities etc.

Results of Recent Policy of Reducing Rates of Income Tax

1011. SHRI HUSSAIN DALWAI : Will the Minister of FINANCE be pleased to state :

(a) whether the recent policy of Government of reducing rates of Income-tax, paid any dividends in the form of (i) voluntary filing of returns; (ii) voluntary payment of more taxes; and (iii) collection of taxes;

(b) if not, whether Government propose to continue pursuing the same policy; and

(c) if so, whether Government propose to check the flow of black money at the same time ?

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

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

(c) Yes, Sir.

Foreign Exchange Earned Throught Export of Frogs

1012. SHRI BRAJAMOHAN MOHANTY : Will the Minister of COMMERCE be pleased to state :

(a) the quantity of forg legs exported during the last three years and the total amount of foreign exchange thereby;

(b) whether Government have banned sovering of hind legs of the frogs for export purposes;

(c) whether some of the State Govern-ment have legalised the trapping and killing of frogs and if so, the reaction of Union Government thereto;

(d) whether Government are aware of the impect of frogs killing in our ecology and more particularly in the agriculture; and

(e) if so, the steps Government have taken to protect the frogs in our ecological system ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) Exports of Froglegs and their value during the last three years are :—

Year	Quantity (in tonnes)	Value (Rs. Crores)
1982-83	1896	4.72
1983-84	2428	6.68
1984-85	2728	7.77

(b) There is no such ban but there exists a ban on trapping of frogs and processing of froglegs during the four months period from 15th April to 15th August every year.

(c) Under the Wild Life (Protection) Act, 1972, catching/dealing in frogs would require trapping/dealership licence issued by the Wild-life Authorities of the State Governments concerned. Some State Government like Kerala, Gujarat, Maharashtra and Andhra Pradesh have

legalised the trapping and killing of frogs.

(d) and (e). Measures taken by the Government to maintain ecological balance and prevent indiscriminate killing of frogs for export, include :

- (i) allowing such exports only by units having facilities for humane killing of frogs and hygienic processing of froglegs;
- (ii) putting a ceiling on these exports;
- (iii) regulating the catching of frogs for processing;
- (iv) allowing only certain species for trapping and export of their legs; and
- (v) banning trapping and processing during the breeding season.

Reduction in the Width of Shirting and Suiting Cloths

1013. PROF. K.V. THOMAS : Will the Minister of TEXTILES be pleased to state :

(a) whether it has been brought to the attention of Government that the width of the shirting and suiting cloth has been reduced from the usual 36 inches to 35 or 34 inches; and

(b) whether Government propose to take action against the mills producing the cloth as this amounts to the cheating of the public ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) and (b). At present, there is no restriction on mills to manufacture suiting or shirting cloth or any other type of cloth in any specific width. Manufacturers are, however, required to stamp the length and width as laid down under relevant textile control orders.

Resumption in Imports of Hops

1014. SHRI N. TOMBI SINGH : Will the Minister of COMMERCE be pleased to state :

(a) whether Government are considering to resume the import of hops, a herb used in the manufacture of beer;

(b) if so, the reasons therefor; and

(c) whether attention of Government has been drawn to impending inconvenience of the hops growers in Jammu and Kashmir in the even of the import being resumed and in view of the self sufficiency of the said raw material in the country at present ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) and (b). The import of Brewery hops is restricted under Appendix 28 of Import Export Policy. There is not proposal to modify the Import policy for hops.

(c) No, Sir.

Hotel Facilities in the North Eastern States and Union Territories in Seventh Plan

1015. SHRI N. TOMBI SINGH : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state the provision for the increase of hotel facilities in the North Eastern States and Union Territories in the Seventh Five Year Plan with special reference to the State of Manipur ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT) : The Department of Tourism does not directly undertake construction of hotels. However, for the 7th Five Year Plan the India Tourism Development Corporation have a provision of Rs. 5 crores to take up construction of new projects in North Eastern Region as joint venture projects with the State Governments/ Union Territories. Under this scheme India Tourism Development Corporation have already finalised proposals to construct joint venture hotels at Gauhati in Assam and Itanagar in Arunachal Pradesh. Separately,

ITDC is likely to take over the management of a State Government owned 45 room tourist lodge at Imphal.

In the private sector the Department has accorded approval to the following hotel projects in the North East :

- (1) A 30 room project at Mizoram.
- (2) A 53 room project at Guwahati.
- (3) A 72 room project at Guwahati.

Quick Handling of Sugar at Madras

1016. PROF. RAMKRISHNA MORE :

SHRI MOHD. MAHFOOJ ALI KHAN :

Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that State Trading Corporation is paying bribe in the name of "speed money" to those hand imported sugar at Madras Port to ensure quick movement of sugar;

(b) if so, the amount paid by the State Trading Corporation as "speed money" to contractors handling imported sugar at Madras Port so far and the reasons for paying it; and

(c) the reaction of Government towards payment of such money by the State Trading Corporation ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) to (c). STC not paying any "speed money" for handling imported sugar at Madras Port to anyone.

Tax Arrears Due from M/s Swadeshi Polytex Ltd.

1017. SHRI V. TULSHIRAM : Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No. 4787 on 23rd August, 1985 regarding tax arrears due from big business houses and state :

(a) the total amount of tax due from

M/s. Swadeshi Polytex Limited as on 30th June, 1985;

(b) the details of action taken against this business house for not paying the taxes in time;

(c) since when the taxes are due for recovery from the concerned house;

(d) the action taken/proposed to be taken against the officers concerned for their negligence to recover the tax and who left it to accumulate into arrears;

(e) whether the tax will be recovered from the concerned house with interest thereon; and

(f) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (d). The total amount of tax due from M/s. Swadeshi Polytex Ltd. as on 30-6-1985 is as under :—

Asst. Year	Financial Year in which demand raised	Amount Rs. in laks.
1977-78	1980-81	236.19
1978-79	1983-84	136.15
1979-80	1981-82	17.06
1982-83	1984-85	46.99

There is a dispute in these cases regarding rate of depreciation on machinery and granting of extra shift allowance right from the assessment year 1974-75, which is still pending in first appeal before CIT (Appeal). If the CIT (A) decides the matter in assessee's favour in assessment year 1974-75 the consequential effect in assessment year 1977-78, 1978-79 and 1979-80 would wipe off all the outstanding demands for these years. Hence it may not be appropriate to press the recovery of the entire outstanding demand till the first appeal for assessment year 1974-75 is decided.

However, notices under section 221 of

the Income-tax Act, 1961 have been regularly issued to the company regarding the demand outstanding. As a result, an amount of Rs. 70 lakhs was recovered from the assessee company in financial year 1984-85 and there has been collection/reduction amounting to Rs. 1,14,06,000 in the current financial year upto October, 1985.

No action has been initiated against concerned officers as there has been no negligence on the part of the officers.

(e) Yes, Sir.

(f) Does not arise, in view of (e) above.

Agreement between India and Canada to Avoid Double Taxation

1019. SHRI V. TULSIRAM : Will the Minister of FINANCE be pleased to state :

(a) whether an agreement between India and Canada has been reached to avoid double taxation;

(b) if so, the details of the pact;

(c) the extent to which India will be beneficiary in this regard; and

(d) the subject matters which have been included and excluded from the agreement together with reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Agreement between India and Canada for avoidance of double taxation has been reached it has not come into force as the final approval of the Canadian side is awaited.

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

Survey for Liberal Facilities to Youth by Indian Tourism Development Corporation

1021. PROF. NARAIN CHAND PARASHAR : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) the concrete steps taken by Government

or Indian Tourism Development Corporation to promote tourism by providing liberal facilities to youth of the country in the International Year of the youth;

(b) whether any survey regarding the availability/extension of similar facilities in the foreign countries has been made and any innovations adopted by Government/Indian Tourism Development Corporation;

(c) if so, the nature thereof; and

(d) if not, whether any survey is proposed to be made for this purpose ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H K.L. BHAGAT) : (a) During the International Year of Youth 1985, ITDC introduced Ashok Youth Package for Indian Youth. Under this scheme, the young people below the age of 30 years when travelling in groups of 10 or more can stay in ITDC hotels, Travellers Bungalows and Forest Lodges at 26 locations in India on a uniquely low tariff of Rs. 25/- per person per day. Specially priced meals, on a fixed menu basis, are also available at these hotels for young people. These include lunch and dinner at Rs. 15/- and breakfast at Rs. 5/- per person. The scheme is valid upto 31-12-1985.

Ashok Travels and Tours of ITDC is also offering the facility of travel at concessional rates in its transport coaches for the young people availing the youth package.

(b) to (d). No such survey has been conducted by ITDC as each country has to adopt measures for developing tourism in accordance with their specific requirements, facilities available, etc.

[Translation]

Grants to Jammu and Kashmir

1022. SHRI BANWARI LAL BAIRWA : Will the Minister of FINANCE be pleased to state :

(a) the itemwise grants given by the Union Government to the Government of

Jammu and Kashmir during the last three years, year-wise.

(b) whether is is a fact that grants received by the Government of Jammu and Kashmir for checking damages from land sliding and floods are not spent by it for the specified purposes; and

(c) if so, the details in this regard along with the directions of the Union Government in this respect ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) A Statement showing the item wise grants given by the Union Government to the Jammu and Kashmir Government is given below.

(b) to (c). Jammu and Kashmir was affected by cloudburst in 1984-85 and had reported having incurred an expenditure of Rs. 7.48 crores against the ceiling of expenditure of Rs. 3.78 crores approved for this calamity.

Statement

Statement showing item-wise grants given by the Union Government to the Government of Jammu and Kashmir during the last three years (1982-85).

(Rs. crores)

Item	1982-83 (A/c)	1983-84 (RE)	1984-85 (RE)
1. Statutory grants	39.67	39.20	115.02
2. Non-Plan grants	41.94	57.73	17.84
3. Grants to cover gap in resources	13.08	14.93	7.10
4. State Plan schemes	52.50	55.50	70.50
5. Grants for Centrally sponsored schemes	15.19	32.53	43.94

[English]

Capital Investments on Plant and Machinery Installed in Factories

1024. SHRI K.S. RAO : Will the Minister of FINANCE be pleased to state :

(a) the reason why the value of Rs. 20 lakhs in respect of the capital investments on plant and machinery installed in factories manufacturing excisable goods under T.I. No. 68 has not been liberalised in spite of stepping up of the qualifying limit for small scale and ancillary industries;

(b) whether Government are aware that if the proviso to Notification No. 77/85-CE dated the 17th March, 1985 which is in

force from 1st April, 1985 is not amended the small scale industries manufacturing excisable goods falling under T.I. No. 68 will not be able to derive benefits of the liberalised standards for small scale and ancillary industries; and

(c) whether there is any proposal to amend the said proviso during the current session of Parliament ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The small scale exemption for goods falling under Item 68 was liberalised in the budget for 1985-86 by increasing the eligibility limit to Rs. 75 lacs value of clearances and by providing slab rates after the full exemption limit of Rs. 20 lacs. This liberalisation

was expected to take care of the genuine interests of the small scale units. It was also decide not to alter the limits of Rs. 20 lakhs for investment in plant and machinery as that would increase the number of beneficiaries involving further loss of revenue besides increasing the possibilities of evasion/avoidance of duties by comparatively bigger units.

(b) Yes, Sir.

(c) There is no proposal at present to amend Notification No. 77/85 dated 17-3-1985 to increase the investment limit.

Stagnation in Exports

1025. SHRI DHARAM PAL SINGH
MALIK :

SHRI SUBHASH YADAV :

Will the Minister of COMMERCE be pleased to state :

(a) whether attention of Government has been drawn to the news-items appearing in the 'Economic Times' of 28 October, 1985 wherein it has been stated that country's imports have gone up by 27.7 per cent in April-July, 1985 and exports are relatively stagnant;

(b) if so, the reasons thereof; and

(c) the steps taken by Government to boost the exports so as to save foreign exchange of the country ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) Yes, Sir. According to the Provisional data for the first quarter of 1985-86, India's overall imports during April-June, 1985 registered an increase of 27.7 per cent whereas exports showed a marginal increase of 0.2 per cent as compared with the provisional figures in the corresponding period of the previous year.

(b) A-part from the fact that the international economic and trade situation continues to be difficult for many of our exports, some part of the explanation for the negligible growth in exports during April-June, 1985 may lie in the fact that export performance in the corresponding

period of last year i.e. April-June, 1984 was boosted by the spill over attributable to to the ports strike in March-April, 1984. At the same time, a high rate of growth in the imports during April-June 1985 may probably be on account of the bulk imports such as fertilizers, and POL and the increase in imports of capital goods as also manufactured intermediates which needed to maintain essential investment and production in the country.

(c) Policy measures are being continuously evolved for increasing India's exports. These include measures for increasing and diversifying the production, making our exports more competitive finding new markets for our products and processing commodities for higher value realisation. Efforts would be made to gear up these measures further during the Seventh Plan period.

The Government has taken a number of policy initiatives in the sphere of trade policies, industrial policies and fiscal policies. The current import-export policy which will be operative for a three year period, 1985-88 is designed to introduce an environment of continuity and stability in foreign trade planning. It aims at providing a major thrust towards increased production both for domestic consumption and exports, and to bring about efficient import substitution.

The Government have also decided to select thrust sectors for export promotion which would make a substantial contribution to growth in exports over the medium term. Public Sector undertakings are being involved for greater participation in export efforts. Simultaneous efforts are also being made to step up our indigenous production of importables during the Seventh Five Year Plan period, particularly in the sphere of bulk imports.

Raising of Capital by Indian Companies

1026. SHRI DHARAM PAL SINGH
MALIK :

SHRI SUBHASH YADAV :

Will the Minister of FINANCE be pleased to state :

(a) whether attention of Government

has been drawn to the news item appearing in the 'Economic Times' of 29 October, 1985 wherein it has been stated that 27 Indian companies have been allowed to raise their capital;

(b) if so, the names of the companies which have been allowed to raise their capital;

(c) the amount of capital allowed; and

(d) the reasons for giving permission for raising their capital ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (d). In accordance with standing arrangements, a list of cases of companies approved by the Office of the Controller of Capital Issues for raising capital in the form of equity shares, preference shares, debentures or the issue of bonus shares by capitalisation of reserves etc. is sent to the press for wide publicity. A statement showing the details of such cases relating to the week ended Saturday, the 19th October, 1985, which was published in the 'Economic Times' of October 29, 1985, is given below.

Statement

*Statement of Cases Approved for Issue of Capital or Capitalisation of Reserved etc.
During the Week Ended 19-10-1985*

S. No.	Name of the Company	Amount of Capital allowed to be raised/ Capitalisation of reserves allowed	Objects for which permission given
1	2	3	4
1.	M/s. Indian Petrochemicals Corpn. Ltd.	Debentures worth Rs. 40 crores.	To part finance the gas-based petrochemicals complex.
2.	M/s. Usha Rectifier Corpn. (India) Ltd.	Equity shares worth Rs. 183.75 lacs linked to, a Debenture issue worth Rs. 918.75 lacs.	To part finance manufacture or Galvanising sheet/coil project.
3.	M/s. Tamil Nadu Newsprint and Papers Ltd.	Equity shares worth Rs. 10.33 crores.	To part finance setting up of a paper plant.
4.	M/s. Upcom Cables Ltd.	Equity shares worth Rs. 538 lacs.	To part finance the project for manufacture of jelly-filled cables.
5.	M/s. Columbia Electronics Ltd.	Equity shares worth Rs. 321 lacs.	To part finance video and tapes project.
6.	M/s. Jagatjit Industries Ltd.	Debentures worth Rs. 300 lacs.	To meet working capital/normal Capital expenditure needs.
7.	M/s. Trimurtee Fertilisers Ltd.	Equity shares worth Rs. 216 lacs.	To part finance the fertiliser project.
8.	M/s. Panthasarathy Cements Ltd.	Equity shares worth Rs. 158 lacs.	To part finance the cement plans.

1	2	3	4
9.	Usha Telehoist Ltd.	Debentures worth Rs. 150 lacs.	To meet working capital needs.
10.	M/s. Premier Mills Ltd.	Equity shares worth Rs. 138.60 lacs.	To meet working capital needs.
11.	M/s. Ashoka Protins Ltd.	Equity shares worth Rs. 114 lacs.	To part finance their expansion programme.
12.	M/s. Quality Steel Tubes Ltd.	Equity shares worth Rs. 110 lacs.	To finance Modernisation programme and to meet working capital needs.
13.	M/s. Om Sindhoori Hotels Ltd.	Equity shares worth Rs. 130 lacs.	To part finance the setting up of a 3-Star Hotel.
14.	M/s. Vinayaka Synthetics Ltd.	Equity shares worth Rs. 105 lacs.	To meet working capital needs.
15.	M/s. S.R. Forgings Ltd.	Equity shares worth Rs. 45 lacs.	To part finance the overrun in their project cost for the manufacture of steel forgings.
16.	M/s. Padmatex Engineering Ltd.	Equity shares worth Rs. 30 lacs.	Permitted to retain 25% of the original issue as a result of over-subscription.
17.	M/s. Marathwada Alloy Steels Co. Ltd.	Debentures worth Rs. 41 lacs.	To meet working capital needs.
18.	M/s. UB-MEC Batteries Ltd.	Equity shares worth Rs. 38.04 lacs.	To meet working capital needs.
19.	M/s. Super Spinning Mills Ltd.	Debentures worth Rs. 30 lacs.	To meet working Capital needs.
20.	M/s. Precot Mills Ltd.	Debentures worth Rs. 30 lacs.	To meet working capital needs.
21.	M/s. Premier Extractions Ltd.	Equity shares worth Rs. 18.75 lacs (Nominal).	Permitted to retain 25% of the original issue as a result of over-subscription.
22.	M/s. Food Specialities Ltd.	Equity shares worth Rs. 6 lacs (Nominal).	To enable the foreign share-holding company to maintain equity participation at 40%.
23.	M/s. The Sree Meenakshi Mills Ltd.	Equity shares worth Rs. 19,17,890/-	Permitted to retain 25% of the original issue as a result of over-subscription.
24.	M/s. Pearl Polymers Pvt. Ltd.	Bonus shares worth Rs. 20,16,700/-	Capitalisation of Reserves.

1	2	3	4
25. M/s. Universal Cylinders Ltd.	Bonus shares of worth Rs. 12,00,000/-	Capitalisation of Reserves.	
26. M/s. The Milling Trading Co. Ltd.	Bonus shares of Rs. 10 lacs.	Capitalisation of Reserves.	
27. M/s. Vispro Foundry Engineers Pvt. Ltd.	Bonus shares of Rs. 6,35,200/-	Capitalisation of Reserves.	

Trade Gap with Sweden

1027. SHRI DHARAM PAL SINGH MALIK :

SHRI SUBHASH YADAV :

SHRI SRIKANTHA DATTA
NARASIMHARAJA
WADIYAR :

Will the Minister of COMMERCE be pleased to state :

(a) whether attention of Government has been drawn to the news-item appearing in the 'Economic Times' of 29 October, 1985 wherein it has been stated that there has been trade gap with Sweden which is more than Rs. 100 crores during the current year;

(b) if so, the reasons thereof;

(c) whether Government contemplate measures to minimise this gap; and

(d) if not, the reasons thereof?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) Yes, Sir.

(b) India's exports to Sweden mainly comprise of low priced consumer goods like textiles, handicrafts, spices etc., whereas Sweden's exports to India cover high value items, like capital goods and other manufactured products.

(c) and (d) In a developing economy like India, with high incidence of developmental imports, there is perforce a tendency of deficit trade balance with developed countries. India has been consistently

trying to minimise the trade gap not only with Sweden but with most of the developed countries in West Europe, with which we have adverse balance of trade.

New Markets for Exports

1028. SHRIMATI KISHORI SINHA : Will the Minister of COMMERCE be pleased to state :

(a) whether Government have identified thrust areas in exports for the current year;

(b) if so, whether new target markets for these have also been identified; and

(c) if so, the details thereof?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) to (c). The following sectors have been identified for promotion which offer significant scope for export growth in the medium term: Tea, especially in packaged and value-added forms cereals, Processed foods, including fruits and juices, meat and meat products, fresh fruits and vegetables, Marine Products, specially in value-added forms; Iron Ore, Leather and leather manufactures, Handicrafts and jewellery, Capital goods and Consumer durables, Electronics goods and computer software, Basic chemicals, Fabrics, piece goods and made-up; Ready-made garments; Woollen fabrics and knitwear and Projects and Services.

The potential exists, both in new and traditional markets in various regions.

Special emphasis would be given to these product sectors and markets in our export effect.

Scheme to take over the Surplus Lands of Sick Textiles Mills by Gujarat Government

1029. SHRI SHARAD DIGHE : Will the Minister of TEXTILES be pleased to state :

(a) whether Union Government have approved the scheme to take over the surplus lands of sick textile mills and using the proceeds of sale of the lands to give soft loans to the sick mills as announced by the Gujarat Government;

(b) if so, the reasons and the details; and

(c) whether similar scheme is proposed to be approved in case of Bombay and Calcutta ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) and (b). The scheme of nationalisation of the Government of Gujarat regarding 12 closed textile mills in Ahmedabad involves restructuring and reorganisation of these mills to form fewer number of viable units. The merit of the scheme is that it is more or less a self-financing proposition involving re-employment of part of the workers rationalisation (without tears) for the rest with due terminal benefits. Government of India will provide funds as advance plan assistance to the State Government for implementing this scheme.

(c) No such proposal with similar features has been received by Government of India.

Development of Tourism in Port Blair

1030. SHRI SHARAD DIGHE : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) whether as part of the diversification of tourism, two islands off Port Blair are proposed to be developed as beach resorts; and

(b) if so, the progress made in that direction ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT) : (a) and (b). The Government propose developing beach tourism in the Andaman Islands on a selective basis. In order to identify infrastructural requirements, a high powered team headed by the Minister for Tourism visited the Andamans last month. The suggestions of the group are under consideration.

Closure of NTC Mills under going Heavy Losses

1031. SHRI B.V. DESAI : Will the Minister of TEXTILES be pleased to state :

(a) whether some of the heaviest losing mills under the National Textile Corporation are proposed to be modernised exclusively for export production;

(b) whether a group of officers recommended closure of at least four out of the eight most heavily losing mills;

(c) if so, whether Government are not agreeable to close these mills;

(d) if so, whether the Ministry is making efforts to make certain changes so that those mills which are incurring losses may improve their position;

(e) if so the steps the Union Government have taken in this regard; and

(f) the extent to which these steps have improved the position ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) No such decision has been taken.

(b) to (d). The Study team, which was constituted by the Government to undertake an indepth study of the working of 8 weakest mills, reported lack of viability by merely increasing the investment in these mills. It was felt that this matter need to be discussed further with representatives of the workers at the mill level and at NTC (Holding Company) level before a final

decision regarding viabilities of these mills could be taken.

(e) and (f). Government have yet to receive the recommendations, resulting from there discussions with representatives of workers. However, the average monthly losses incurred by the 8 mills during the year 1985-86 (April-September, 1985) were Rs. 1.70 crores as compared to the average monthly losses of Rs. 2.48 crores during the year 1984-85.

Report of International Task Force on Concessional Funds

1032. SHRI B.V. DESAI : Will the Minister of FINANCE be pleased to state :

(a) whether India has welcomed the report of the International Task Force on concessional Funds which makes out a strong case for increase in official development assistance to low income countries;

(b) whether unanimous report was made by representatives of Governments of all major industrial countries as presented at the meetings of International Monetary Fund and the World Bank at Seoul;

(c) if so, the main points of the Task Force report on soft aid; and

(d) to what extent India will be benefited by this report ?

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

(b) The Joint Ministerial Committee of the Boards of Governors of the Bank and the Fund on the Transfer of Real Resources to Developing Countries (Development Committee), which is a forum representing industrialised as well as developing countries, at its meeting in Seoul on 7th October, 1985 considered the report of the Task Force and adopted it.

(c) The main conclusions of the study of the Task Force on Concessional Flows are; (i) most aid has been effective (ii) while public support for aid varied from country

to country, on the whole there has been no decline in public support for aid in developed countries (iii) there can be no substitute for traditional concessional assistance and there is urgent need to increase the volume of concessional assistance (iv) the scope for reallocation of available concessional assistance within the group of low-income countries is limited.

(d) The report may help in the continued flow of larger concessional assistance to low income countries including India.

Trade and Technical Co-operation between India and U.S.A.

1033. SHRI B.V. DESAI : Will the Minister of COMMERCE be pleased to state :

(a) whether it is fact that U.S. Government have decided to increase the trade and technical co-operation with India;

(b) if so, whether the U.S. Commerce Secretary has-taxed that American businessmen have now more confidence in the policies of the Indian Government since the Prime Minister spoke to U.S. businessmen;

(c) whether the U.S. Government have undertaken an excise of increasing trade ties with India;

(d) if so, whether an agreement in the regard has has been signed; and

(e) if so, the details thereof ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (b) According to a report published in Times of India's issue of 16th October, 1985, US Commerce Secretary is stated to have said that American businessmen have now more confidence in the policies of the Indian Government and that whom our Prime Minister spoke to U.S. businessmen during his visit in June last, he was very well received.

(a) and (c) to (e). The recent steps taken to increase trade and technical cooperation between India and U.S.A. are given briefly below :

With the objective of promoting trade

and collaboration in advanced technology between the two countries, India and U.S.A. signed a Memorandum of Understanding (MOU) on Technology Transfer in November, 1984. The Implementation Procedures document of the MOU was signed on May 17, 1985 during the visit of US Secretary of Commerce, Mr. Malcolm Baldrige. Under the MOU, the US Government has issued 66 licences for export of high technology systems to India in the last two months.

The India-US Programme for the Advancement of Commercial Technology (PACT) was signed on August 30, 1985. The Programme promises to provide important links between Indian and American firms in scientific and technical research and development. US AID will provide dollar 12 million over a period of 5 years for specific work on product and process development involving engineering and experimental design studies, manufacture of prototypes, laboratory and market testing and pilot scale trials. PACT will be administered by the Industrial Credit and Investment Corporation of India (ICICI) and will be under two national advisory councils.

Decision to opt out of Special Trust Fund

1034. SHRI B.V. DESAI :

SHRI ANAND SINGH :

Will the Minister of FINANCE be pleased to state :

(a) whether India's decision to opt out of special trust funds of the International Monetary Fund will not affect its eligibility for other funds granted by the Washington-based organisation;

(b) whether India's decision not to avail of its share of \$ 2.7 billion Special Drawing Rights will not have any impact on its share of other IMF funds;

(c) if so, the main reasons for India's decision to not avail of special funds;

(d) the extent to which it will affect India's Plans; and

(e) whether any alternative measures in

regard to plans that were being financed from Special Drawing Rights funds has been found out ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) India has decided to opt out of the utilisation of reflows to the Trust Fund during the period 1985-91. The Resolution of the Interim Committee of the IMF specifically states that this "Would not adversely affect the availability of concessional development finance for low income countries not utilising the Trust Fund reflows".

(b) The total amount of Trust Fund Reflows is estimated at SDR 2.7 billion. Our decision not to avail of these Trust Fund Reflows during to period 1985-91 will not have any impact on our right to use IMF funds under other fund facilities.

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

Under Invoicing of Imports of Ball Bearings

1035. SHRI V.S. KRISHNA IYER : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that complaints have been received regarding under-invoicing of imports of ball bearings and this has resulted in the loss of over Rs. 100 crores to Government by way of import duty;

(b) whether Government are aware that the ball bearing industry in the country was threatened by large scale imports through under-invoicing from East European countries; and

(c) whether Government propose to reduce the import duty on ball bearings to prevent under-invoicing of imported bearings ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). Complaints have been received regarding under invoicing of imports of ball bearings, including those from East European countries and are under investigation in the Custom Houses. Wherever necessary,

imports of bearings are assessed to duty provisionally, thus safeguarding the interests of revenue.

Having regard to various aspects of the matter, including undervaluation, the rate of basic Customs duty on bearings had been increased by 50% as part of the budget for 1985-86. Further, certain categories of bearings have also recently been subjected to a specific rate of duty in addition to the existing ad valorem rate in order to deal with attempts at under invoicing.

Steel Plants at Goa

1036. SHRI V.S. KRISHNA IYER : Will the Minister of STEEL AND MINES be pleased to state :

(a) whether it is a fact that an Indian born industrialist based in London has come forward to set up a steel plant at Goa using latest technology;

(b) if so, the action taken to set up the above steel plant at Goa; and

(c) since Goa is having iron ore which is at present being exported, whether the steel plant would be set up immediately to save foreign exchange by using the available iron ore at Goa ?

THE MINISTER OF STEEL AND MINES (SHRI K.C. PANT) : (a) Yes, Sir.

(b) and (c). The proposal is under examination.

Take over of Visveswariah Iron and Steel Limited, Bhadravathi by SAIL

1037. SHRI V.S. KRISHNA IYER : Will the Minister of STEEL AND MINES be pleased to state :

(a) whether Government of Karnataka has requested the Steel Authority of India to take over Visveswariah Iron and Steel Limited, Bhadravathi; and

(b) if so, the action taken on the above proposal ?

THE MINISTER OF STEEL AND MINES (SHRI K.C. PANT) : (a) Yes, Sir.

(b) The matter has been examined. It is not proposed to take over this plant.

Raids Made by Tax Authorities in Karnataka Since June, 1985

1038. SHRI V.S. KRISHNA IYER : Will the Minister of FINANCE be pleased to state :

(a) the number of raids conducted by the Central Income-tax authorities in Karnataka since June, 1985;

(b) the amount unearthed and unaccounted goods seized; and

(c) whether action has been taken as per law to prosecute those tax offenders ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). During the period 1-6-85 to 31-10-85, Income-tax Department conducted 65 searches in Karnataka and seized, prima-facie, unexplained assets worth Rs. 93.36 lakhs approximately. Necessary action to launch prosecutions under Direct Taxes Acts in appropriate cases has been initiated.

Clearing of Hill Forest in Orissa by Bharat Aluminium Company

1039. SHRI SRIBALLAV PANIGRAHI : Will the Minister of STEEL AND MINES be pleased to state :

(a) the total area of hill forest cleared by the Bharat Aluminium Company in the Gandhamardan Hills in Orissa; and

(b) whether the clearing of the forest and the disposal of the timber is done without consultation with Government of Orissa ?

THE MINISTER OF STATE IN THE DEPARTMENT OF MINES (SHRIMATI RAM DULARI SINHA) : (a) and (b). Bharat Aluminium Company Limited

(BALCO) cleared about 2 hectares of forest on the hill top in the Gandhamardan Hills in Orissa in consultation with the Forest Department of Government of Orissa.

Export Proceeds in Arrears

1040. SHRI H.M. PATEL : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that large amount of export proceeds are in arrears;

(b) the details of the arrears of export proceeds during the past three years, year-wise; and

(c) the steps taken to recover the arrears ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). The details of arrears of export proceeds the past three years are as under :—

(Rs. in crores)	
Year (As on December)	Amount
1982	312.94
1983	298.97
1984	459.80

These cannot be considered to be large since the total exports in the financial years 1982-83, 1983-84 and 1984-85 were of the order of Rs. 8834 crores, Rs. 9872 crores and Rs. 11297 crores respectively.

(c) Reserve Bank of India has been reviewing export outstandings regularly to ensure early repatriation of receivables and for taking effective steps against defaulting exporters. Such steps include caution listing the defaulting exporters, referring the cases to Enforcement Directorate and taking up the matter with Chief Executives of Authorised Dealers to closely monitor large outstandings etc.

Loans Applications Pending in the Nationalised Banks

1041. SHRI H.M. PATEL : Will the Minister of FINANCE be pleased to state :

(a) whether several loan applications made in the past have not been cleared by most of the nationalised banks in Uttar Pradesh, Bihar, Delhi and Maharashtra.

(b) if so, the details thereof; and

(c) the steps taken to clear the backlog ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). The data reporting system from banks does not generate data in the manner asked for.

(c) For facilitating expeditious disposal of applications, adequate powers have been delegated to the branches, loan applications have been simplified and printed in local languages. Security and margin requirements have been waived/liberalised in case of advances to small borrowers. In respect of Government sponsored poverty eradication schemes such as IRDP, 20-Point Programme, Self-Employment Scheme for Educated Unemployed etc., the applications for credit facilities are usually sponsored by the District Rural Development Agencies, Block Development Offices and DIC Task Force. The branches of the banks have been advised to ensure that applications sponsored by them are expeditiously disposed of. Generally, all loan applications upto a credit limit of Rs. 25,000/- should be disposed of within a fortnight and those for over Rs. 25,000/- within 8-9 weeks.

Committee on Price Rise

1042. SHRI CHITTA MAHATA : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that a high powered committee has been constituted to deal with the immediate supply situation

and to prepare long term strategies to check prices; and

(b) if so, the recommendations of the Committee and action taken thereon ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) No, Sir. However, a Special Action Committee of Secretaries meets from time to time to review the price situation and take such action as necessary. The Special Action Committee is not expected to submit any report.

(b) Does not arise.

Purchasing Power of Rupee

1043. SHRI CHITTA MAHATA : Will the Minister of FINANCE be pleased to state :

(a) the present purchasing power capacity of a rupee in comparison to the years 1960, 1970 and 1980; and

(b) the steps Government propose to take to raise the purchasing power capacity of a rupee in the Seventh Five Year Plan ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The purchasing power of the rupee, measured as the reciprocal of the All India Consumer Price Index for industrial workers (Base 1960=100) was 100 paise in 1960, 54.35 paise in 1970, 25.64 paise in 1980 and 16.16 paise in September 1985 (latest available).

(b) Sustained increase in production in response to rising demand holds the key to price stability. Towards this end, the Seventh Five Year Plan lays emphasis on higher agricultural production and on improvement in productivity and cost reduction in industry and other sectors.

World Economic Report Prepared by the World Bank

1044. SHRI CHITTA MAHATA : Will the Minister of FINANCE be pleased to state :

(a) whether Government have studied the World economic report prepared by World Bank staff and other international agencies;

(b) if so, the main recommendations thereof; and

(c) the steps taken by Government in the matter ?

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

(b) The main conclusions of the report are that international flows of capital promote global economic development and could allow deficit countries to strike the right balance between reducing their deficits and financing them. The report, however, points out that there are some risks associated with international capital flows, namely such flows may delay the policy reforms required for adjustment and that countries may borrow too much if they misjudge the way in which external economic conditions are going to evolve.

(c) No specific action is contemplated on the Report.

Earnings from Tourism for the Year 1986

1045. SHRI K. KUNJAMBU : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) whether the target in respect of earnings from tourism for the year 1986 has been revised upwards;

(b) if so, the details thereof; and

(c) the special steps taken to achieve the target ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT) : (a) and (b). There is no target for earnings from tourism. The target for Seventh Plan is 2.5 million tourist arrivals by 1990.

(c) Steps taken to boost up tourist arrivals include re-orientation of publicity campaign giving emphasis on consumers advertising, stepping up of public relations with tour operators and travel agents abroad, participation in international travel fairs and exhibitions, development of infrastructural facilities and improvement of transport systems.

Development of Tourism in Kerala

1046. SHRI K. KUNJAMBU : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) whether a comprehensive plan to develop tourism in Kerala has been prepared;

(b) if so, the details thereof;

(c) whether Union Government will provide special financial assistance to Kerala to implement this plan; and

(d) if so, the details thereof ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT) : (a) and (b). Steps are being taken by the State Government to prepare a comprehensive plan for developing tourism in Kerala. A sum of Rs. 9.00 crores has been earmarked for tourism in the 7th Five Year Plan of the State. The State Government propose utilising these funds on schemes involving development of inter waterways, water sports and provision of tourism infrastructure all over the State with specific reference to the beaches and identified centres of tourism importance.

(c) and (d). The Central Department of Tourism has invited project proposals for the 7th Five Year Plan from all States under its approved schemes. The schemes received from the State Governments will be examined on merits for provision of assistance.

Earning of Foreign Exchange for Export of Garment

1047. SHRI SRIHARI RAO : Will the Minister of TEXTILES be pleased to state :

(a) the details of garment manufacturing

companies in the capital, private as well as in the public sector;

(b) the annual exports of garments and annual earnings of foreign exchange thereby;

(c) whether Government are exercising any quality check on them with a view to boost this trade; and

(d) if so, the details thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) According to the Apparel Export Promotion Council, 283 garment manufacturing companies within the capital are registered with the Council. All of them are in the private sector.

(b) During the last 3 years our total export of garments were as follows :—

Year	Quantity (in million PCS)	Value (in Crores Rs.)
1982	187	634
1983	193	640
1984	231	850

Source—Apparel Export Promotion Council.

(c) and (d). Garments are not subject to compulsory quality control. However, Government has been stressing on need for improving the quality of the exports.

Guidelines for Issue of Bonds for Setting up New Projects

1048. SHRI SRIHARI RAO : Will the Minister of FINANCE be pleased to state :

(a) whether Government have issued guidelines for Government corporate bodies in specified areas of telecommunication and power which can issue Bonds for setting up new projects etc.;

(b) the salient features of these guidelines;

(c) the details of the total amount for which Bonds can be issued;

(d) the details of such companies, etc., which have been permitted to issue Bonds; and

(e) the details of companies whose applications in this context are still pending with Government?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). A copy of the guidelines issued by Government on floatation of bonds by public sector undertakings in the telecommunications and power sectors is given below in the form of a statement.

(c) There is no restriction on the total amount for which bonds can be issued. The amount of issue of the bonds will be approved on a case by case basis by the Ministry of Finance in consultation with the administrative Ministry and the debt-equity ratio shall not normally exceed 4:1.

(d) and (e). The issue of bonds by NTPC and ITI is under consideration.

Statement

Guidelines Regarding Floatation of Bonds by Public Sector Undertakings in the Telecommunications and Power Sectors.

The Finance Minister while moving the Finance Bill of the Central Government for the year 1985-86 in the Lok Sabha, announced a proposal of Government to introduce a new scheme for floatation of bonds by the telecommunications and power sectors. Accordingly, a scheme has been worked out and the guidelines for the operation of this scheme are indicated below :—

1. Applicability :

The scheme is applicable to government corporate bodies as may be specified in areas of telecommunications and power, and any other sector that the Government may notify. The bonds can be issued by both existing as well as new corporate undertakings to be set up in the specified sectors.

2. Objects of Issue :

The objects of the issue may be (a) for setting up of new projects and or (b) expansion or diversification of existing projects or (c) meeting normal capital expenditure for modernisation or (d) for augmenting the long term resources of the company for working capital requirements.

3. Quantum of Issue :

The amount of issue of bonds for project financing and other objects will be approved on a case by case basis by the Ministry of Finance in consultation with the administrative Ministry.

4. Debt-Equity Ratio :

The debt-equity ratio shall not normally exceed 4:1, subject to the project being certified viable and the ratio being approved by the Central Government.

5. Interest Rate :

The interest rate on the bonds shall be determined by Ministry of Finance from time to time and the interest can be either non-cumulative or cumulative. Until further notice, the maximum interest rate will be 14%.

6. Period of redemption :

The bonds shall not normally be dedeemable before the expiry of a period of 7 years out not later than 10 years.

7. Denomination of the Bonds :

The bonds can be either of the face value of Rs. 500/- or Rs. 1000/-.

8. Private Placement :

The bonds can be privately placed with the Investment Institutions with the approval of Ministry of Finance.

9. Listing of Bonds :

The bonds shall be listed on the Stock Exchanges.

10. Mode of Transferability :

The bonds can be transferred by

endorsement and delivery. The transferee will be expected to inform the company by Registered post within a period of sixty days to avail of the tax incentives.

11. Mode of Payment of Interest :

Interest coupons for half-yearly payment of interest could be attached by the company in advance but post-dated, with the relevant bond to enable the investor to get the interest on time when it is due to him.

12. Tax Benefits :

- (i) There will be no deduction of tax at source from the interest which accrues to the investor in these bonds.
- (ii) The income by way of interest from these bonds will be entitled to exemption under Section 80-L of the Income Tax Act, 1961.
- (iii) These bonds will be exempt from Wealth Tax without any limit.

13. The public sector undertaking will appoint a suitable agency from among the following to manage the issue on payment of an appropriate fee :

- (i) State Bank of India (merchant banking division).
- (ii) I.C.I.C.I. (merchant banking division).

OR

- (iii) any other nationalised Bank with a well equipped merchant banking division.

Such an agency, on appointment, will complete all the formalities on behalf of the public sector undertaking.

Studies for use of Aluminium in Transport and other Sectors

1049. SHRI SRIHARI RAO : Will the Minister of STEEL AND MINES be pleased to state :

- (a) whether it is a fact that various

studies have been taken up to see how more and more aluminium can be used in the transport and other sectors;

(b) whether it is also fact that a project has been undertaken by the national Aluminium Corporation and the Research Designs and Standards Organisation of Railways for fabricating a prototype aluminium wagon;

(c) how the cost of a aluminium wagon compares with that of a steel wagon; and

(d) the details of other transport sectors where aluminium is going to play a predominant part ?

THE MINISTER OF STATE IN THE DEPARTMENT OF MINES (SHRIMATI RAM DULARI SINHA) : (a) Yes, Sir. Government have recently constituted a High Power Action Group with emphasis on promotion of aluminium in transport sector.

(b) Yes, Sir.

(c) The design aspects have been finalised and the prototype is under fabrication. A proper techno-economic assessment will be done after the prototype is finalised.

(d) Apart from railway wagons, bus body, truck bodies light commercial vehicles, two and three wheelers, passenger cars, and rail coaches are other areas in surface transport sector where aluminium can be used.

Steps of Supply Yarn at Fixed Price to Handloom Industry

1050. SHRI YASHWANTRAO GADAKH PATIL : Will the Minister of TEXTILES be pleased to state :

(a) whether there is wide spread distress and panic among millions of handloom weavers in the country due to the new textile policy and its ineffective implementation;

(b) the increase of the price of cotton yarn in the last six months;

(c) the steps taken by Government to supply yarn at fixed price to handloom industry for production of janta cloth; and

(d) the steps taken against violation of the Handloom (Reservation of Articles for Production) Act ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN): (a) No, Sir. The Central Government has not received any reports of widespread distress and panic among handloom weavers in the country due to the new Textile Policy.

(b) There has been no spurt in prices of cotton bank yarn in the past six months. As a matter of fact the prices of certain lower counts have actually declined. A comparative statement of prices of hank yarn of some of the major counts used in the handloom sector is given below :

Counts	Prices (in rupees per 4.54 kg)	
	March 1985	September 1985
10s	Min. 94.00	83.00
	Max. 107.00	101.00
20s	Min. 115.00	108.00
	Max. 129.50	124.00
30s	Min. 133.00	135.00
	Max. 140.00	145.00
40s	Min. 140.00	134.00
	Max. 160.00	163.00

(c) There is no scheme for supply of yarn at fixed price to handloom industry for production of Janata Cloth. However, a number of state governments have already made arrangements for supplying yarn to the weavers production of janata cloth. Some of them supply even 80% to 100% of the requirements. In the detailed guidelines issued to the State Governments recently for the implementation of the Janata Cloth Scheme they have been asked to link the production of janata cloth with their arrangements for supply of raw materials to the weavers. They have also

been asked to progressively cover more and more weavers engaged in the production of janata cloth with supply of raw materials to them on a regular basis.

(d) The reservation for handlooms are at present being enforced under the Essential Commodities Act through the Textile Control Orders issued by the Textile Commissioner. These orders are valid till March 1986. In the context of "THE HANDLOOMS (Reservation of Articles for Production) ACT, 1985" an Advisory Committee was constituted to advise the Central Government about the nature of articles or class of articles to be reserved exclusively for production by handlooms. The Advisory Committee has submitted its recommendations to Government. Action has also been initiated to frame the rules under the Act to be notified along with the Act.

Committee on Imposing Expenditure Tax

1051. SHRI YASHWANTRAO GADAKH PATIL : Will the Minister of FINANCE be pleased to state :

(a) whether Government have appointed a Committee to go into the concept of imposing expenditure tax; and

(b) if so, the recommendations made by the Committee and the decision of Government thereon ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). The Government have decided to appoint a Committee to study the desirability of moving towards expenditure, wholly or partly, as the base for progressive taxation of individuals and other non-corporate entities and to examine the implications of the levy of tax on expenditure. The Committee will be requested to submit its report within a year.

Export of Iron Ore from Kudremukh Plant

1052. SHRI YASHWANTRAO GADAKH PATIL : Will the Minister of STEEL AND MINES be pleased to state :

(a) whether any firm orders have been

received for export of iron-ore concentrate from Kudremukh Plant;

(b) if so, the details thereof;

(c) the extent to which the capacity of the plant is being utilised; and

(d) the manner in which it is proposed to utilise the full capacity of the plant?

THE MINISTER OF STEEL AND MINES (SHRI K C. PANT) : (a) Yes, Sir.

(b) Contracts have been signed for shipment of iron ore concentrate to the following countries in 1985-86 :—

(1) 125,000 tonnes to Czechoslovakia

(2) 270,000 tonnes to France

(3) 400,000 tonnes to Bahrain

(4) 940,000 tonnes to Japan.

(c) Capacity utilisation of the plant during 1985-86 is expected to be 25%.

(d) The Kudremukh Iron Ore Project was undertaken to supply iron ore concentrate to Iran under a long term agreement with that country. The under-utilisation of capacity of the plant is due to the inability of Iran to lift the contracted quantities of concent. rate. Some of the measures taken by the Government to revitalise the Project are as under :—

(i) Negotiations are being held with Iran to settle various issues including commencement of offtake of concentrate.

(ii) A pellet plant to being set up at Mangalore to convert 3 million tonnes of concentrate into pellets per year.

(iii) The Company is also making vigorous efforts to locate overseas export markets for their product.

Memorandum about Problems of Central Employees

1053. SHRI K. RAMACHANDRA REDDY : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that during Prime Minister's recent visit to Bombay in September, 1985, the National Confederation of Central Government Employees and workers (NCCGEW), submitted a Memorandum to him about various problems/demands of Central Government employees regarding their low wages, linking cost of living with dearness allowance etc;

(b) if so, details of the Demands; and

(c) Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) No, Sir. It may, however, be added that the Government have set-up the Fourth Central Pay Commission which is, at present, examining the structure of emoluments and conditions of service taking into account the total packet of benefits including death-cum-retirement benefits available to various categories of Central Government employees and employees of the Union Territories. The Commission is also to examine the variety of allowances and benefits in kind that are presently available to employees in addition to pay and to suggest rationalisation and simplification thereof with a view to promoting efficiency in administration. The problems of the employees regarding low wages, linking cost of living with dearness allowance etc. will looked into by the Pay Commission. The Commission's Report is awaited.

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

[English]

12.00 hrs.

MR. SPEAKER : Now papers to be laid on the Table.

PROF. N G. RANGA : Mr. Speaker, Sir, may I congratulate you and the House for avoiding the zero hour today?

PROF. MADHU DANDVATE : Today is Friday.

[*Translation*]

AN HON. MEMBER : Today is the day of namaz.

[*English*]

SHRI S.M. BHATTAM : I have given several notices of calling attention motions, statements to be made under Rule 377 etc., but none of them has come up before the House. We are only awaiting your decision in the matter and we have never used lung power on the floor of the House. It is only those Members who happen to use their lung power here who get the opportunity, and the rest of us do not get the opportunity. And, therefore, what I request is that whenever notices are given, whether you admit them or do not, do let us know...

(*Interruptions*)

MR. SPEAKER : You are well within your bounds to say that, but I assure you that all these problems are solved when we meet in the first meeting with the opposition and ruling party. We get together, we try to sort out what subjects are to be discussed and practically, we agree on those subjects. But all the things cannot be discussed on one day. Secondly, when we meet in the Business Advisory Committee, we also decide that these subjects are to be discussed. Now, it is upto the hon. Members, whether they make the issue again alive in the House or not, but rest assured that your notices for calling attention or other motions are under due consideration and they will be taken up accordingly. Do not worry about them; whether you use your lung power or not; it is not necessary. I would not like you to exert yourself; rest assured that your subjects will be taken up.

SHRI S.M. BHATTAM : His lung power has been considered today.

PROF. MADHU DANDAVATE : His lung power has been considered today... (*Interruptions*)

SHRI S.M. BHATTAM : I have not mentioned any topic as they do.

MR. SPEAKER : We need not take recourse to anything. Whatever subjects you suggest will be taken up one by one. It is unnecessary to voice these feelings in the House.

SHRI S.M. BHATTAM : I also want to make one more suggestion. When notices are given, let us hear something about them whether they have been accepted or not.

MR. SPEAKER : No; notices for calling attention motions are not discussed on the floor of the House, whether they have been rejected or not. I decide that; that is my will. But I take your consensus... I will let you know; come to me.

PROF. MADHU DANDAVATE : Please supplement your statement by clearing that adjournment motions cannot be taken up in the Business Advisory Committee; that has to come here.

MR. SPEAKER : Yes, we do not do that; that is as per rules. I have to say whether I accept it or reject it.

I assure you that any subject worth consideration will not be thrust aside. No question of voicing it so vociferously.

No, papers laid on the Table

12.02. hrs.

PAPERS LAID ON THE TABLE

[*English*]

Annal Report and Review on the working of the Cashew Corporation of India Limited, Cochin for the year 1984-85

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : I beg to lay on the Table a copy each of the following papers (Hindi and English versions) under sub-section (1) of section 619A of the Companies Act, 1956 :—

(1) Review by the Government on the working of the Cashew Corporation

of India Limited, Cochin, for the year 1984-85.

- (2) Annual Report of the Cashew Corporation of India Limited, Cochin, for the year 1984-85 along with Audited Accounts and the comments of the comptroller and Auditor General thereon.

[Placed in Library. See No. LT-1465/85]

Annual Report and Review on the working of the Apparel Export Promotion Council, New Delhi for the year ended 31st December, 1983

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : I beg to lay on the Table :—

1. (i) A copy of the Annual Report (Hindi and English versions) of the Apparel Export Promotion Council, New Delhi, for the year ended the 31st December, 1984 along with Added Accounts.

- (1) Statement No. XXIII-Eighth Session, 1982.

[Placed in Library. See No. LT-1467/85]

- (2) Statement No. XVII-Ninth Session, 1982.

[Placed in Library. See No. LT-1468/85]

- (3) Statement No. XVII-Tenth Session, 1982.

[Placed in Library. See No. LT-1469/85]

- (4) Statement No. XVI-Eleventh Session, 1983.

[Placed in Library. See No. LT-1470/85]

- (5) Statement No. XII-Twelfth Session, 1983.

[Placed in Library. See No. LT-1471/85]

- (6) Statement No. XI-Fourteenth Session, 1984.

[Placed in Library. See No. LT-1472/85]

- (ii) A copy of the Review (Hindi and English versions) by the Government on the working of the Apparel Export Promotion Council, New Delhi, for the year ended the 31st December, 1984.

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-1466/85]

Statements showing action taking by Government on various assurances, promises and undertakings given by the Ministers during various sessions of Lok Sabha

THE MINISTER OF STATE IN THE DEPARTMENT OF PARLIAMENTARY AFFAIRS (SHRI GHULAM NABI AZAD) : I beg to lay on the Table the following statements (Hindi and English versions) showing the action taken by the Government on various assurances, promises and undertakings given by the Ministers during the various sessions of Lok Sabha :—

Seventh Lok Sabha

(7) Statement No. XI-Fourteenth Session, 1984.

[Placed in Library. See No. LT-1473/85]

8. Statement No. VII-Fifteenth Session, 1984.

[Placed in Library. See No. LT-1474/85]

(9) Statement No. IV-Second Session, 1985.

[Placed in Library. See No. LT-1475/85]

(10) Statement No. I-Third Session, 1985.

[Placed in Library. See No. LT-1476/85]

Life Insurance Corporation of India, Class I Officers (Revision of Terms and Conditions of Service) Rules, 1985 Notifications under General Insurance Business (Nationalisation) Act, 1972

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): I beg to lay on the Table :—

(1) A copy of the Life Insurance Corporation of India, Class I Officers (Revision of Terms and Conditions of Service) Rules, 1985 (Hindi and English versions) published in Notification No. G.S.R. 794(E) in Gazette of India dated the 12th October, 1985 under sub-section (3) of section 43 of the Life Insurance Corporation Act, 1956.

[Placed in Library. See No. LT-1477/85]

(2) A copy each of the following Notifications (Hindi and English versions) under sub-section (5) of section 17A of the General Insurance Business (Nationalisation) Act, 1972 :—

(i) The General Insurance (Rationalisation of Pay Scales and other Conditions of Service of Officers) Amendment Scheme, 1985 published in Notification No. S.O. 770(E) in Gazette of India dated the 15th October, 1985.

Seventh Lok Sabha

Eighth Lok Sabha

(ii) The General Insurance (Rationalisation and Revision of Pay Scales and other Conditions of Service of Supervisory, Clerical and Subordinate Staff) Amendment Scheme, 1985 published in Notification No. S.O. 769(E) in Gazette of India dated the 15th October, 1985.

[Placed in Library. See No. LT-1478/85]

(3) A copy each of the following Notifications (Hindi and English versions) under section 12 of the Government Savings Certificates Act, 1959 :—

(i) The Post Office Savings Certificates (Amendment) Rules, 1985 published in Notification No. G.S.R. 714(E) in Gazette of India dated the 4th September, 1985.

(ii) The National Saving Certificates (VI Issue) (Amendment) Rules, 1985 published in Notification No. G.S.R. 715(E) in Gazette of India dated the 4th September, 1985.

(iii) The National Saving Certificates (VII Issue) (Amendment) Rules, 1985 published in Notification No. G.S.R. 716(E) in Gazette of India dated the 4th September, 1985.

(iv) The Social Security Certificates (Amendment) Rules, 1985

published in Notification No. G.S.R. 717(E) in Gazette of India dated the 4th September, 1985.

Corporation, Bombay for the year ended the 31st December, 1985.

[Placed in Library. See No. LT-1481/85]

- (v) The National Savings Certificates First Issue (Amendment) Rules, 1985 published in Notification No. G.S.R. 718(E) in Gazette of India dated the 4th September, 1985.

- (6) A statement (Hindi and English versions) indicating the result of market loans floated in October, 1985.

[Placed in Library. See No. LT-1481/85]

- (vi) The National Saving Certificates (IV Issues) Amendment Rules, 1985 published in Notification No. G.S.R. 719(E) in Gazette of India dated the 4th September, 1985.

12.05 hrs.

MESSAGE FROM RAJYA SABHA

- (vii) The National Savings Certificates (V Issue) Amendment Rules, 1985 published in Notification No. G.S.R. 720(E) in Gazette of India dated the 4th September, 1985.

[English]

SECRETARY-GENERAL : Sir, I have to report the following message received from the Secretary-General of Rajya Sabha :—

- (viii) The National Savings Annuity Certificates (Amendment) Rules, 1985 published in Notification No. G.S.R. 721(E) in Gazette of India dated the 4th September, 1985.

“In accordance with the provisions of rule 127 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to inform the Lok Sabha that the Rajya Sabha, at its sitting held on the 21st November, 1985, agreed without any amendment to the Employment of Children (Amendment) Bill, 1985, which was passed by the Lok Sabha at its sitting held on the 13th August, 1985.”

- (ix) The National Development Bonds (Amendment) Rules, 1985 published in Notification No. G.S.R. 722(E) in Gazette of India dated the 4th September, 1985.

[Placed in Library. See No. LT-1479/85]

12.6 hrs.

ESTIMATES COMMITTEE

- (4) A copy of the Post Office Savings Bank General (Amendment) Rules, 1985 (Hindi and English versions) published in Notification No. G.S.R. 723(E) in Gazette of India dated the 4th September, 1985 under section 15 of the Government Savings Banks Act 1873.

Fifteenth Report

[English]

SHRI CHINTAMANI PANIGRAHI (Bhubandeswar) : I beg to present the Fifteenth Report (Hindi and English versions) of the Estimates Committee on Action Taken by Government on the recommendations contained in the Eighty-Fifth Report of the Committee (7th Lok Sabha) on the Ministry of Works and Housing—Delhi Development Authority—Part I.

[Placed in Library. See No. LT-1480/85]

- (5) A copy of the *Review (Hindi and English versions) by the Government on the working of the Deposit Insurance and Credit Guarantee

*The Annual Report was laid on the Table on 3rd May, 1986.

12.06 hrs.

PUBLIC ACCOUNTS COMMITTEE

Eighteenth Report

[English]

SHRI E. AYYAPU REDDY (Kurnool) : I beg to present the Eighteenth Report (Hindi and English versions) of Public Account Committee on Action Taken on their 210th Report (7th Lok Sabha) regarding Performance of Container Service.

PUBLIC ACCOUNTS COMMITTEE

Statements

[English]

SHRI E. AYYAPU REDDY (Kurnool) : I beg to lay the following Statements (Hindi and English versions) of Public Accounts Committee :—

- (i) Statement showing action taken by Government on the recommendations contained in Chapter I and final replies in respect of Chapter V of 121st Report (Sixth Lok Sabha) on Incorrect Valuation of Assets.
- (ii) Statement showing action taken by Government on the recommendations contained in Chapter I of 79th Report (Seventh Lok Sabha) On Assessment of Foreign Technicians.
- (iii) Statement showing action taken by Government in the recommendations contained in Chapter I and final replies in respect of Chapter V of 188th Report (Seventh Lok Sabha) on All India Handicrafts Board.
- (iv) Statement showing action taken by Government on the recommendations contained in Chapter I and final replies in respect of Chapter V of 197th Report

(Seventh Lok Sabha) on Direct Taxes relating to Provisional Assessments and Refunds.

12.08 hrs.

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

[English]

Recent Increase in prices of sugar, vanaspati, edible oils and other essential commodities.

MR. SPEAKER : Now, we take up the Calling Attention. As per our agreement, all these things are coming in a chain.

SHRI VIRDHI CHANDER JAIN (Barmer) : I call the attention of the Minister of Food and Civil Supplies to the following matter of urgent public importance and request that he may make a statement thereon :

“Recent increase in prices of sugar, vanaspati, edible oils and other essential commodities and the action taken by the Government in regard thereto.”

THE MINISTER OF STATE OF THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI K.P. SINGH DEV) : Hon'ble Members are aware that there was some improvement in the overall price situation in 1984-85. The annual rate of inflation declined from 9.2% in March, 1984 to 6% in March, 1985. The annual rate of inflation has declined further to 4.8% in the first week of November, 1985. During the first seven months of the current financial year the Wholesale Price Index has moved up by less than 4.0%. I may also inform the Hon'ble Members that during the past 13 weeks ending 2nd November, 1985, the Wholesale Price Index has moved down by 2.0%. However, the prices of some essential commodities have moved up.

2. The availability of essential commodities has been generally satisfactory. It is remarkable, Hon'ble Members

[Shiri K.P. Singh Dev]

will agree, that during the lean period and the festival season the supply position of various essential commodities including edible oils and sugar has been, by and large, satisfactory.

3. We have not only attained self-sufficiency in foodgrains but are now having some surplus wheat. This has provided us the much needed food security. In fact, we are trying through various programmes announced by the Finance Minister on 19th November, 1985, to provide food to weaker and vulnerable sections of the society at cheaper prices.

4. Hon'ble Members may recall that sugar production has been sluggish during the past two years and we had to resort to substantial imports. In order to enable the sugar factories to pay remunerative prices for sugarcane, the statutory minimum price of sugarcane has been raised from Rs. 14 a quintal linked to recovery of 8.5% to Rs. 16.50 a quintal linked to recovery of 8.5% for the current year and to Rs. 17 a quintal linked to recovery of 8.5% for the next sugar year. As a consequence, the retail price of levy sugar has been raised by 40 Paise per Kg. to be effective from the beginning of December, 1985. It is hoped that this will provide the necessary encouragement for enhancing the production of sugarcane and sugar so as to attain self-sufficiency.

5. In order to encourage domestic production and reduce our dependence on imports, the issue prices of imported edible oils to the vanaspati industry and for the Public Distribution System have been raised by Rs. 2,000 per tonne and Rs. 1,000 a tonne, respectively, from 15th November, 1985. Simultaneously, the supply of imported edible oils to the vanaspati industry has been reduced from 60% of their requirement to 50%. They have, however, been allowed to use expeller mustard/rapeseed oil in lieu of this reduction. In view of this, the voluntarily agreed prices of vanaspati have been raised by the industry.

6. Government is exercising constant surveillance to keep the prices of essential

commodities in check. Every effort is being made to ensure their availability throughout the country. The main thrust of Government's policy is to increase the production of essential commodities, particularly those in short supply. The export of essential commodities is regulated keeping in view our domestic requirements. Some commodities are imported to augment domestic supply. The Public Distribution System is being expanded and improved. The State Governments are enforcing the Essential Commodities Act and similar legislations.

[Translation]

SHRI VIRDHI CHANDER JAIN (Barmer) : Mr. Speaker, Sir, it was clear from the discussions which took place yesterday in the House that the Central Government admit that the prices of cotton, paddy, sugarcane, jute and coconut are falling. But the farmer is not getting reasonable prices of his produce. On the other hand the prices of sugar, rice, pulses, foodgrains, vegetables, fruits, wood, fish, vanaspati ghee, cement, milk, meat, coal, kerosene oil and diesel are increasing. The situation is that on the one hand the farmer is not satisfied because he is not getting reasonable prices of his produce and on the other hand the consumer is also agitated due to continuous increase in the prices of essential commodities. From the statement it is clear that in 1983-84, the wholesale Price Index declined to 6 per cent and between August to November it further moved down by two per cent. Prices of essential commodities are increasing in the market, which has been conceded by the hon. Minister. Unless the prices of these things are stabilised, there will be discontent among the people. There has been 13.30 per cent price rise in the fruits and vegetables, 16 per cent in foodgrains and fish, 19 per cent in sugar and khandasari and 10 cent in fuels and cereals. The price of sugar has been increased to Rs. 4.80 from Rs. 4.40. In addition, some additional benefit has been given to the industrialists also. Previously, they were allowed to sell 35 per cent of their production in the open market, which has now been increased to 45 per cent. Now due to this they will be able to sell six lakh tonnes more sugar in the open market. Besides, they will also

get the benefit of increase in prices. By selling the sugar in the free sale market, they will earn a profit of about Rs. 225 crores. On the other hand, the minimum price of sugarcane has been raised from Rs. 14 per quintal to Rs. 16.50 per quintal for the current year and to Rs. 17 per quintal for the next year. The farmer is not going to be benefited by this significantly. The State Governments are already giving Rs. 20 or Rs. 22 per quintal as price of sugarcane to the farmers. The minimum price which has been fixed is not appropriate and will not serve as incentive to the farmers in any way. It will not help in strengthening the position of farmers; on the contrary it will help the sugar magnates. It is the sugar factories which will be benefited. It is not going to encourage or benefit the farmers in any way and neither will they be attracted towards producing more sugarcane. It is, therefore, essential to increase the price of sugarcane and it should be at least Rs. 22 per quintal so that the farmers may get remunerative prices for their produce.

12.15 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

On the other hand we find that the prices of oil are declining. But, recently the price of vanaspati ghee had been increased by Re. 1 per kilo. In the statement given by the hon. Minister in the House it has been said that effort will be made to reduce the quantum of imported edible oil to 50 per cent from 60 per cent so that the farmers are benefited and the indigenous production is encouraged. The result of this policy and how far it has benefited the farmers or encouraged indigenous production will be known in near future but one thing is clear that the dealers of vanaspati have been benefited by the increase in the prices. I would like to suggest that our policy should be such as to benefit the farmers as well as the growers, but we are trying to benefit sugar magnates, vanaspati producers or the owners of sugar factories.

Now the question arises what should be done to control the prices and to ensure reasonable prices to the farmers.

[*English*]

MR. DEPUTY SPEAKER : This discussion is mainly to call the attention of the Government. If it is under rule 193, you can discuss a lot. Now you put whatever questions you want to ask. In this discussion, you can only ask questions.

[*Translation*]

SHRI VIRDHI CHANDER JAIN : It is a very important matter. When I have tabled a Calling Attention Motion, I will have to say something about it. It has been my experience that there is need to take steps to check the prices of essential commodities of daily use. Government should appoint a high level committee under your chairmanship, which should give its suggestion to the Government in regard to exercising check on the prices. Sugar, jaggery, pulses, cereals, oil, vanaspati ghee, milk, fuel, onions, potatoes, kerosene oil, cloth, cement, fish, eggs, diesel, salt and chillies come under essential commodities.

As regards the public distribution system, essential commodities are distributed through public distribution system but I am sure that sugar does not reach the shops in the rural areas and it is sold in black market in towns or in cities. So far as the distribution of foodgrains in rural areas is concerned, the cooperative societies are facing the problem that the transport expenses have been fixed on the lower side whereas in reality the expenses work out to be much more. At some places the expenditure on transport is double or treble with the result that they are not in a position to transport the foodgrains. Secondly, the financial position of our cooperative societies is not sound. Every society gets a loan of Rs. 10,000.....

What is required is to provide them foodgrains. Secondly, they are unable to lift the entire stock of foodgrains made available to them. The statement of the Finance Minister given on 19th November has created a new situation. Why do you not make the same arrangement in the desert areas which you have made in the adivasi areas.

[English]

MR. DEPUTY SPEAKER : We are already discussing this matter under rule 193. In that, we are already discussing the same price rise in agricultural commodities and so on. Therefore, you should restrict to this subject only. We have allotted you 10 minutes but you have already taken 15 minutes. We have to accommodate other Members also.

[Translation]

SHRI VIRDHI CHANDER JAIN : The issue of agricultural commodities, the issue of prices and the issue of price rise are totally different. So I should be given time. Ten minutes are not sufficient. I am the first speaker, so I should be given more time.

I was speaking about the public distribution system that it should be strengthened. The Janata cloth, which is supposed to be provided, is not available anywhere. As such it should be made available.

Whenever there is price rise, dearness allowance is given. The worker of the organised sector gets its benefit, but the poor, the small farmers do not get its benefit. Arrangement should, therefore, be made to provide this benefit to these people also.

I would also like to say that the benefits provided to the adivasi areas should also be provided to the people of desert areas because of acute famine conditions there. The Government should pay special attention and take some action in this respect.

With these words I conclude and request that action should be taken on the points which I have brought to your notice.

[English]

SHRIMATI KISHORI SINHA (Vaishali) : Mr. Deputy Speaker, the statement given by the Minister shows that the position is satisfactory. We are calling the attention of the hon. Minister to increase in prices of sugar, vanaspati, edible oils and other essential commodities.

The hon. Minister has more or less accepted the fact of increase in prices of some commodities.

The House discussed fall in prices of agricultural products. Today, we are discussing the increase in prices. Wholesale prices of all commodities during last five years has gone up by 87 per cent whereas prices of paddy and wheat have gone up by only 30 per cent and 37 per cent respectively. I would like to know why the prices have gone up when inflation rate has not risen. May I know whether government propose to investigate the reasons for high costs of production of sugar as claimed by sugar mills. We have surplus foodgrains as claimed by the Minister. Then why is it that off-take of wheat from Food Corporation godowns is less? Is it because of the higher price than what is ruling in the market?

Despite constant vigilance, the prices of these commodities including vegetables have gone up. May I know the reasons for this situation?

[Translation]

SHRI ZAINUL BASHER (Ghazipur) : Mr. Deputy Speaker, Sir, today we are in a peculiar situation. On the one hand the Government are giving the statement that there has been improvement in the price situation and they have statistics to show it and on the other hand we have the open market before us. In the market the prices of commodities are increasing whether these are commodities of daily use or other commodities. It is better to agree with the Government, but we cannot close our eyes to the realities of the market. The prices of commodities are continuously increasing. After all what is the reason? On the one hand the Government itself is increasing the prices of commodities like sugar, vanaspati, edible oils, steel etc. The irony is that the prices of commodities in the market increase more than the increase in the prices made by the Government.

On the other hand, one does not get commodities in the market at the price fixed by the Government. What is the reason? I think the fault does not lie so

much with the Central Government as with the State Governments which are responsible to supply commodities at reasonable prices to the people through the Public Distribution System. Secondly, the wholesale price index shown in the statement is not correct in the sense that the wholesale price is taken on the invoice price. The wholesaler charges premium besides the price indicated by him in the invoice. When the retailer pays premium on the invoice price, naturally he will sell the commodities in the market at increased price to realise the price paid by him. I would like to know whether you have some machinery to check the wholesale price index which is based on the invoice price or whether you will evolve machinery in this respect. This is a fundamental thing. So long as the retailer does not get the commodities at invoice price, no check can be exercised on the fixed price.

Secondly, there are several shortcomings in the Public Distribution System. There is the Food Corporation of India which is proving to be a white elephant in our country. The corruption in the Food Corporation of India has exceeded to an extent that it demands bribe from the private parties as well as the State Governments. The Uttar Pradesh Government has drawn the attention of the Central Government to the fact that the employees of the Food Corporation of India demands bribe per bag of sugar and wheat from the agencies of the State Governments.

I would like to know from the hon. Minister whether the State Governments have made any complaint to you in this respect? If so, what action has been taken in this respect and whether you are getting the matter investigated?

SHRI RAJ MANGAL PANDEY (Deoria) : The State Governments fight shy of making complaint.

SHRI ZAINUL BASHER : It is a fact that the Food Corporation of India has been demanding bribe from the agencies of the State Government as well as from the State Governments. They may be demanding bribe from other State Governments also. Has the hon. Minister received complaints to this effect and, if so, what

action is being taken on it? Thirdly, I would like to submit that previously, there was a proposal to adopt a uniform public distribution system set up in the whole country. According to our information, the Public Distribution System is running on a sound footing in Kerala but in other states particularly in Uttar Pradesh, Bihar and Rajasthan it is not at all working well. So, will the Government consider the proposal for setting up a new model of Public Distribution System, under which people would get all the commodities of daily use under one roof. It is not enough to take action. It is not sufficient to say that so many people have been challoaned and action has been taken against so many people although in reality this is not being done either by you or by the State Governments. There is need to reform that system. Today the availability of many things has increased in the market. The supply position of a number of commodities like kerosene, diesel and many other items is satisfactory in the market. But due to the control and the introduction of the Essential Commodities Act and corruption in the Civil Supplies Department, these things are not available in the market at reasonable prices. In the villages, people get kerosene oil at a price higher than the fixed price. Government should consider removing control on the items which are easily available and they should be taken away from the purview of the Essential Commodities Act. Their availability in the market should be increased. They should be available everywhere at reasonable price. May I know whether it is under the consideration of the Government? With these words I conclude.

[English]

SHRI AMAR ROYPRADHAN (Cooch Behar) : An extra-ordinary situation has arisen in the country due to steep rise in prices of essential commodities like sugar, edible oil, cloth, wheat, rice, pulses, everything.

I have gone through the statement of Minister minutely. I am sorry to say that the hon. Minister did not express any anxiety on this situation. He only said in the first para of his statement : "However, the prices of some essential commodities

[Shri Amar Raypradhan]

have moved up." It is not some essential commodities but prices have gone up for all the essential commodities. Please go upstairs in the canteen and you will find what has been the price rise there. The vegetarian thali which was earlier available at Rs. 4/- is not available at Rs. 7.50. The rate of non-vegetarian thali has been increased from Rs. 5.50 to Rs. 9.60. The rate of European dishes has been increased from Rs. 10 to Rs. 18. How can it be so much? Are the Railways taking some profit from that? That is also a Government Department. It is nothing but a paradoxical situation in the country that amidst plenty there is scarcity and the price of all essential commodities have gone up. It is the rural people who suffer the most because the growers are not even getting the price which is fixed by the Government, through FCI, JCI or whatever agency they have, for wheat, rice, jute, cotton oilseeds, etc. This is your mixed economy and this is your economic policy.

Regarding so many statistics and figures given by the hon. Minister I would only like to say that these are the jugglery of figures. I hope the hon. Minister will agree with me that there had been a fall in intake of foodgrains through the public distribution system to the extent of 3 million tonnes in 1984 as compared to 1983. Do you know what is the reason behind it? Is it not a fact that the poor people in the rural areas do not have the capacity to purchase these foodgrains which are sold through ration shops? Do you know that there is no such arrangement to maintain a separate cost of living index for these people? Is there any separate arrangement to maintain the cost of living of these people? Then how can you say that such and such figures are found to be correct? You cannot say that. When these people cannot take their wheat, rice, edible oils and other things from the public distribution system, how can you calculate these figures? The hon. Minister knows that there are some items like kerosene, sugar, medicines which are more costly in rural areas than in urban areas. In Delhi you may get them at a lower price or at fixed price, but in the rural areas you have to purchase them at a higher price.

As soon as the Government will declare a new policy, the prices will go up. A few days back the Government has announced the new textile policy and as a result of that, the prices of cloth have gone up by 25% to 50%. It is also a tragedy that the handloom weavers are not getting the yarn at a reasonable price. Recently, certain concessions have been given to sugar and edible oil manufacturers and know the reaction in the market. In the Delhi markets, already there are four-fold prices of sugar prevailing. Through public distribution system it is being sold at Rs. 4.40 which is going to be raised to Rs. 4.80; the imported sugar is being sold at Rs. 5.65; the real open market price in the urban areas—that is, in Delhi proper itself—is Rs. 8.50 to Rs. 10; and the real open market price in rural areas is Rs. 10 to Rs. 12. There are four types of prices prevailing and you are giving publicity about the availability of sugar at reasonable prices. In reply to Question No. 12, the hon. Minister said that in order to remove misapprehensions from the minds of the general public about the quality of imported sugar and to make them aware of its availability at reasonable prices from various distribution channels, both the Delhi Administration and the Food Corporation of India have been giving publicity through T.V. and other media. Why are you giving publicity? If the people need sugar, they will buy it. What is the reason for giving publicity and misusing the money? It is creating so many confusions in the minds of the consumers. To justify the price hike in sugar, you are saying that previously the price of sugarcane of 8.5 per cent was Rs. 14 per quintal whereas now it is Rs. 16.50 per quintal. If I take your argument to be correct—though I do not agree with you—even then it should not be more than thirty paise per kg. You have given so many statistics, but even then if you calculate it, it should not be more than thirty paise. That means Rs. 10 per quintal is being charged more? For whom are you charging these Rs. 10 per quintal more? Is it just to satisfy the millowners? I know you have got bindings and you must satisfy them by raising the price in this manner.

It is a long standing demand of the people in general and the Opposition

Members in particular, not only in this House but outside also, that fourteen items like rice, wheat, oil, coal, pulses, etc. should come under the direct control of the Government and must be distributed through the public distribution system. But you have not made arrangements for that. You are only saying that Government is keeping constant surveillance on their prices. We do not agree to that. The only solution of this is to make available, through public distribution system, all the essential items.

Secondly there should not be any dual or triple or quadruple price. There should be only one price in the market. The Government itself should ensure this to the consumers. I would like to know whether the Government agrees to this or not.

[Translation]

SHRI SUBHASH YADAV (Khargone) : Mr. Deputy Speaker, Sir, from the statement made by the hon. Minister it looks as if the Ministry of Civil Supplies wants to take the entire responsibility regarding the price control. I want to make it clear that it is beyond the capacity of the Ministry of Civil Supplies to handle the price control all alone. Unless several Ministries take some decision collectively, after consultations with each other, it will be difficult to control the price rise.

I feel that there has been a fall in the prices of the essential items and also in their production. The Ministry of Agriculture will have to consider whether decline in the production of sugarcane is due to shortage of better quality seeds; or whether there has been any shortcoming in our policy? Have special efforts for more sugarcane production not been made? We will have to think as to what are the reasons for the shortfall in sugarcane production?

Sometime the rise prices is due to the policies of the Commerce Ministry also. Sometime the prices rise due to some decision of the Finance Ministry also. If the hon. Minister is of the view that he will be able to control the prices through his Ministry or the Department

alone then he is grossly mistaken. To control the prices, collective efforts will have to be made by different Ministries. Only then the prices will be controlled.

During the last one year or so the role of the Ministry of Agriculture in the matter of agricultural production and sugarcane production has not been very envious. We can also say that the Ministry of Agriculture has not made any serious efforts. That is why the production of sugarcane has been falling constantly. As several other hon. Members have pointed out, the decisions taken by the Government also play a vital role in agricultural production, specially in the matter of controlling their prices. If the hon. Minister wants to handle this issue, Ministries of Finance, Agriculture, Food and Civil Supplies should discuss the matter together and take a collective decision. The most important role in the price rise is played by the intermediaries.

The Ministry of Food should enforce the distribution system in an efficient manner. The people who can help us and are not involved in it at present, should also be asked to cooperate. The cooperatives, chairmen and the managers of the cooperative banks, small cooperative societies, who can play very important role in controlling the prices, should also contribute their mite. There is need to discuss the matter with them.

I may tell you that they too have certain practical difficulties. The Agriculture Bank, NABARD is going to earn a profit of about Rs. 150 crores. Many cooperative banks have constantly been praying that they should be provided credit on concessional rates of interest for running this scheme. But the requests of the cooperative banks have never been taken seriously. The result is, they are forced to do this work at 18 per cent rate of interest. Ultimately, it affects the prices.

I would like to request the hon. Minister that there is need to review, at the national level, his scheme regarding measures to enforce the system of distribution as well as our conception of the scheme regarding enforcing this system

[Shri Subhash Yadav]

through cooperative banks. We should sit together with them and discuss these schemes, and mutually remove each other's difficulties. Only then we will succeed.

I would like to make it clear again that the Ministry of Agriculture or Ministry of Civil Supplies alone will not be able to control the price rise. With these words I draw the attention of the hon. Minister towards this problem.

[English]

SHRI K.P. SINGH DEO : First and foremost, I would like to thank the hon. Members for their useful suggestions which will be examined and given the highest considerations and they will be looked at objectively. I had, at the outset, given a resume of the price situation. I was not trying to justify anything; but I gave a factual information. I told the House what the prices were in 1983-84 and how they have been fluctuating. And it is in the backdrop of these things that various measures have been taken and this I wanted to share with the House. Therefore to charge it as jugglery of figures, as has been said by my friend from Cooch Behar is not proper. There was no jugglery whatsoever. These figures are available in every Government document. I am happy to say that the latest reports which have come regarding the wholesale price index for the week ending 9th November has shown a downward trend of 0.3 per cent after the 2 per cent which had been there. This phenomenon of price rise is in the backdrop of plenty of foodgrains and plenty of availability as mentioned by some hon. Members. It seems paradoxical that this happens at a time when we have plenty of food and plenty of availability in all parts and there is no dearth of essential commodities in the various States. Yet, the fact remains that the prices have risen. Nobody is denying it. But the figures only go to indicate that the level of price rise this year (for the various periods which I have read out) has been comparatively low, as compared to last year and the year before last. That is what I was seeking to do. I was pointing out that it is only because of the steps taken by the Government for supply

management of various essential commodities and supply management generally as such, that it has been kept reasonably under control. The twin objectives of our policy is to attain self sufficiency and self reliance in foodgrains also. Keeping this in view, Government has taken certain steps which have been mentioned previously in the form of answers to questions by my distinguished predecessor. The Finance Minister himself in his statement on 19 November in announcing certain schemes for the weaker sections of society, has also stated that we must encourage our producers and our farmers. All Members of this House and the other House are concerned about it. Both in Parliament and outside we take the stance that we are for the farmers; we are for a better deal to the farmers; we are for better, remunerative price to the farmers; and they must be encouraged to produce more and better incentives must be given to them to increase production, so that dependence on imports will be stopped, we may be able to conserve scarce foreign exchange resources and the reduction in the outgo of foreign exchange will be maintained, and there will be easier availability and more supply in the market and the question of demand and supply (which is the cause of price rise) is maintained and stability in price is achieved. This is also the apprehension of the hon. Members. Mr. Amar Roypradhan said that I did not show anxiety in my speech. It is not a Bharat Natyam dance or Odissi dance that through abhinaya I will show various moods and expressions. It is a question of taking certain positive steps; Government taking a system, approach and taking an integrated approach and integrated view of the entire thing and a balanced approach between the requirements of the consumer and the requirements and the role of the producers. It is a vicious circle. Again, it is a question of supply and demand. If the farmer does not get remunerative prices, he gets discouraged from going in for that particular type of crop. If prices fall, then the next year we feel the pinch of shortages and then we have to go in for heavy imports which mean again the prices get hiked up, as it happened over the last two years in case of sugar, and imports had to be made. Therefore, it is a question of taking a balanced view, keeping the consumer and the

producer in the picture so that we do not fall into the shortage trap or the import trap, as has been happening before.

I would like to answer the individual points made by the hon. Members. Shri Virdhi Chander Jain mentioned about prices and farmers not getting remunerative prices. That is exactly because of the reason that we have raised minimum support price. Because the farmer was not getting remunerative prices, we have sought to raise the support price both of paddy, wheat, sugar and also edible oils.

MR. DEPUTY SPEAKER : The main agitation is that the middlemen are playing the role. The farmers are not able to get competitive price. How to rectify it ?

SHRI K.P. SINGH DEO : You are right. I will come to it. As regards sugar, he mentioned we have raised from Rs. 4.40 to 4.80. This is a deliberate and considered decision which has been taken. This is not taken just by a few people sitting together and doing it. This decision has been taken on the advice and the recommendations of the Committee on Agricultural Costs and Prices who have also recommended that the statutory minimum price for sugar should be Rs. 16.50. We have requested the States that they should maintain the prices within Rs. 24/-. There is also the Bureau of Industrial Costs and Prices who do the costing of crushing on the entire operation of sugar recovery from sugar cane. That comes to about 30 paise which Shri Amar Roypradhan was saying that how is it that 30 paise is going there and 10 paise to the millers. It is not going to the millers. That 10 paise is the various DA and taxes and what not. That comes to 10 paise. Otherwise, the Bureau of Industrial Costs and Prices have calculated that it is 30 paise per quintal which is the cost of operation. That is how this 40 paise difference which he has mentioned is also taken into consideration.

By raising the price of sugarcane from Rs. 14 at the moment, to Rs. 16.50, although there will be Rs. 2.50 paise rise for levy sugar, this has been offset by reducing the levy quota from 65% to 55%. In the peak year 1982-83, the sugar production has gone up to about 85 lakh

tonnes. But again, during the year before last, it came down to 59 lakh tonnes. Our requirement is around 80 lakh tonnes and levy requirement is 40 lakh tonnes. On the calculation of 425 grammes per capita per month, it comes to 3,13,000 tonnes per month and in a year it comes to 37 lakh tonnes. Besides defence and festival requirements and other occasions, it comes to about 40 lakh tonnes. In a production of about 60 lakh tonnes, 40 lakh tonnes comes to two-thirds. Therefore, the levy has been kept at 65% to 35%. This year due to certain steps having been taken by Government to improve and encourage the farmers to go in for sugarcane production, there was reduction by 13% in the availability of sugarcane production. There was diversion from sugar to khandsari, gur and other areas. It is expected that the sugarcane as well as sugar production will go up. Therefore, the availability in the free market has been sought to be done at 55 and 45—because 55 per cent levy would meet the levy requirement. And this will give better liquidity to the millers so that they will be able to make prompt and better payment to the farmers. Therefore, a package has been done. Not only for this year, but we have already announced Rs. 17 per quintal for the next year also. Therefore, there is no uncertainty as far as the producer is concerned; he knows what he is going to get next year. As we did in the case of wheat—Today Punjab is having a bumper crop, Haryana is having a bumper crop, Uttar Pradesh is having a bumper crop—we would like to do the same thing for pulses, edible oil and sugar, so that there is easier availability, we do not have to resort to imports, the farmer is encouraged, the producer is encouraged, there is more production, there is more availability in the market. Then the prices will be stabilised. This is also the desire of the hon. Members on both sides of the House.

Shri Virdhi Chander Jain mentioned about vanaspati price having been raised. This has also been a deliberate and determined effort by Government to cut down on imports, to save foreign exchange, to conserve foreign exchange and at the same time to give price support to the farmers. Because yesterday as well as, I am told, this afternoon also there is a discussion;

[Shri K.P. Singh Deo]

in the other House also we had discussed the question of fall in prices of the indigenous edible oil. It is a damper to the farmer for growing crops. This is a vicious circle, and unless we arrest it, we will again fall in the import trap of edible oil. So, this is a deliberate attempt by the Government to see that production goes up, our dependence on foreign countries goes down and the farmer gets remunerative prices. A balance is being kept between the consumer and the producer by supplying commodities through the public distribution system at cheaper rates and by expanding the public distribution system from 2,60,000 units to 3,20,000 units in this Plan. The Finance Minister, on the 19th, has given the entire thing. I would not like to read out the entire statement. There are three or four steps which have been taken to look after the weaker sections of the society, the vulnerable sections of the society, by giving them a concessional price and at the same time expanding and strengthening the public distribution system and even helping the State Governments by subsidising to a tune of about Rs. 45 crores—only in this one year. Therefore, Government is determined to help the farmers and also keep in mind the interests of the consumers and make things available at the prices fixed by the Government by expanding the public distribution system.

One hon. Member has said that most of the fair price shops are in the urban areas. It is not a fact. I will give you the details. At the moment there are 3,20,551 fair price shops throughout the country, out of which 2,50,000 are in the rural areas and only 70,488 are in the urban areas. If my mathematics are correct, I think, the ratio is 4 : 1, four in the rural areas and one in the urban areas. So, it is not a fact that most of the fair price shops are the urban areas. More are in the rural areas, and we are going to increase them further, according to the Finance Minister's statement of 19th; we are going to the remotest part, even where the public distribution system does not exist; there also we help the State Governments to set up a distribution

13.00 hrs.

system for the weaker sections of the society, tribals, for children, for nursing mothers,

for pregnant mothers and other vulnerable sections of the society.

Sir, now I come to Smt. Kishori Sinha's queries. She wanted to know why wholesale prices have gone up, about high cost of production, about surplus production and high prices. Sir, I have mentioned that it has been a deliberate attempt to help the farmers by raising the support price. Naturally when you raise the support price, it is bound to have an effect on the consumer price and the retail price also.

Shri Zainul Basher mentioned regarding public distribution system, the FCI and the complaint by the UP Government. He is right: In the meeting of the food and Civil Supplies Ministers, which was convened before the session of the Parliament, the representatives from UP did bring to our notice that some money was being asked for by certain people in the FCI godowns. This particularly in Lucknow and Kanpur areas. Whether it is the FCI people asking for it or whether it is the labour which is asking for it—the contract labour or the departmental labour—the CBI and the FCI have been commissioned to enquire into it to take necessary action.

I would also like to tell you that wherever corruption has been found of this nature or of other nature, actions have been taken immediately. More than 76 cases have come to our notice. Steps have been taken against 76 officers to curb malpractice and corruption in the recent past. I can assure the House that no step will be held back or no effort will be spared to sort out and weed out corrupt elements in the FCI or in any other department in the Government.

Shri Zainul Basher also mentioned regarding FCI being a white elephant and the corruption being rampant there. I would just like to mention that FCI seems to be the whipping boy of everyone, for all ills in the country FCI seems to be the culprit or the root cause. It is like giving a dog a bad name and killing it too. If you see the main growing areas, they are Punjab, Haryana and U.P. There the procurement of wheat by the FCI is only 13.3%. In Punjab it is 27.4%. In Haryana it is only 30.2%. In a total production of 148 million tonnes in the country, the FCI

operations are only limited to 29 million tonnes. It comes to about 12 to 13%. It looks as if all the ills in the country, all the corruptions in the country and all the white elephants in the country are attributable to FCI. FCI is giving price support, so that during surplus time farmers get the remunerative prices, during scarcity time because of the buffer operations, people don't suffer from the lack of availability of adequate essential commodities and therefore, both during deficient period and surplus period, FCI has its operation as a market support or availability and reaching specially the weaker sections of the society.

Now, FCI, for the last two years have cut down on the storage and transit losses by Rs. 15 crores last year and a year before last and Rs. 25 crores this year by taking various concerted steps. In a turn over of Rs. 17,200 crores the losses due to transit, storage as well as pilferage or damage has been only Rs. 140 crores. I would like to know which organisation in this country with such a huge turn-over does not have any aberration in its operations or any losses or any corruption. Because this organisation is not present here and we are free to say anything we like, must we condemn an organisation ?*(Interruptions)* I never disturbed you or interrupted you. I am not yielding. Please sit down....

SHRI ZAINUL BASHER : I may say that it is my right. And I would like to clarify....

MR DEPUTY SPEAKER : Let him finish.

SHRI ZAINUL BASHER : He is looking after FCI. Why should he say like this ?

SHRI K.P. SINGH DEO : As an hon. Member I expect my colleague to be objective....

SHRI ZAINUL BASHER : We are very much objective.

SHRI K.P. SINGH DEO : 72000 people will be demoralised if the highest legislature in the country chooses to condemn

them day in and day out without substantiating any of the charges....*(Interruptions)* This loud noise cannot cow down anybody.

SHRI ZAINUL BASHER : No question of cowing down anybody.

SHRI K.P. SINGH DEO : If you just keep on making wild charges, I am not going to accept them. I deny them.

SHRI S. JAIPAL REDDY : I wish it was discussed under 193.

MR. DEPUTY SPEAKER : That is over.

SHRI ZAINUL BASHER : He is taking up the cause of FCI. He is doing that.

SHRI K.P. SINGH DEO : Shri Amar Roypradhan mentioned about the extraordinary situation arising out of the steep price rise and he also mentioned about some jugglery of figures which I have already answered to him. He also mentioned that sugar is selling between Rs. 8.50 and Rs. 10 and 12. Nowhere is sugar selling at that price. In the other House also....

SHRI AMAR ROYPRADHAN : You please come along with me to the Gole Market.

SHRI K.P. SINGH DEO : I will be too happy.

Sugar in Delhi is selling at around Rs. 7.30 on an average but if it is selling at any place at a higher price, you please let us know. We will make inquiries. It is not selling at Rs. 8.50. It is selling at between Rs. 7.30 and Rs. 7.50. It is because the supply to Delhi comes from UP and there is the octroi duty and all that. So it is a little expensive than at other places.

I think I have answered most of the points. I would like to sum up by saying that the Government is equally concerned, if not more concerned than the hon. Members as far as price rise is concerned. But, at the same time, the Government is also conscious that it must take a balanced view to see that the producer does not

[Shri K. P. Singh Deo]

suffer and if the producer suffers, then production suffers and if production suffers, then we come into the scarcity syndrome and again we will have to import and our vital foreign exchange will have to be spent. So we will have to conserve our foreign exchange and we have to attain self-sufficiency and self-reliance. Therefore, we have to suffer a little while and tighten our belt if we have to attain self-sufficiency. Therefore, in this paradoxical situation we have not lost sight of the weaker sections of the society, the more vulnerable sections of the society. Therefore, the Prime Minister, when he was addressing the National Development Council, made a policy statement that the Government would come out with a scheme for the amelioration of the weaker sections of the society and also for creating the purchasing power which is not available which many hon. Members have referred to, and, therefore, there is no off-take. It is because of that NREP, RLEGP programmes are being augmented to increase the coverage of the vulnerable sections---an additional 100 million or the 50 million people will be covered in 1985 and it will go on till 1987 and these vulnerable sections of society will be given at a cheaper price--wheat at Rs. 1.50 and rice at Rs. 1.85. All these will continue upto 31st March 1986 and by expanding the public distribution system and going into the interior places, we will be focussing our attention to more vulnerable sections of the society.

SHRI ZAINUL BASHER : How will he strengthen the public distribution system ? He is a very efficient Minister.

MR. DEPUTY SPEAKER : He will do it.

SHRI K. P. SINGH DEO : Hon. Mr. Zainul Basher is a very experienced and senior Member of this House. He himself mentioned that it is the State Governments who are in charge of the public distribution system. ...

SHRI ZAINUL BASHER : I have asked that there was a talk of a model PDS....

SHRI K.P. SINGH DEO : Let me finish. Why should you interrupt me in between ?

Therefore, the State Governments have been requested to strengthen the PDS and we are prepared to help them out. They are also enforcing the Essential Commodities Act. Wherever there is unfair trade practice punitive action is taken. All the Chief Ministers have also been addressed to. The Food Ministers have been addressed to. They had also come down to Delhi. Our officers will be going from Monday onwards to various States and especially to States which have a large number of people living below the poverty line and cover the whole of India in phases within next fortnight so that wherever there are any problems or grey areas or weaknesses in the public distribution system and where the State Government needs our help we are prepared to extend a helping hand.

There are some States like Kerala, Tamil Nadu and Andhra Pradesh who have done very well under the public distribution system. We are also helping them with additional stocks of rice and wheat. We are out to help anyone who is improving its public distribution system both in kind, funds and expertise.

MR. DEPUTY SPEAKER : According to the present norm one fair price shop is provided for 1000 people. There are many villages with less than 1000 population. So, three to four villages are clustered together and attached to one fair price shop with the result many people have to walk three to four kilometers to reach the fair price shop. Secondly, many people in the rural areas are not able to have their ration cards even though their names figure in the voters' list. I would like to suggest that instead of 1000 norm you may reduce it to 500 and secondly these who are not able to get the card they should get it. In the voters' list their names are there but they are not able to get the card. You may please plug these loopholes.

SHRI K.P. SINGH DEO : Sir, I am very grateful to you for mentioning this. Today's debate has given us a lot of points. Your State has an efficient public

distribution system. It is the only State where the entire thing is departmentalised. We will look into the drawbacks which you have mentioned and advise the Tamil Nadu Government accordingly. The public distribution system is entirely handled by the State Government and we are willing to help them financially and technically. This is one of the drawback that remote areas are being left out and this is where we are exercising.

13.12 hrs.

Lok Sabha than adjourned for lunch till fifteen minutes past fourteen of the clock.

The Lok Sabha re-assembled after Lunch at Nineteen minutes past Fourteen of the Clock.

[Mr. Deputy-Speaker in the Chair]

[English]

MR. DEPUTY SPEAKER : Now statement to be made by the Minister of Parliamentary Affairs and Tourism. Shri H.K.L. Bhagat is not here. Mr. Ghulam Nabi Azad may please make the Statement.

BUSINESS OF THE HOUSE

[English]

THE MINISTER OF STATE IN THE DEPARTMENT OF PARLIAMENTARY AFFAIRS (SHRI GHULAM NABI AZAD) : Sir, with your permission, I rise to announce that Government Business in this House during the week commencing 25th November, 1985, will consist of :

(1) Consideration of any item of Government Business carried over from today's Order Paper.

(2) Discussion on the Third and Fourth Reports of the Commission for Scheduled Castes and Scheduled Tribes.

(3) Consideration and passing of :

(a) The Delegated Legislation Provisions (Amendment) Bill, 1985 as passed by Rajya Sabha.

(b) The Dock Workers (Safety, Health and Welfare) Bill, 1985.

(c) The Sales Promotion Employees (Conditions of Service) Amendment Bill, 1985.

(4) Discussion on the Resolutions seeking disapproval of the Payment of Bonus (Amendment) Ordinance, 1985 and the Payment of Bonus (Second Amendment) Ordinance, 1985 and consideration and passing of the Payment of Bonus (Second Amendment) Bill, 1985.

(5) Discussion on the Resolution seeking disapproval of the Aircraft (Amendment) Ordinance, 1985 and consideration and passing of the Aircraft (Amendment) Bill, 1985.

(6) Discussion and voting on the Supplementary Demands for Grants (General) for 1985-86.

SHRI SRIBALLAV PANIGRAHI (Deogarh) : I beg to submit that the following matter be included in the next week's Government business.

For quite some time past, people of Orissa have been demanding the creation of a separate coal company comprising of Talcher Coal Mines in the district of Dhenkanal and Ib Valley Coal Mines in the district of Sambalpur which are at present being administered from Ranchi, the headquarters of the Central Coal Fields Ltd. and from Nagpur, the headquarters of the Western Coal Field Ltd. respectively. The coal discovered in Orissa is ideal for generation of power. In fact, the largest quantum of thermal grade coal in the country is available in Talcher and Ib valley coal fields in Orissa. At least 10,000 MW of power can be generated every year by utilising the available coal and that too for long 100 years.

[Shri Sriballav Panigrahi]

Thus, though there is full justification for the demand to set up a separate coal company in Orissa for proper exploitation of this hidden treasure, this has not been favourably considered, while two new coal field subsidiary companies were created very recently. This has resulted in serious discontentment and resentment among the people. This should be viewed in proper perspective and if not possible to start a company immediately, at least to start with two separate coal divisions one at Talchar and another at Id valley should be created and areas of operation be rapidly expanded according to a well prepared plan and programme. Besides, there should not be any further delay in setting up two super thermal power stations at these two places—Talcher and Id valley which considered from all aspects are the two best sites for such projects in the whole of the country.

SHRI BASUDEV ACHARIA (Bankura) :
I request that the following matter be included in the next week's business.

Kendriya Vidyalaya Sangathan staff Association has resorted to a fast unto death by four of its members and a relay fast in groups of 5 each for 48 hours from 20th November, 1985 at Boat Club, New Delhi to press for bilateral negotiation for solution of long overdue demands as also to have multifarious corruption allegedly prevailing in the Sangathan proved by CBI.

The persistent efforts to have the problems sorted out across the table have proved abortive. I would urge upon the hon. Minister of Human Resources to break the impasse so that the lives of the fasting employees are not endangered.

SHRI K.N. PRADHAN (Bhopal) :
Sir, I request that the following may be included in the Agenda for the next week :—

The scheme of Reserved Trained Pool was introduced in Postal Services in 1980 and in Telecom. services in 1981. Today more than 11 thousand workers are engaged,

whose monthly emoluments never exceed Rs. 400/-.

In 1982, the Department had conveyed its decision for their regularisation. According to this decision, the candidates in Reserve list constitute a standing pool of trained reserve after training and would be absorbed against regular vacancies.

But due to ban on recruitment with effect from 31-1-1994, their hopes have been shattered.

The Supreme Court has recently ruled in its judgment that casual employees doing the same work as the regular employees are entitled to get the same salary and service conditions.

So it is necessary to lift the ban and absorb all these RTPs who have been trained.

Secondly, there are about six lakhs of employees in 54 Transport Undertakings of various State Governments and Municipal Corporations etc. Besides there are employees of private transport undertakings and goods transport.

There are no uniform service conditions; wage structure or other facilities for these employees. The management take full advantage of the situation and fix arbitrary pay scales and service conditions.

It is not only just and proper but also absolutely necessary that there is uniform pay scale and wage structure for these employees. This can be possible only by setting up a wage board preferably statutory to fix the wage structure, service conditions etc. throughout India.

SHRI CHIANTAMANI PANIGRAHI (Bhubaneswar) : I give notice for submission of the following item of business to be included in the next week's Agenda of the House :—

The present site for the establishment of the National Pocket Testing Range of the Defence Ministry at Balipal in the district of Balasore in Orissa which was selected long ago in the year 1979 has evoked widespread discontent and resentment among the people of this area which

is one of the most fertile and very densely populated region of the State and there is an appeal from the one lakh displaced persons for shifting this project to other much less and very sparsely populated and suitably placed location in the 300 mile long coastline of the Orissa State. The people of this area earn annually 50 lakhs of rupees from various cash crops like betel and coconut and from fish catch.

In view of this growing discontent, I urge upon the Government to include this subject for a thorough discussion in the next week's business of the House.

SHRI V.S. KRISHNA IYER (Bangalore South) : Sir, I request that the following may be included in the Agenda for the next week :

Complaints are being received about the bad quality of rice being supplied by the Government of India for distribution through public distribution system in Karnataka. It is found that the quality is considerably below the specifications and contains high percentage of broken and foreign matter. Karnataka has been requesting the Food Corporation of India, New Delhi to supply rice from Andhra Pradesh which is of a superior quality. Though the Chief Commercial Manager, FCI has assured of strict observance to the quality control aspects of the stocks despatched to Karnataka, things have not improved. It is urgent that the Government of India should give strict instructions to the FCI to supply good quality rice for distribution to the card holders through public distribution system.

SHRI SOMNATH RATH (Aska) : I submit the following matter be included in the Government Business for the week commencing from 25th November 1985.

One of the most disturbing dimensions of the environmental crisis we face at present is the dearth of knowledge or awareness about it. It is not what we know about it, but rather what we do not know about it, that is of fundamental concern. Man's economic activity is adversely affecting the patterns of our climate. The knowledge gap is a matter of great concern. This gap must be filled up by all out efforts.

The environmental awareness must be inducted into the natural system as early as possible. Comprehensive legislation and launching of concerted and strong campaign is necessary for the protection of environment. A critical public awareness should be developed which can be done by the effective utilisation of mass media like radio, TV, cinema and the like.

The new educational policy proposed to be introduced should reflect the mechanism of spreading environmental awareness. Our esteemed Prime Minister has appropriately emphasised upon the importance of environment.

It should be borne in mind that most of the teeming millions of our country are living in rural sector. The natural system in the country side is very much affected. Seminars and workshops should be arranged under the patronage of Government at grassroot levels so as to foster environmental awareness.

Research studies on environment should be encouraged. Research institutions should be set up at the national as well as the State levels to explore the further revenues for the protection of environment.

SHRIMATI GEETA MUKHERJEE (Panskura) : Mr. Deputy Speaker, I want to raise the following two points for inclusion in the agenda for next week :—

1. The discussion on 7th Five Year Plan documents should be taken up in coming week's business.

2. A discussion of the document entitled 'Challenge of Education—a policy perspective laid on the House on 20th August, 1985 should be thoroughly discussed in the Lok Sabha for consulting Lok Sabha Members in formulating the policy on education.

SHRI S.M. BHATTAM (Visakhapatnam) : Sir, I request that the following may be included in the Agenda for next week :—

Recently thousands of people in Visakhapatnam, Andhra Pradesh experienced serious headache, watering of eyes and respiratory problems due to release of toxic gases by

[Shri S.M. Bhattam]

the local oil refinery. It is reported that HPCL refinery is being expanded and that the Prime Minister is going to inaugurate the commissioning of this expansion programme during the middle of November. It is reported in the newspapers that the pollution must have been caused as result of power failure in the industry or leakage or overloading of the combustion units of the flare-stack. Normally such problems should have been visualised by the State Pollution Control Board and the Department of Environment of the Union Government who are expected to give due clearance for such expansion programmes. It is not known whether the industry has secured clearance for commissioning its expansion programme from the State Pollution Control Board and the Department of Environment of the Central Government. Even now the industry must be directed to take necessary steps to obtain the clearance after due submission of the environmental impact reports and the emergency response systems to meet any unforeseen disasters like accidental leakage of poisonous gases or fire accidents, or oil spillages from the storage tanks. This plant is located in close proximity to the port godowns, and the establishments of the Indian Navy which are exposed to great risk.

I urge the Government to initiate necessary action to see that the pollutants from this refinery either accidentally or otherwise do not cause undue damage to public health and welfare in Visakapatnam.

[Translation]

SHRI KALI PRASAD PANDEY (Gopalganj) : Mr. Speaker, Sir, the following matter may be included in the Business for the next week.

The National Highway starting from Pipra Kothi in North Bihar on Indo-Nepal border to Distt. Gopalganj-Badhna Kuti on U.P. border, via Dumaria bridge, is in a miserable condition. 10 to 11 thousand vehicles pass through it for different parts of the country but this Highway is only 11 feet wide and has been damaged and different places, with the result that many vehicles are overturned. There was a time when

Bapu has come through this way to Champaran to launch his Satyagrah.

I, therefore, request the Government of India to widen and repair this Highway so that the traffic facility on this road improves.

[English]

SHRI ANIL BASU (Arambagh) : Sir, the following item may please be included in next week's agenda :—

Chinsurah Telephone Exchange (within greater Calcutta area) is one of the very busy exchanges. Chinsurah is the district and divisional Headquarter of the administration and because of a good number of important industries, Chinsurah has become one of the very important phone, trade and business activities also. Very recently (about three years now) the above telephone exchange has been converted into an Automatic Telephone Exchange with microwave facilities. Unfortunately the capacity of the exchanges is being proposed to be sealed at 900 when there is rising demand for telephone facilities with long waiting list of prospective subscribers. It was given to understand that/the capacity of Chinsurah Telephone Exchange would be augmented to 1200 to implement the programme of augmentation. Taking into consideration the growing importance of this administration Divisional Headquarter and Centre of business activity there was reportedly a proposal to start one divisional office of Calcutta Telephone at Chinsurah to facilitate payment of bills, settlement of claims/disputes and other matter.

The augmentation of capacity 900 from to 1200 of Chinsurah telephone exchange may take place at an early date and the proposed Divisional Office of Calcutta Telephone is started at Chinsurah earliest.

I therefore request upon the Government that the matter may be discussed in the House.

SHRI C. JANGA REDDY (Hanamkonda) : I beg to submit the following

and request that they be included in the next week's business :

(1) In Andhra Pradesh, there are some scheduled areas where only tribals can purchase, and sell their immovable properties to tribals, according to a Presidential Order. Even non-tribal cannot sell their lands to non-tribals. Due to this, these non-tribals are not getting any bank loans. Even Government cannot purchase or acquire lands for a public purpose.

In these areas, the non-tribals are living for more than 100 years, i.e. since long before the above Presidential Order. In view of this, there is a necessity to modify the Presidential Order, to allow land transfer by non-tribals to non-tribals who were living there before the Presidential Order. Otherwise, they will have to vacate those areas, because the banks are not giving loans to non-tribals.

(2) In 1974, the President of India has issued orders regarding employment and admission to professional colleges on regional and zonal basis, under the six-point formula, and basing on agreement with separate Andhra agitators. In A.P. in that six-point formula, the Andhra Pradesh State is divided into 8 zones for the purpose of employment, but for admission to professional colleges, it is divided into three regions, that is, according to Universities located in the area.

Due to this, in the Andhra University area, Osmania University area and the Tirupati University area, more than 90% seats are going to candidates from Guntur—Visakhapatnam, Hyderabad and Tirupati respectively, because they are having educational facilities. It is, therefore, necessary to amend the Presidential Order so that admission opportunities for professional colleges are available equally to all eight zones. That means the admission must be on zonal basis, as followed in employment.

14.37 hrs.

SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) BILL—

Contd.

[English]

MR. DEPUTY SPEAKER ; The House will now taken up further consideration of the following motion moved by Shri Vishwanath Pratap Singh on the 20th November, 1985, namely :—

“That the Bill to make, in the public interest, special provisions with a view to securing timely the detection of sick and potentially sick companies owning industrial undertaking, the speedy determination by a Board of experts of the preventive, ameliorative, remedial and other measures which need to be taken with respect to such companies and the expeditious enforcement of the measures so determined and for matters connected therewith or incidental thereto, be taken into consideration.”

Mr. Charles may continue his speech.

SHRI A. CHARLES (Trivandrum) : Sir, the other day I was just pointing out the inadequacy of Section 15 of the Bill to take timely action against the companies and their managements who responsible for the sickness of the concerned industry, because of maladministration. Of course, Section 15(1) makes it obligatory for the Board of Directors to make a reference to the Board constituted under Section 4; but going to Siction 3(o); it is seen that such a report can be give only after seven years of the registration of the industry. I feel that seven years is too long a period; and we are not sure whether, inspite of the lapse of seven years, their company might have gone on production. So, I would suggest that the period might be limited to five years or, in the case of a company that has gone on production, to not less than three years. So, the distinction is that that it would be, after production, three years and, after the date of registration, five years, whichever is earlier, because by the

[Shri A. Charles]

time these seven years are over, greatest harm and enough mischief would have been done, as a result of which the company may be beyond the stage of redemption. I would request the Minister to see whether the period can be limited to five years. I would leave it to the Minister, because yesterday he had said that he had an open mind on two very important aspects. I hope he will have an open mind on this also. I leave it to the hon. Finance Minister to decide this.

According to clause 15(1), "within sixty days from the date of finalisation of the duly audited accounts of the company for the financial year," no time limit is fixed for finalisation of the audit. I feel there should be a time limit for finalisation of the audit also because the Board of Directors, as you know, can very conveniently postpone the audit, and by the time the Audit Reports are received, the whole process of liquidation might be over there. So, I suggest in line five of clause 15(1), after sick industrial company, the following may be added "or two month/ from the date of close of the financial year, whichever is earlier." If two months are found to be too short, it can be either three months, and I have no complaint, if it is even four months, but there must be a time limit. At least, after four months of the close of the financial year, such a report should be made.

Then, clause 17 deals with power of the Board to make order on the completion of inquiry contemplated under section 16 of the Bill. After making an inquiry, the Board may decide whether it will be possible to revive the industry under the circumstances; if it is not possible, the measures laid down in clauses 18 shall be taken. But what are the measures proposed to be taken under 18 they are reconstruction, revival or rehabilitation, take over of management, amalgamation of the sick industrial company, sale or lease, etc. But there is no proposal to take any action against those who are responsible for the criminal misappropriation and mismanagement of the fund, of the company and who are responsible for the whole malady. In the Budget Speech, in very fine language, the

hon. Finance Minister, has stated that bad Managers like bad currency will be kept out of circulation, and the whole House has received it with great applause, but I am sorry, the Bill does not find any clause to ensure this promise. I would plead that some clause should be added to ensure that those who are responsible for the sickness of one industry should not be allowed to function in other capacity in other industry also. I would plead that in the case of mis-conduct either omission or commission and in the case of those who are criminally responsible for the misappropriation, civil and criminal action should be taken against them. The assets accumulated by them should be recovered and they should be shown their proper place and put behind the bars.

I would like to remind the hon. Minister about the categorical statement made by the Industry Minister the other day when he was answering one of the questions. He reminded that the industrial policy statement of 1956 still remained the cornerstone of the industrial policy of this country. The 1956 resolution has pointed out the need for maintenance of industrial peace. The resolution further says that in a socialist democracy, labour is a partner in the common task of development and should participate in it with enthusiasm. This is a very noble concept, but it is really regrettable that no effective steps are taken to ensure that this concept is implemented even though long 30 years have elapsed. So, I would request the hon. Minister to see how best this noble concept could be implemented along with this Bill.

Finally, I would like to make a few suggestions. Seven years are given to assess sickness. I suggest that five years should be given to make the report when an industry is sick. And I would suggest that in the first three years of an industry there should be a total ban on strikes.

AN HON. MEMBER : It is not the result of the strikes.

SHRI A. CHARLES : I know, I am very balanced. I am aware that in most cases the management are responsible for the mismanagement and in certain cases

the labourers are responsible. But there should be a balance on both sides. It is very unhappy to see that the moment the foundation stone of an industry is laid, we see the red flag. That is what we see in Kerala now. The moment an industry is set up, a strike is there. How can there be a strike so soon? There should be some agreement or some mutual understanding. I strongly feel that there should be a total ban on strikes on any new industry.

Also, there should be one union in one industry. In Kerala we find that there are one hundred workers and ten unions! It is a disgrace really. There should be only one union in one industry.

There should also be effective measures to see that labour participation is there in an industry. And there should also be a clear, well defined rules to take both civil and criminal action against mismanagement so that responsibility can be fixed for sickness to prevent closure of the industry.

With the hope that the above proposals will be accepted by the hon. Finance Minister I give my whole-hearted support to this Bill.

MR. DEPUTY-SPEAKER : I want to mention one thing. Many hon. Members have approached me saying that they want to speak. But the time available today is limited. So, every hon. Member may take three or four minutes. If they want more time, they have to wait till Monday and speak on Monday. For today, I request the hon. Members to restrict themselves to three or four minutes.

DR. DATTA SAMANT : Tomorrow I am going to Bombay.

MR. DEPUTY-SPEAKER : You can take five minutes and speak now. On Monday the remaining hon. Members can speak. You may take five minutes now.

DR. DATTA SAMANT : I have waiting for four days.

MR. DEPUTY-SPEAKER : If you want to make a longer speech, you can

speak on Monday. Otherwise, now you take three or four minutes.

DR. DATTA SAMANT : I will speak on Monday.

MR. DEPUTY-SPEAKER : Mr. Janga Reddy.

SHRI C. JANGA REDDY : I will also speak on Monday.

MR. DEPUTY-SPEAKER : Shri Natarajan.

SHRI K.R. NATARAJAN (Dindigul) : Mr. Deputy-Speaker, on behalf of the AIADMK, I support the Sick Industrial Companies (Special Provisions) Bill, 1985.

I would like to make some suggestions for the consideration of the hon. Finance Minister. The Bill seeks to revive the sick industries but excludes the small scale industries from the purview of the Bill. The reason given is that there are a large number of small scale industries which cannot be dealt with by the Board. That is the very reason why the small scale industries should be brought under the purview of this Bill.

PROF. MADHU DANDAVATE : They feel that the sickness in small industries is also small.

SHRI K.R. NATARAJAN : It is the policy of the Government that workers should be given an opportunity to participate in the management of the industries. Here there is no provision for such participation by the workers, not only in the management of sick mills. If an opportunity is given to the workers to participate in the management then we can get the willing cooperation of the workers to successfully work in the industries. Therefore, there should be a provision for workers participation in the management of sick industries.

There is no specific provision as to how sick industries would be rehabilitated. There should be a provision made here for reviving sick industries by putting in substantial capital investment and by upgradation of technical knowledge.

[Shri K.R. Natarajan]

The Reserve Bank of India has stated that 50 per cent of the mills have become sick because of the siphoning of the funds by the management. This tendency should be curbed. Prevention is better than cure. Preventive methods should be adopted for elimination of siphoning of funds by the management.

In clause 3(o) there are three pre-requisites. First, the industrial company should be a registered company for not less than seven years. Second, its accumulated losses in any financial year are equal to or exceeding its entire net worth. Third, and it has also suffered cash losses in such financial year and the financial year immediately preceding such financial year. My suggestion is that in the last but one line of this clause instead of 'and' 'or' may be substituted so that there may be two pre-requisites and not three for declaring a company as sick.

There are two mills—Mettur Textiles Mills and Alexander Thread Mill at Mettur—which have been closed as sick industries. I request the Minister to look into the matter and help open these two mills in order to protect the families of the workers working in those mills.

SHRI SRIBALLAV PANIGRAHI (Deogarh): I welcome this Bill which has been brought forward by the hon. Finance Minister, dealing with sickness of industries. This is a comprehensive Bill. As there is no time, I will not go into the details of it but confine myself to giving some suggestions.

As you know, a doctor deals with sickness. A good doctor is one who makes correct diagnosis of the disease and thereafter treats the patient properly. In this case we find that our Finance Minister, who is dealing with the industrial sickness, is a good doctor. He is not only making a correct diagnosis of the sickness but he is also treating the patient patiently. Sickness should not only be treated but it should be prevented. So, a good doctor not only cures the sickness but tries to prevent sickness. That way also, the Finance Minister can be described

as a good doctor because this Bill is not only curative but also preventive in nature. Thus, this a long-awaited piece of legislation and I wholeheartedly welcome this Bill.

While going into the details of sickness, we find that quite a few industrialists are in the habit of making it a business. They take money from different financial institutions, float a company, start some business half-heartedly and just make a business out of it. Such industrialists or entrepreneurs should be penalised heavily and they should not be given any encouragement to start new units after closing down such units.

In those industrial areas which are already saturated with certain industries of one group or the other, it should be seen that no letters of intent or licences should be given. Before the issue of a licence or a letter of intent, it should be cautiously examined whether that area or that field really needs new enterprises, otherwise unduly so many factories will come up and in the process they will not be able to withstand the competition and will drown themselves.

After the letter of intent is received and after proper study, appropriate technology should be adopted. We find that technology has advanced very rapidly these days and many of our entrepreneurs are not able to cope up with this advancement. Therefore, because of this outdated technology, many industries are just not able to catch up the market. They do not become remunerative and become a failure. It should be the endeavour of the Government to provide proper, timely and advanced technology to the entrepreneurs.

Another important factor is proper management. You know that for centuries we were an agricultural country and we did not have the requisite industrial training or experience. Therefore, in many cases the management of industries is very poor, leading to the failure of those industries. Thanks to Pt. Jawaharlal Nehru and to the subsequent Congress governments due to whose sincere efforts so many industries have come up and India today is one of the first ten industrially advanced countries of the world. For the sake of proper

management of our industries, there should be a managerial cadre and if even the private entrepreneurs try to get good managers from the Government, the Government should be prepared to lend them this help.

One more very important factor is the workers' participation in industries. It should be noted that the workers have the greatest stake in industry. When the industry fails, the workers lose their jobs and they are on the streets. Therefore, it will be better if the workers are associated with the management in real sense of the term and be also given the responsibility of running the industry through cooperatives, in case the industry fails.

Healthy labour-management relations are other factors for the successful functioning of the industries.

Then comes the question of market. There are instances where everything else has been going well but still the industry ultimately has gone sick for want of proper market. Therefore, the marketing of industrial products has got to be ensured.

Lastly I will deal with power cut. These days we do not have the quantum of power that we require in the country. In many advanced areas also due to power shortage, the factories have been facing closure for quite some time and that also becomes a ground for the industries going sick. Therefore, whenever the sick industries are detected or when it is found that a particular industry is developing sickness, at least such industries should be brought outside the purview of power cut. The magnitude of the problem of sickness is evident from the fact that as on 30th June, 1984, a total number of 83,597 industrial units were sick and an amount of Rs. 13,274 crores was outstanding against them.

15.00 hrs.

With these words I conclude by saying that I whole-heartedly support this Bill and wish the Government of India, particularly the Finance Minister, success in their noble endeavour.

SHRI K.S. RAO (Machilipatnam) :
Sir, I support this Bill. I am happy for its introduction, though, I think, it should have been introduced earlier.

I have great admiration for the Finance Minister for his commitment, determination and anxiety to set right the economy and the measures that he is taking towards this end. But I wish in this anxiety he should not become a laughing stock for creating another region which is adding to the burden on the Government. We have already seen that the National Textile Corporation which has been taken over by the Government with an investment of Rs. 860 crores upto 1983-84 and is incurring a loss of Rs. 158 crores in one year.

If the intention of the Bill is to take over the sick mills and to review them, then you have to see that these are kept in the hands of competent management. For this purpose, in my opinion, an army of managerial and technical cadre has to be trained and created. Similarly there is a need for developing a trained labour force capable of working efficiently.

In the Objects of the Bill I find no emphasis on the remedial measures to ensure that such sick industries do not increase in number. The measures to meet this goal should include, if necessary, amendment of the Company Law to see that it is the liability of the promoters, if not that of the share-holders, and that this liability is made unlimited. In fact, it is the promoters who are siphoning off funds and making themselves rich while making the industries sick. The responsibility must be fixed on the Directors and Managers and in case of failure in the progress of industry their property must be confiscated. And if a company were to have several industries out of which one or two become sick, it must be the responsibility of that group of companies to take over that sick industry and to see that it runs profitably without seeking the assistance of the Government.

The Government must also fix responsibility on the financial institutions if they fail to properly monitor the progress of the industry properly they finance.

[Shri K.S. Rao]

In this Bill, no mention has been made about the workers and employees' interests. Their interests should also be looked into.

A distinction must also be made in regard to the industries which have become sick, not by misdeeds of the management, but by virtue of circumstances, either because of the change in the policies of the Government or because of the changes in the tax structure.

A understand about four to six thousand crores of rupees are locked up in sick industries. To make them run efficiently, much more public money will have to be invested. Instead of investing the public money in sick industries once again, particularly when even now we have not been able to make the public sector industries run efficiently, the Finance Minister should find out some alternative measures to make such industries efficient. My suggestion in this regard would be to hand these over to willing people who are also said to have lump of black money to invest their own resources with the condition that they will be able to run these successfully. If in such a process they don't ask any financial help from the Government or the financial institutions, I feel it should find acceptance from the Government side. Of course, preference must be given to managers or employees or workers who are working in the industry and who willing to come forward and are confident that they can run it efficiently. Such persons should be encouraged even if Government or financial assistance is asked for by them.

A fund, particularly from the industries which are flourishing, may be created to help all the sick industries. The hon. Minister may also explore if the NRI investments can be invested in sick industries.

In one section of the Bill I find that minimum qualification for a Member to be in the Board is twenty years experience. By this, we may not be able to incorporate some of the competent managerial people who are well-versed with modern technology and modern management

methods. If it is possible, amendment may be made for this. While choosing these people, the integrity, the efficiency and the ability, of the competent people must be taken primarily into account. In various sections, the time-limits that are provided may have to be cut down to see that action is taken at the earliest. While defining the company in one section the 'firm' and 'partner' is also included. But it may be checked up whether the some thing can be adopted in other sections also. Some of my colleagues said that as this Bill is mainly to identify and put it in the hands of competent people the small scale industries also which are 'sick' can also be incorporated in this Bill. This may be looked into.

With these words I conclude. Thank you.

SHRI E. AYYAPU REDDY (Kurnool) : Mr. Deputy Speaker, Sir, in spite of my admiration for Shri Vishwanath Pratap Singh who has brought about very dynamic changes in the Finance Department by plugging the loopholes and trying to remove the leakage and snags, I regret my inability to support this Bill.

The preamble is very alluring but the contents are very disappointing

We expected first and foremost two things. One is, how to deal with the people who make the industry 'sick', allow the industry to go down, and while their own financial health goes up, the industry goes down.

We expected that something will be provided in this Bill to deal with these types of people.

As the hon. Finance Minister was pleased to say, we want to remove the bad coinage from circulation. But no attempt has been made to remove the bad coinage from circulation. Not even an attempt has been made to black-list them. No provision is there to black-list them. The only provision (which I searched and found) was that Clause 24 is there where it is said that during the course of an enquiry or investigation the operating agency makes a report about the malfeasance and other frauds committed by any party or a promoter, then the Board can call upon him—after giving him due notice—as to why a certain amount should not be recovered from him.

That is under Clause 24. Then under Clause 25, he is given the right of appeal to the appellate authority. So the proceedings before the court with regard to these persons who have committed malfeasance will take one year or more than one year because he has to be given an opportunity and then after he had been given an opportunity and the Board passes an order, he has been given a right of appeal. This appellate authority which has been created is quite unnecessary from many points of view. But a right of appeal is given and then the appeal will be pending before the Appellate Authority at least for one year. After the Appellate authority has disposed of the matter, then, the person who has committed this malfeasance has got a right to invoke the jurisdiction of High Court under Article 226 and, especially when the Board and the Appellate Board are all performing quasi-judicial functions, a writ under *Writ of Certiorari* is usually and normally invoked by the defeated party. Therefore, during the pendency of all these proceedings you can not recover anything from him. Even criminal proceeding will be stayed because the matter is pending before a 'competent authority' and before a 'tribunal'. Therefore, my point is, instead of dealing with them properly, you have enabled them to escape jurisdiction of even a criminal court.

Then, my next point is this : Your Clause 22 gives immunity. The Board can now give an immunity for 7 years against every liability. Either it may be the workers, who are entitled to the salaries, or it may be the costumers who have supplied him the raw material, or, it may be the other persons who have given the machinery, and above all, the public financial institutions. The Board can stop the proceedings of all the public financial institutions. In this case, I would only draw the attention of the hon. Minister to Section 28 of the Industrial Financial Corporation Act of 1948 which says :

"Where any industrial concern which is under a liability to the Corporation under an agreement makes any default in repayment of any loan or advance, then, it shall have the right to take over the management or possession or both of the concerned concern."

This right to take over the management is given to the Industrial Financial Corporation under the Act of 1948.

Similarly, last year we passed an Act namely, the Industrial Reconstruction Bank of India Bill, 1984. There also the Preamble to that Bill was mainly intended for the purpose of reconstructing industries which have become sick. Under Section 40, the Industrial Reconstruction Bank had a right for transferring the management of the industrial concern to the Reconstruction Bank of the nominee. Therefore, under this very enactment, the public financial institutions had the right to take over directly the possession and mangement of the industries which have been built up and constructed on account of their finances.

Under the provisions of this Act, a person who is threatened with action by these two enactments, can go and get himself declared as sick and seek a moratorium for a period of seven years against any action against all these financial institutions. Is this desirable? This will be inviting some industries to go sick and they can escape the jurisdiction and the stringent Clauses. In these circumstances, I only request the hon. Minister to go through the requisite provisions of the Industrial Reconstruction Bank of India Act and also the Industrial Corporation Act of 1948. So far as this is concerned, it gives ample opportunity for sick industries or for those who want to make use of the provisions of this Bill, to escape from being taken over by the financial institutions.

The next point is whether this Bill can provide adequate relief to industries which have become sick not on account of any fraud or misrepresentation but only on account of circumstances extraneous and beyond their control. Unfortunately, the provisions do enable it. An Appellate Board has been not constituted. The most important provisions are Clauses 15, 16, 17, 18 and 19. Clauses 15, 16, 17 and 18 envisage lot of procedure to be gone through. First and foremost is how to declare an industry sick. Everybody knows a sick industry is sick. But hereafter nobody can call it a sick industry because it is not declared as so under this enactment ! It may be de facto sick but it will not be recognised as sick because it has to

[Shri E. Ayyapu Reddy]

be declared sick under this Act and for declaring it sick under this Act, it will take minimum one year, because the procedure is, under Clause 15, first and foremost, after the accounts have been finalised, and that is the starting point, within two months period, a reference or a report has to be made. Thereafter, an inquiry has to be made; a notice has to be given to the sick industry and after the Board comes to the conclusion that it has become sick, again it has to give notice to the sick industry asking "Can you recover your health? Will you be able to recover your health?" and you have to give them reasonable opportunity and reasonable time to recover the health. That means you are asking them "Are you going to be sick? We are going to take over this management". And if anything is left, you please take note of all those things and leave the sick person dead and leave it only a skeleton! Then he will certainly say, "I will make good and see that the health is recovered". It will take one or two years. Thereafter, the operating agent....

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH): This is a much earlier detection system, because what happens today is this. The concept of net-worth is there. That net-worth is the equity, principal money, that you have put. Today when we detect sickness, the net-worth has been consumed a long time back. The company has taken, several times, money from institutions and creditors; they are running the company on creditors' money and after that only, we detect sickness. We never know that they have no right because they are running on creditors' money. Therefore, this is a much earlier-warning system. It is not that much time will be taken.

SHRI E. AYYAPU REDDY: Under Clause 18 it is mandatory for the Board to give them an opportunity to find out whether they can recover their health or not. After they say that they are not able to recover their health and when the Board comes to the conclusion, "Yes, it cannot recover its health", it asks the operating agency, that is, the financial institutions, again constituted under this, to prepare a

scheme. It is only a draft scheme. This draft scheme has to be circulated to all concerned, their objections have to be called for and then the draft scheme has to be finalised. Then it becomes a sanctioned scheme. Then the sanctioned scheme has to be implemented. Who is to implement the scheme? It is only the operating agency that can be directed to implement the sanctioned scheme. If they say that Vitamin-M is necessary, the Board cannot supply Vitamin-M, it is the financial institutions that have to supply Vitamin-M. Under Clause 19, which is the most important Clause, they say that notice may be given to the State Government, to the Central Government and to the financial institutions and they may be requested to give finances. If any one of them refuses to give finance, then the entire scheme comes to an end. The love's labour is lost; a mountain-labour is spent and ultimately under Clause 19, if the parties do not consent, if the creditors do not consent, if the State Government does not consent, if the other institutions do not consent, then there is no provision by which the Board can enforce it.

There is one funny term which has been used in Clause 19. I am coming across this expression for the first time—"sacrifices" to be made. "Concessions to be given"—we can understand. "Reliefs to be given"—we can understand. In Clause 19 this is what has been stated:

"Where the scheme relates to preventive ameliorative, remedial and other measures with respect to any sick industrial company, the scheme may provide for financial assistance by way of loans, advances or guarantees or reliefs or concessions or sacrifices from the Central Government, a State Government...." etc.

I can understand 'concessions'. But what are the 'sacrifices' to be made? A State Government or Central Government or an institution can give a concession or a relief. But, for the first time, the word 'sacrifices' is also used. Who is to make these 'sacrifices'? If any such person refuses to make the sacrifices, naturally the entire scheme comes to an end....

MR. DEPUTY SPEAKER : Please try to conclude.

SHRI E. AYYAPU REDDY : I do not want to go into details. The Deputy-Speaker has been kind enough to give me time. I only submit that in the entire procedure you are merely multiplying the enactments, you are merely nullifying the previous enactments and the provisions thereof. May I humbly suggest this : kindly withdraw this Bill, have Director-General of Industries under your Ministry; he will call all the concerned parties and take appropriate action for the purpose of rehabilitating the sick industry; under the Companies Act and under the Penal Code, there are enough provisions for prosecuting people who commit fraud on public institutions.

SHRI ASUTOSH LAW (Dum Dum) : Mr. Deputy Speaker, Sir. I am very grateful to you for giving this opportunity. We were anxiously awaiting for this Bill. But now, when it has come, I find so many anomalies in this Bill.

Firstly, if I take the very object of the Bill, it is to make in the public interest, special provisions with a view to securing the timely detection of sick and potentially sick companies.

I take the definition of sick industrial companies. Sick industrial companies, are defined properly under Clause 2, Sub-Clause (0). But there is no definition of "potentially" sick companies. So, there are two objects of this Bill i.e. to make in the public interest special provisions for timely detection of sick industries and potentially sick industries. But what are the potentially sick industries, how to protect their interest, same has not been properly defined in this Bill.

Secondly, Sir, I find from Clause 3, Sub-clause (f) (ii) that :

"a small scale industrial undertaking as defined in clause (j) of the aforesaid section 3."

Small Scale Industries are not included

within the meaning of industrial undertaking. In my humble submission, it should be deleted.

We have to see the real reasons for the sickness of the industries. This has not been gone in to detail. It is not a sudden incident. This industrial sickness has not developed all of a sudden. It is a slow process which had started about a decade ago, since early 70s. We will have to first find out what are the reasons. Sir, there are mainly two reasons for the sickness of the company. I come from a constituency which is known as one of the industrial belts of West Bengal. Apart from the public sector undertakings, apart from the companies which are under the Companies Act, there are so many small scale industries which are now sick now. There are so many private concerns, proprietorship business and partnership business, all are now sick. One has to find out what are the real reasons. Is it due to internal or external reasons?

For example, the monitoring of a company can be done by the management of the company. This is so far as internal reasons are concerned. But if it is a question of external reason—when I say external I mean—suppose there is a wagon manufacturing company, if this company is not getting orders from the Government, then how can you expect this company to survive? It will become a sick company. How to protect this? Protection has to be given.

Some of my colleagues have rightly said that unless you diagnose the disease, you cannot give the medicine. So, before I welcome this Bill—we are all anxiously waiting for this Bill—I personally feel and I think that it will be appropriate to send it to the Select Committee because it should be a more comprehensive Bill.

We know there is the Companies Act. I can give you one example of the Companies Act, 1956. It is a self-contained law. We have got all protections under that. One can say that if you want to exercise your power or if the Government wants to exercise its power, they can exercise through the Companies Act 1956.

[Shri Asutosh Law]

I was looking into this Bill. There is a clause which is similar to Section 543 of the Companies Act. Therefore, Sir, if there is already an enactment which we could not exercise properly, then before enacting this Bill we should be very careful. Who will do the monitoring? How to protect the sickness of the companies?

Clause 16, Sub-clause 3 contemplates :

“The Board or, as the case may be, the operating agency shall complete its inquiry as expeditiously as possible and endeavour shall be made to complete the inquiry within sixty days from the commencement of the inquiry”.

This Board or, as the case may be, the operating agency have to complete the inquiry. For that some guidelines should be given. Who will give those guidelines? That is not spelt out. Somebody will make the inquiry but the inquiry under which guideline? What is the guideline and whether the Government of India will give the guideline or will the agency itself formulate the guidelines? That is not clear. This is the position.

However we find that the intention of legislature is very clear from this Bill, but to implement the intention we need a more comprehensive Bill because there are some anomalies between this Bill and the existing Companies Act. We have also the IDR Act. So these three are on the same lines. According to Clause 16 of Chapter III of the Bill, where an industrial company has become a sick industrial company, the Board shall complete the inquiry within sixty days from the commencement of the inquiry. But who will do it? The Board of Directors shall within 60 days from the date of finalisation of the duly audited accounts of the company for the financial year as at the end of which the company has become a sick industrial company, make a reference to the Board for determination of the measures which shall be adopted with respect to the company. You know most of the sick companies do not file the balance-sheets. So who is to detect a sick company? Who is to monitor these things? If we give this power or the responsibility

to the Board of Directors, they will never come forward. They will never come forward to say and to submit that this is a sick industry because if you have to catch them through their audited balance-sheets, you will find that in case most of the companies, and particularly, those who are sick, they do not file balance sheets. They go to the court and seek and get protection under Sec. 633 and they sit over the matter for a long time. So it becomes utterly infructuous. Therefore, this Bill needs more attention. It is a very, very important Bill, particularly, for the purpose of revival of the sick industries and potentially sick industries in the country. It requires more time and more attention. It should be more comprehensive so that it will not clash with the other existing Acts.

Another anomaly I find i.e. clause 15(2)(a) :

“the Government of any State unless all or any of the industrial undertakings belonging to such company are situated in such State.”

Take the case of a company having various industrial undertakings in different States. Then how will it be determined? One industrial undertaking is doing good business while the other may be sick. That is not made clear.

Therefore, while I whole-heartedly support the spirit of the Bill, I demand that it should be sent to the Select Committee.

MR. DEPUTY SPEAKER : Kumari Mamata Banerjee.

Madam, only three minutes are left. If you want to speak on Monday, you can continue on Monday but if you want to conclude, you can conclude.

[Translation]

*KUMARI MAMATA BANERJEE (Jadhavpur) : Sir, I whole-heartedly welcome this Sick Industrial Companies (Special Provisions) Bill, 1985. Although the time at my disposal is very short, I

*The speech was originally delivered in Bengali.

wish to say a few things on this as it is a very important Bill. I entirely agree with what was said by the hon. Member who spoke just before me that such an important Bill cannot be discussed fully in such a short time. Sir, this problem of sick industries has today assumed the form of a national problem in the whole country. I come from West Bengal and the particular area I present is practically an industrial belt. But there I find that one after another the industrial units have closed down. In the whole of West Bengal the problem of sick industries has turned into a burning issue. We have approached the West Bengal Government again and again in this connection but the West Bengal Government is not taking any interest in the matter. We went to speak to the West Bengal Government, we went to speak to the Chief Minister but the West Bengal Government told us on our face that "we will not be able to do anything." They pass on all the blame on the Central Government. The Central Government is held responsible for all the ills. Shri Joyti Basu assumes the posture of a hermit and passes on the blame to the Central Government. But when we approach the Central Ministers, we get one line reply i.e., "having looked into the matter?" What is the meaning of having looked into the matter? We are being harassed day after day about these industrial units. We have to answer to the public. In my area the 'steel and allied company' is lying closed for 5 years. Nearly 2000 workers are facing starvation. The 'A Stock Company' is heading for a bandh. Several other companies are in similar plight. We welcome this Bill and thank the hon. Finance Minister for bringing forth such a bill. I want to know some things. The Central Government set up the IRBI to revive the health of the sick industries. But the IRBI has not revived the sick industries but they have revived their own health. The IRBI has been instrumental in making one industry after another sick in West Bengal. The hon. Minister is not aware of many things that are going on. Under the Ministers there is a caucus of officers and bureaucrats who are actually controlling everything as conspired by them. Whoever may be nominated as the Director, he will be guided by these bureaucrats only. These

bureaucrats do not look to the interests of the workers, they do not want the welfare of the workers. Therefore my request is that when you form a board and whenever that board goes for making any enquiry, the local member of Parliament must be associated with that enquiry. The labour representative must also be associated. The labour representative is the key figure. There is a Bengali poem which says that the person who has suffered or is suffering, is the right person to point out the ills etc.

MR. DEPUTY SPEAKER : Madam the time is over. You please take your seat. You may continue on Monday.

KUMARI MAMATA BANERJEE : I think it is essential to associate the labour representative with such enquiries. The workers are suffering due to the closing down of the industrial units. They are losing their jobs. But no bureaucrat is losing his job. Those responsible for mismanagement are not losing their jobs. They are not being punished. Far from giving punishment, they are being rewarded. One officer had three enquiries against him. But instead of punishing him he has been rewarded and made member of the holding committee. [What for? He has accepted large amount from a company and helped an industrial unit to be declared as sick and with the company's money he has gone on a pleasure trip to England. Whereas company after company is closing down, He is not concerned at all about that.] Sir, we the members of Parliament are public representatives and answerable to the public. If we cannot do anything, then what is our use here? Let us all go away from Parliament and let the bureaucrats take our place here. Let them run the Parliament also.

[English]

MR. DEPUTY SPEAKER : The hon. Member Kumari Mamata Banerjee may continue his speech on Monday.

Before we take up Private Members' Business there is a statement to be made by the Minister.

15.32 hrs.

STATEMENT RE : LEAKAGE OF
GAS AT NOIDA

[English]

THE MINISTER OF STATE IN THE DEPARTMENT OF INTERNAL SECURITY (SHRI ARUN NEHRU) : Sir, Mr. P.A. Sangma is busy in the Rajya Sabha. I would like to have your permission to make a statement on his behalf. At 9 15 P.M. yesterday, 21st November, 1985 East District Police received an information that some gas was leaking in the area near Ashok Nagar Bangali Colony under Police Station, Kalyanpuri on the border of NOIDA and the residents of the area were agitated.

2. SHO Kalyanpuri reached the spot by about 9 20 P.M. Two gas cylinders each about 4 to 5 feet long were found on the edge of the water near the Hindon cut canal at T point. Both leaking with a pungent smell. The police party managed to jettison one cylinder into the water which was suspected to contain chlorine. The other cylinder was heavy. The Fire tenders were summoned immediately and they also arrived within 7-8 minutes. The fire servicemen threw the remaining cylinder into water.

3 In the meantime one person aged about 50 years old was reported to have run away from the canal towards NOIDA and collapsed on the road. He was later declared dead. He was also identified as Nilamani Biswas resident of a Jhuggi in New Ashok Nagar. At about 10 P.M., the DCP (East District) reached the spot and took charge of the situation and immediately police strength was reinforced with four more Inspectors and additional vehicles deployed along with sufficient force. Five parties were sent to comb the area for any casualty. In all 92 persons were taken to the Primary Health Centre, NOIDA, All India Institute of Medical Science, LNJP Hospital and Hindu Rao Hospital. Out of these, all but 8 persons have been discharged. These 8 persons are also reported to out of danger and progressing.

4. A Case FIR No. 495 dated 22-11-85 u/s 304A/337/278 IPC has been registered at P.S. Kalyanpuri. Investigation is in progress.

5. The Lt. Governor and other senior officers reached the site or receiving the information. LG Delhi has announced an ex-gratia payment of Rs. 5000/- to the family of the deceased.

15.35 hrs.

COMMITTEE ON PRIVATE MEMBERS'
BILLS AND RESOLUTION

Sixth Report

[English]

SHRI NANDLAL CHOUDHARY
(Sagar) : I beg to move :

"That this House do agree with the Sixth Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 20th November, 1985."

MR. DEPUTY SPEAKER : The question is :

"That this House do agree with the Sixth Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 20th November, 1985."

The motion was adopted.

MR. DEPUTY SPEAKER : We will take up Private Members' Legislative Business—Bills for introduction. Shri K. Ramamurthy. He is not here. Then Shri Balasaheb Vikhe Patil—He is also not here. Shri R.P. Das.

***ESSENTIAL COMMODITIES
(PROCUREMENT AND
DISTRIBUTION) BILL**

[English]

SHRI R.P. DAS (Krishnagar) : I beg to move for leave to introduce a Bill to ensure equitable distribution of essential commodities at a fair price through centralised procurement.

MR. DEPUTY SPEAKER : The question is :

“That leave be granted to introduce a Bill to ensure equitable distribution of essential commodities at a fair price through centralised procurement.”

The motion was adopted.

SHRI K.P. DAS : I introduce the Bill.

***SPECIAL EDUCATIONAL
FACILITIES (FOR CHILDREN OF
ECONOMICALLY BACKWARD
PARENTS) BILL**

[English]

SHRI R.P. DAS (Krishnagar) : I beg to move for leave to introduce a Bill to provide for special educational facilities to children of economically backward parents.

MR. DEPUTY SPEAKER : The question is :

“That leave be granted to introduce a Bill to provide for special educational facilities to children of economically backward parents.”

The motion was adopted.

SHRI R.P. DAS : I introduce the Bill.

***FIXATION AND REGULATION OF
WAGES OF HARD COKE OVEN
AND CERAMIC INDUSTRIES
EMPLOYEES BILL**

[Translation]

SHRI YOGESHWAR PRASAD YOGESH (Chatra) : I beg to move for leave to introduce a Bill to provide for the fixation and regulation of wages of persons employed in hard coke oven and ceramic industries.

[English]

MR. DEPUTY SPEAKER : The question is :

“That leave be granted to introduce a Bill to provide for the fixation and regulation of wages of persons employed in hard coke oven and ceramic industries.”

The motion was adopted.

[Translation]

SHRI YOGESHWAR PRASAD YOGESH : I introduce the Bill.

***SETTING UP OF A SUPER
THERMAL POWER STATION
AT BALUMATH BILL**

[Translation]

SHRI YOGESHWAR PRASAD YOGESH (Chatra) : I beg to move for leave to introduce a Bill to provide for the setting up of a super thermal power station at Balumath in Palamau District of Bihar.

[English]

MR. DEPUTY SPEAKER : The question is :

“That leave be granted to introduce a Bill to provide for the setting up of a super thermal power station at

[Mr. Deputy Speaker]

Balumath in Palmau District of Bihar."

The motion was adopted.

[Translation]

SHRI YOGESHWAR PRASAD
YOGESH : I introduce the Bill.

—————
*CONSTITUTION (AMENDMENT)
BILL

(Amendment of Article 311)

[Translation]

SHRI C. JANGA REDDY (Hanamkonda) : I beg to move for leave to introduce a Bill further to amend the Constitution of India.

[English]

MR. DEPUTY SPEAKER : The question is :

"That leave be granted to introduce a Bill further to amend the Constitution of India."

The motion was adopted.

SHRI C. JANGA REDDY : I introduce the Bill.

—————
*CONSTITUTION (AMENDMENT)
BILL

(Substitution of new article for article 371)

[English]

SHRI HUSSAIN DALWAI (Ratnagiri) : I beg to move for leave to introduce a Bill further to amend the Constitution of India.

MR. DEPUTY SPEAKER : The question is :

"That leave be granted to introduce a

Bill further to amend the Constitution of India."

The motion was adopted.

SHRI HUSSAIN DALWAI : I introduce the Bill.

—————
*FREEDOM OF RELIGION BILL

[English]

SHRI S.M. BHATTAM (Visakhapatnam) : I beg to move for leave to introduce a Bill to provide for prohibition on conversion from one religion to another by the use of force or inducement or by fraudulent means and for matters incidental thereto.

MR. DEPUTY SPEAKER : The question is :

"That leave be granted to introduce a Bill to provide for prohibition on conversion from one religion to another by the use of force or inducement or by fraudulent means and for matters incidental thereto."

The motion was adopted.

SHRI S.M. BHATTAM : I introduce the Bill.

—————
*CONSTITUTION (AMENDMENT)
BILL

(Amendment of Articles 84, 102; etc.)

[English]

SHRI HUSSAIN DALWAI (Ratnagiri) : I beg to move for leave to introduce a Bill further to amend the Constitution of India.

MR. DEPUTY SPEAKER : The question is :

"That leave be granted to introduce a

Bill further to amend the Constitution of India."

The motion was adopted.

SHRI HUSSAIN DALWAI : I introduce the Bill.

*PREVENTION OF COW SLAUGHTER BILL

[English]

DR. A.K. PATEL (Mehsana) : I beg to move for leave to introduce a Bill to prevent the slaughtering of cows in India.

MR. DEPUTY SPEAKER : The question is :

"That leave be granted to introduce a Bill to prevent the slaughtering of cows in India."

The motion was adopted.

DR. A.K. PATEL : I introduce the Bill.

15.41. hrs.

CODE OF CRIMINAL PROCEDURE (AMENDMENT) BILL—Contd.

(Amendment of Section 125 and 127)

[English]

MR. DEPUTY SPEAKER : The House will now take up further consideration of the following motion moved by Shri G.M. Banatwalla on 10th May, 1985, namely :

"That the Bill further to amend the Code of Criminal Procedure, 1973, be taken into consideration."

Prof. Soz.

PROF. SAIFUDDIN SOZ (Baramulla) : Mr. Deputy Speaker, Sir, first of all, I must say that our library is very much deficient in Urdu books. I was not able to find books written by Maulana Moudoodi

with whom I have differed on many occasions. There should be a full set of books by eminent scholars like Radhakrishnan, Zakir Hussain and others. Moudoodi's book Haquul-Zanjain on the rights that accrued to Muslim women pursuant to Quranic injunctions is not in the library.

Further, I have not been able to appreciate Shri Arif Mohammad Khan's speech which he made last time. I was here. I wanted to read that. In the first session of the 8th Lok Sabha, I had made a request that I may be provided help to learn Hindi. His speech was there in Hindi. I could not appreciate that because I could not read Hindi. And arrangements have not been made despite my request to the Lok Sabha.

15.42 hrs.

[Shrimati Basava Rajeswari in the Chair]

Now, I would like to speak on the Bill put forth by Shri Banatwalla, I must, first of all, congratulate the Prime Minister, who recently said at Bangalore that the Government of India had no intention of interfering with the Muslim personal law. Earlier, Shri Arif Mohammad Khan had also asserted that the Government had no intention of interfering with the Muslim personal law. I hope, the hon. Minister, Shri Arun Nehru, who is here, and it seems, he is pigging the discussion from the Treasury Benches, will also make the same assertion.

When Shri Arif Mohammad Khan spoke here, I tended to agree with him in his emphatic explanation of Muslim personal law, covers dowar, meher and even maintenance and he depended on Maulana Yusuf Ali's explanation. I tended to agree with him then, but when I rise today, I want to lend full support to the spirit of the Bill that has been presented by Shri Banatwalla. I wish Shri Arif Mohammad Khan were present here, because he would have appreciated another point of view. There are areas in which I could support him. I agree with him so far as his explanation of Muslim marriage, dowar, meher and even maintenance are concerned. Basing his discussion on Maulana Yusuf Ali's interpretation of

[Prof. Saifuddin Soz]

maintenance, he extended his full support to the decision of the Supreme Court. I would explain to him why while broadly I accept the interpretation of Maulana Yusuf Ali, so far as maintenance is concerned, there is an area where we can differ with the judgement given by the Supreme Court. But basically, Supreme Court's judgement is not under discussion at all. Shri Banatwalla, through his Bill which is before us, seeks an amendment to the Code of Criminal Procedure and he has sought insertion of Section 6 after Section 5. I will come to this later. I have some disagreement with Shri Banatwalla, because if this section is inserted in the Code of Criminal Procedure, then the whole Section, i.e. Section 125 will be nullified.

So far as the spirit of Shri Banatwalla's Bill is concerned, I agree with him because not only Shri Banatwalla but the Muslim community as a whole is feeling insecure. Insecurity stems from the provision contained in Article 44 of the Constitution of India. Unless Article 44 of the Constitution is amended suitably, this insecurity will continue to be there among the Muslims.

I would like to remind the House that when our draft Constitution was under consideration on 23 November 1948, this same article happened to be Article 35 of the draft Constitution. What Mohammad Ismail Sahib said in this august House on that occasion, in my opinion, holds good even today. And I would like to plead what Ismail Sahib pleaded on 23 November 1948. He wanted a proviso to be added to that draft Article 35.

Before I quote Ismail Sahib's proviso to the article, I would like to quote Article 44 of our Constitution as it stands today :

"The State shall endeavour to secure for the citizens a uniform civil code throughout the territory of India."

Now our hon. Prime Minister has made an assertion that Government have no proposal or intention to interfere with Muslim Personal Law. But as this Article stands in

our Constitution, it needs amendment. I am in total agreement with Ismail Sahib when he wanted to add a proviso to Article 35 in 1948, which I quote :

"Provided that any group, section or community of people shall not be obliged to give up its own personal in case it has such a law."

It is a small proviso and I like Mr. Arif Mohammad Khan to hear this explanation because I have said that his explanation was correct in certain areas. But now, he must kindly appreciate the explanation of the proviso suggested by Mohammad Ismail Sahib which I quote :

"The right of a group or a community of people who follow and adhere to its own personal law is among the fundamental rights and this provision should really be made amongst the statutory and justiciable fundamental rights. It is for this reason that I along with other friends, have given amendments to certain other Articles, which I will move at the proper time. Now, the right to follow personal law is part of the way of life of those people who are following such laws. It is part of their religion and part of their culture."

"If anything is lone affecting the personal laws, it will tantamount to the interference with the way of life of those people who have been observing these laws for generations and ages."

This secular State which we are trying to create should not do anything to interfere with the way of life and religion of the people. The matter of retaining personal law is nothing new. We have precedents in European countries, For instance, Yugoslavia. That is the kingdom of Serbs, Croats and Solvenes are obliged under the treaty and obligations to guarantee the rights to minorities. The Clause regarding the right of Musalmans reads as follows :—

"The Serbs, Croats and Solvenes State agrees to grant to the Musalmans in the matter of family law and personal status the provisions suitable for regulating these matters in accordance with the Muslim usage."

We find similar Clauses in several other European countries also, but these refer to minorities while the Amendment refers not to the minorities alone but to all people including the majority community. Because it says any group, section or community of people shall not be obliged, etc. Therefore, it seeks to secure the rights of people in regard to their accepting personal law.

So Sir, insecurity with which the Muslim community is confronted this time emanates from Article 44 of our sacred Constitution and unless that Article is suitably amended and unless Mohd. Ismail Sahib's provision is added, insecurity will be there. And even if Mr. Banatwalla is forced by any circumstances to withdraw the Bill, at least I do not tell him that then another person will come forward to present a measure either to amend to Criminal Procedure Code or to amend the Constitution of India, but on comparison, I find, there is ample scope for Amendment of Article 44 of the Indian Constitution.

Now, there is Basu's commentary on Constitution of India, Volume 'E'. Unfortunately Mr. Chief Justice Beg had sometime back given interpretation that the laws relating to marriage 'don't constitute personal law'. He is quoted here and his conclusions are firstly, questions of personal laws, such as marriage or successions are not matter's of religion. This is very unfortunate. This cannot be quoted as a ruling. So in this august House, I reject it because it is Mr. Chief justice Beg's, personal opinion. I do not know whether he has given any thought to it. If there is anybody who is on speaking terms with that gentleman or has friendly relations, he must be requested to go through the discussions on this Article—draft Article 35 as took place on 23rd November, 1948.

PROF. MADHU DANDAVATE : He did not accept the view on the emergency also.

PROF. SAIFUDDIN SOZ : Now, Sir, when I spoke, initially, I said Shri Arif Mohd. Khan had given correct explanation of Muslim marriage. It is a social contract. I have here a book, if you want, I could explain what is a muslim marriage, is but it will waste valuable time of the House.

I am in agreement with Mr. Arif Mohd. Khan in a large measure because what he spoke last time about meher, dower divorce etc. was correct. So, he explained in great detail at that time; and I gave him a lot of credit for that. But I was referring earlier to Article 44 of the Indian Constitution. When I say I agree in a large measure with Mr. Arif Mohammad Khan, and I again say that today I rise to welcome the spirit of the Bill that has been presented by Mr. Banatwalla, I am reminded of a couplet. There is an apprehension that both the sides may misunderstand me, until I have completed my speech. That couplet says :

*Zahide tang nazar ne mujhe kafir jaana
Aur kafir yeh samajhta hai ke Musalman
hun main*

I will request both the sides—Mr. Banatwalla, the spirit of whose Bill I have understood and I support, and also Mr. Arif Mohammad Khan who represented a consensus on the Treasury benches—to understand me and appreciate my explanation of the issue.

There is a controversy in this great country. Some people want and they insist that there should be a Common Civil Code. I have understood the background against which they are making such a demand in this country. I have given my calm consideration to the proposal; and finally I have come to the conclusion that there is already a Common Civil Code. I am not raising any controversy; I am not saying anything new; I am only reminding you. What about disputes relating to land, boundary and property? We accept Supreme Court's and High Courts' decisions on them. It is only in a small sector which Mohammad Ismail Sahi spoke about long back in the Constituted Assembly viz. laws relating to family life, that there are laws based on family culture—for instance laws relating to marriage. These are personal laws and these personal laws should remain outside the purview of the courts. Of course, people will go to the courts. There are people who would say that Supreme Court should not consider these things in appeal. But it would happen. Unless Shariat courts are there, people will go to High Courts and the Supreme Court. But Judges on their own should try to understand that it

[Prof. Saifuddin Soz]

is a very delicate matter. I will come to Supreme Court's judgement latter. I was referring to Common Civil Code. I understand we have already a Common Civil Code. There are some personal laws. This is a very delicate area, and these should remain outside the purview of the courts. Government of India should not interfere; but it will definitely interfere some day unless Article 44 of the Constitution is amended suitably. At least, they must agree to discuss why it is necessary to amend Article 44, because you want a Common Civil Code, and I say that Common Civil Code is already there. But religious communities and religious minorities should have some personal laws which are based on culture and religion, which should remain in tact.

While I say this, I am telling you that in my State, under the leadership of Sher-e-Kashmir Sheikh Mohammad Abdullah—we have been a progressive people. We would not go by the interpretation of Mullahas. (Enlightened ulema being a category about). We applied our minds and understood the spirit of the new age. When we undertook land reforms, some Mullahs would say: "You cannot have land reforms; land cannot go to the tiller, and that too without compensation." But we bypassed the Mullah's opinion, because we found great inspiration from progressive ideas, and found that it was not un-Islamic to abolish the landed aristocracy in Jammu and Kashmir, whereas it was there in India.

16.00 hrs.

Gunnar Myrdal had some private discussions in Delhi and be apreciated land reforms in India particularly in J and K. I could not read his book fully. It has 2600 pages. He is reported to have said that there is no parallel to the land reforms undertaken in Jammu and Kashmir. Land went to the tillers and without compensation, but the mullah would be on feet; he would go to mosque and say, Sheikh Abdullah is the traitor of Islam and he has no respect for Islamic law. But, Sheikh Mohammad Abdullah, when I was a child, reminded them of Alama Iqbal's point of view which my comrades from this side,

from two Communist Parties, must appreciate (*Interruptions*) Abdullah is not under discussion. But I am telling you about land reforms in Jammu and Kashmir. Sheikh Abdullah wanted to silence mullahs at that time and he quoted Alama Iqbal.

[Translation]

At that time Sheikh Sahib reminded them and their supporters :

"Al Ard Lilah"

*Palta hai beej ko mitti ki tareeki main kaun,
Kaun dariyaon ki maujon se uthata hai Saab,
Kaun laya khench kar paschim se bad-e-
sazgar,*

*Kuak ye kisiki hai, klska hai ye noor-e-
aftab,
Kisne bhardi motiyon se khoshe gandum
ki jeb,
Mausamon ko kisne sikhiayi hai koo-e-
ingulab,*

*O khudaya yeh zamin teri nahin, teri nahin,
Tere abaa ki nahin, teri nahin, meri nahin*

It means land belongs to God. When we undertook land reforms this was the explanation.

[English]

They tried to compel us to pay compensation to the landlords and we took shelter under Iqbal's poem and refused to pay compensation because we gave land to the tillers. I was only explaining for your consideration that we have already adopted reforms, revolutionary reforms in land. So, a kind of common civil code is already there. This area should be protected and it should remain personal to the religious communities in India, not only to Musalmans.

Arif Sahib and many others from that side wanted to show sympathy to Muslim women. But I want to raise a question. Why only to Mulism women? You think about women of India. Has anybody done any survey how many women are in brothels, how many women are in jhuggies and on platform and how many of them sleep on the pavement? (*Interruptions*) All communities.

PROF. MADHU DANDAVATE :
That profession is most cosmopolitan.

PROF. SAIFUDDIN SOZ : If Arif Sahib and others want to modernise Muslims, first of all, they must think of literacy. What is the rate of literacy of Muslim women ? This is a direct question through you to Arif Sahib. That time, he referred to Muslim women, divorcees. First of all, I want him to conduct a survey and we must know community-wise ratio, the number of divorcees in the country. It is a microscopic minority of women; that too Muslim women. But I talk of women of India, and if you think of women of India, only then you can liberate all Muslim women through education. I give him figures through you Madam, Chairperson. I tell him that the drop out rate the elementary stage for Muslim children is as high as 92 per cent; the national average is 68 per cent. I am very happy that the Minorities Commission of India, recently, in collaboration with the Ministry of Education, organised a seminar on Muslim education and there these figures were quoted there. I was happy that the Minorities Commission of India organised a seminar like that.

You talk of Muslim women, that too who suffered, through divorce. It is a very limited number.

I have no time. I cannot have as much time as Arif Sahib got. I would quote from Maulana Yusuf Ali's translation. You will see how divorce is a very difficult situation in Islam. A Musalman cannot easily divorce his wife. So far a triple divorce is concerned, there too the kind of emphasis Arif Sahib had laid is significant and I felt inclined to agree with him. The point is, or the crux of the whole situation is, that you must have a survey. You have sympathy for the Muslim divorcee. I want you to have sympathy for the women of India and liberate them through a massive dose of education. That will be good. Otherwise, if you come to show sympathy only to Muslim women, the Muslim community feels a kind of conspiracy involved in this drama of sympathy.

Therefore, I would suggest that while we talk of this maintenance and we bring

in the Supreme Court's judgment we must delve deeper—I will have a word on that also—I would suggest that in this country education is a great leveller and it is education that can bring modernisation. If anyone of us is interested in the emancipation of Muslim women, he must think of the women of India and liberate the women from whatever kind of atrocities that are committed against them.

Now, a word about the Supreme Court judgment. The Supreme Court has got double standards. I have the constraint of time here. Here, we see that the Supreme Court has held in *Bai Tehera Versus All Hussain Fizal and others*, one thing; they had one thing to say there and in *Shah Bano's* case the Supreme Court had said something else. I do not raise any controversy regarding maintenance because I accept Maulana Yusuf Ali, broadly. Why not accept Maulana Yusuf Ali's explanation ? I have no dispute so far as the maintenance is concerned. But the Supreme Court Judges have not given this judgment on merits. When I read it I found that they wanted it as a measure of social reform. I was pained. They are not concerned with social reform. We are the people's representatives.

So, Madam Chairperson, a time will come when it will be decided on the floor of Parliament whether judges can do these things. Pandit Jawaharlal Nehru did a great service to this nation in many ways. But he was the person who calmed people right in the beginning when they wanted to decide on the floor of the House whether Parliament is supreme or the judiciary is supreme. But he would not like any controversy. Because, that would be unpalatable for our growth as a democracy. I welcome that stance. I appreciate that sentiment. But how long can you go on like this ? There will be a day when we shall have to prove that Parliament is supreme because we are the law makers. They have only to interpret law.

I want to raise a question : Why do they talk of national integration through maintenance law ? How is national integration directly concerned with the question of maintenance to divorcee, I want to ask.

[Prof. Saifuddin Soz]

So, since they have given that judgment, from the very beginning, from the second or third line I could see the intention of Judges. They want to use that forum for expressive of their ideology. That judgment sums up their feelings for national integration rather than as a measure of relief to Muslim women. So, therefore, I will not delve deeper there but I say that we are watching; the Judges we are here and we understood their intentions. Not only in this judgment, but there are so many judgments inculcate they have let us know their intention. Therefore, the judgment is not directly related to this discussion. Then, Mr. Mohammad Banatwalla's bill seeking amendment of the Criminal Procedure Code—that Bill—is directly related to the discussion on Article 44 of the Constitution. Mr. Arif Mohammad Khan, that day, made a reference to Supreme Court judgment and he found that that judgment was in agreement with the explanation as he quoted from Maulana Yusuf Ali and he said that there was no clash. But I say that the intention of the judges was different.

Now, I come to the last point and that, in my opinion and I find it is very important, I have a feeling that our Ulma also have to come forward and understand the spirit of the time. We do not want any change. We cannot change because to a Mussalman the Koran is the last word. We cannot change. But surely, there is need to interpret. The interpretation is called *Ijtehad* in Islam. Our Ulma should not think that doors of *Ijtehad* are closed. I will be the last person to accept that proposition. *Ijtehad* has to be there and *Ijtehad* should be there. For instance, Deoband school is in disagreement with Maulana Yusuf Ali. May be many people will come round to Yusuf Ali's views. May be any people may agree with the view by the Deoband school, one of the scholars who met me recently said that you cannot change anything. I said we could interpret; not we but the Muslim scholars. Therefore, in this forum I want to remind our Ulma that some reforms have been undertaken in Egypt, Sudan, Jordan, Syria, Morocco, Iraq, Pakistan, Malaysia, I do not support them because

I have not seen them. Our Ulma should those reforms and then give us their opinion as to whether they accept them or not. Therefore, I would suggest that Government of India, Ministry of Law or Ministry of Home Affairs should organise an international seminar on Muslim Personal Law or they can make a Muslim jurisprudence. I say so because India has the ability to undertake such an exercise, because the largest Muslim concentration is in India. Therefore, India could give a lead in this. Meanwhile, you could do a simpler thing. Invite Muslim Members of Parliament from both Houses and Ministry of Law with their experts. Let us attend a workshop. You cannot simply say that you do not want to interfere in the Muslim Personal Law until you have the constitutional provision like Article 44. Mr. Banatwalla is rightly concerned about section 125 of CPC and Article 44 of the Constitution. You must understand that this is a very delicate problem, very difficult situation. So, I would humbly request that Govt. should organise a workshop or a seminar with us, parliamentarians. On our part we would convince the Ulma. It is for us to do that.

Mr. Banatwalla's Bill perhaps has received a serious consideration. When I compare Mr. Banatwalla's amendment to CPC with the amendment that was proposed in 1948 as a proviso by Mohd. Ismail Saheb, I say that I agree with Mohd. Ismail's Saheb, who sought addition of a proviso to Article 44 of the Constitution of India.

[Translation]

SHRI SHYAM LAL YADAV (Varanasi) : Mr. Chairman, Sir, Shri Banatwalla's Bill has been discussed at length for many days and we heard the speeches of learned Members during the past few days and today also. I understand that a very important point had been raised in this Bill. There is an apprehension that the judgment of the Supreme Court delivered in connection with Sections 125 and 127 of the Criminal Procedure Code is an interference with the Muslim Personal Law. He has moved this amendment to dispel this apprehension. I heard carefully all the speeches made in this House in this regard and we are keeping in our mind the

public opinion being expressed in the country. Shri Banatwalla himself has admitted that when this Bill was brought in the Lok Sabha in 1973, our hon. Muslim Members had met the then Prime Minister, late Shrimati Indira Gandhi at that time. She had heard them and what had been stated by her had been reflected in Section 127. She specifically told them that Government did not want to interfere with the Muslim Personal Law. This was the policy of Congress from the very beginning about which Prof. Soz has also made a mention. This thing was said in the Constituent Assembly also.

This was the stand of Congress at the time when *Article* 44 was discussed in the Constituent Assembly and Amendments thereto were moved. I feel that there has been no misunderstanding about this stand in this House and outside in the country. Even today the position is the same. Once earlier also this issue was raised in the House. In the last Lok Sabha, the then Minister of Home Affairs had in the presence of late Prime Minister, Shrimati Gandhi given a reply to a question raised by Shri Banatwalla. I feel that the reply clarifies the policies of Government as well as the Congress. It leaves no scope for any doubt in this regard. He had given that reply in the Lok Sabha on 24th February, 1982. I reply to Starred Question No. 61, the then Minister of Home Affairs had said :

[*n. h.*]

“The policy of the Government is not to interfere with the personal laws of the minorities unless the initiative for reform comes within the community concerned.”

[*Translation*]

It was categorically stated that nobody can interfere with the personal laws of the minorities unless the initiative for any reform comes from within the community concerned. There are Christians, Parsis, Jains and persons professing other religions in our country. In Hindu religion itself there are many sects and I feel that there is no need to go to other religion.

(*Interruptions*)

[*English*]

MR. CHAIRMAN : The time allotted for this Bill was only eight hours. Almost the entire time that had been allotted, has been exhausted. Shall I ask the House to extend the time or what is your opinion ?

THE MINISTER OF STATE IN THE DEPARTMENT OF PARLIAMENTARY AFFAIRS (SHRI GHULAM NABI AZAD) : Madam, I think there are still lot of speakers, so we can continue with the debate. At the moment I think we can extend the time for two hours.

SHRI SATYAGOPAL MISRA : For how long will it continue ? Other Bills are also there. They are also equally important.

SHRI GHULAM NABI AZAD : We have to take the opinion of the House, and if the House agrees we will extend the time.

MR. CHAIRMAN : Is it the opinion of the House that the time for this Bill may be extended by two hours.

SOME HON. MEMBERS : Yes.

MR. CHAIRMAN : The opinion of the House is that the time for this Bill may be extended by two hours. Now you can continue, Mr. Yadav.

[*Translation*]

SHRI SHYAM LAL YADAV : I was saying that in the Hindu religion a person, who is a theist or an atheist, or who is an idolater or an iconoclast is a Hindu. A person, who either worships God, or Vedas or Geeta or any of the so-called minigods is a Hindu.

In Hindu religion also, there are so many customs throughout the country. I come from Varanasi, which is a mini-India where people speaking different languages of the country and observing different customs live. People from all parts of the country live in Varanasi. If a marriage procession is moving in a street in one form, there may be another marriage procession in the same street totally different from the first one, from which it may be

[Shri Shyam Lal Yadav]

difficult to guess that a marriage is being solemnised there. I mean to say that people professing different religions live in one city and among them there is so much dissimilarity and their customs are so different that it becomes very difficult to keep them together. On many occasions there are mutual conflicts which result in fracas. In a country where so many customs prevail and diversities exist and where people professing different religions live, some disagreement is bound to be there; that is why our great ancestors adopted the principle of secularism and had declared that Government would not interfere with the personal law of any community unless the people of the community concerned themselves took initiative for any reform. So long as there is democracy in the country, this stance of non-interference by Government will remain effective.

Just now Prof. Soz has said that our Hon. Prime Minister, Shri Rajiv Gandhi had in reply to a question categorically stated in Bangalore a few days back that Government did not intend to interfere with the personal law of any community. It clearly shows that nobody should have any misunderstanding about interference by Government with his personal law at any time.

This issue or apprehension has arisen as a result of the judgment of the Supreme Court. In Section 127(3)B, it was clearly provided that there would be no interference with the personal laws of the Muslims and when some representatives of the minorities met the then Prime Minister, Shrimati Indira Gandhi, she reiterated this assurance that Government would not interfere with the personal laws of the minorities. It was also mentioned therein that if any of the demands permissible under the customary or personal laws has been met, the case would be treated as closed irrespective of the fact whether the amount due was less or more. Its quantum would also not be questioned. It was clearly stated in Section 127(3)B. When the Supreme Court judges interpret a piece of legislation, they base their judgment on the arguments put forth by both the parties. When a judgment gives rise to doubt or is against the

intention of law, then it requires consideration. As regards the intention of the law, I would like to reiterate that the then hon. Home Minister Shri Ram Niwas Mirdha while moving this amendment had made it clear that there was no intention to interfere with the customary or personal laws and even in the cases of maintenance, if some payment had been made, the adequacy of the payment would not be questioned. When the Bill was once again presented to Rajya Sabha after the inclusion of this amendment, it was categorically stated by Shri Ram Niwas Mirdha once again that :

[English]

“There is no intention to interfere with the personal laws of the Muslims through the Criminal Procedure Code.”

[Translation]

This was said at that time. I believe that the intention of the law is very clear in regard but it often happens, the as it happened with the Zamindari Abolition Act that due to contradictory verdicts of the High Courts and the Supreme Court it had to be amended many times so that the intentions of the Parliament and the legislature could be implemented. That is why demands have often been made that the judges appointed to the High Court and the Supreme Court should be from common people; they should not be those who live in the ivory tower. Such judges should not be appointed who do not have a realistic approach to life. Demand to this effect has been made many times but no attention has ever been paid to it. The need is realised only when such problems arise.

I do not want to go into the details, nor do I have the requisite ability because I am not well versed with Islam or the Quran. It has already been discussed in great detail. Our friend Shri Ansari is present here at the moment. If he gets an opportunity to speak about it, I am sure every one of us will be enlightened.

I would like to make it clear that in my opinion it will not be good for the

country to have a common civil code. As regards the apprehension expressed about some Articles of the Constitution, I would like to remind them that for the last 35 to 40 years none has misused them and, therefore, I feel that there is no need to amend the Articles embodying the Directive Principles.

PROF. SAIFUDDIN SOZ : But you say that Muslim Personal law should also exist.

SHRI SHYAM LAL YADAV : Yes, we agree to it but nobody should suffer on that account. The occasion never arose to implement the views expressed in the Constituent Assembly but if any such occasion arose, it can be looked into and remedial measures can be taken. It is true that Government should elicit public opinion and people can also give their opinion. It is not necessary to hold any seminar on Government level for that. A seminar for this purpose can be organised by you which can suggest to the Government the amendments which should be made in the law. If a seminar at Government level is held, experts like lawyers, philosophers and professors can also be invited. A final decision should be taken after consultations with them.

There is no doubt that the people do not agree with the interpretation of the Supreme Court with regard to this law. In this connection I would like to add that on such occasions no effort should be made to make political capital out of it. It is a social problem. It is true that Islamic society is based on socialistic pattern and in matrimonial matters, it is far better than the Hindus, because marriage is performed with the consent of the boy as well as the girl. You may have seen in Hindi films what is the attitude of boy and girl to marriage in the Hindu society these days. Earlier, the Hindu customs were quite different. There was the practice of Sati. Did not we struggle hard to end this social evil? Islam has many good features which should be praised.

In our society there are women who are facing innumerable difficulties. An hon. Member has rightly pointed out that they are forced to indulge in flesh trade. We

will have to stop that. But there are many constraints due to which we are unable to do it. But there is no need for mutual ill will on this account. I would, therefore, request the Government to bear in mind to all these facts while changing the law. I feel that the Hon. Prime Minister deserves be congratulated for his categorical remarks about the intentions of the Congress Party and the Government with regard to this law.

I would like to say, as I said earlier that instead of holding demonstrations and addressing public rallies, which would do no good, the issue should be placed before the people in right perspective. No one should try to make political capital out of it. Under these circumstances if Shri Banatwalla withdraws his Bill and presents a unanimous proposal to the Government, I am sure that the present Government under the stewardship of the Hon. Prime Minister, Shri Rajiv Gandhi will work in that direction in a democratic way keeping in view the interests of the people which would foster secularism in the country. It would also not be detrimental to the integrity of the country. With these words, Mr. Chairman, I thank you.

SHRI BALWAT SINGH RAMOO-WALIA (Sangrur) : Mr. Chairman, Sir, the issue we are discussing today is a very serious one and has far reaching ramifications in this country. On the one hand, there is the question of the welfare and better future and guarantee of rights of women in the context of the feelings of a community and on the other hand are involved the sentiments of crores of people and their religious traditions, in the light of which the decision should be taken. Several friends while expressing their views have stated that decision about maintenance for Muslim women should be taken keeping in view the centuries old traditions and conventions. I do not say that the Government's intention is to interfere in one's religion but a situation has arisen as a result of a judgment of the Supreme Court, which has caused concern to us and responsibility of handling the situation has fallen on us. The late Prime Minister had emphatically stated that they would protect the Muslim Personal Law. I support on behalf of my party those of my brethren who are

[Shri Balwant Singh Ramoowalia]

affected by the judgment of the Supreme Court and because of interference with the irpersonal law. I support their views, their community and I am with them. I think the Muslim Personal Law is 1,400 years old. For the last 1,400 years a custom has been in force. Muslims are living not only in India but in other countries also. We have to take one thing seriously. I would urge the hon. Minister, the Government and the Members of the ruling party that it is being said, Shri Arif Mohammed Khan has also said it, that Muslim Members in the Opposition are making political capital out of it. I feel that Members of the ruling party are not taking this issue seriously just to strengthen their position within the party. They should take this issue very seriously.

SHRI JAFFAR SHARIEF: No, not like this. There are Members who speak.

SHRI BALWANT SINGH RAMOO-WALIA: Presently, we have the responsibility of strengthening our country. It is the responsibility of all of us to strengthen the unity, integrity and create goodwill and peaceful atmosphere in the country and remove bitterness and unrest. The country can be strong only when we keep ourselves above certain things. Earlier also when a reference to Khalistan was made, I had said that from the beginning we had been rejecting this idea. We will shed every drop of our blood to protect the unity and integrity of the country. I want to tell the ruling party Members that I do not believe in communalism. Just now it was said that clashes are going on within and outside the country. To stop this, proper advice should be given to the Ministers and the Prime Minister. I am not blaming, but four years ago, when there was unrest in Punjab, at that time also, the Sikh friends in the Congress had given wrong advice to the then Prime Minister, Shrimati Indira Gandhi. Had sincere advice been given to her, such a situation would not have arisen. Regarding Shri Banatwalla's Bill, I am honestly saying and other hon. Members have also said that the Government should protect the Muslim Personal Law even at the cost of certain inconvenience. It should not feel shy of doing this.

With these few words I conclude.

SHRI K.J. ABBASI (Domariaganj): Sir, I am grateful to you for giving me an opportunity to speak on this matter. It is a very serious matter and for the last many days all of us were feeling restive in this House. Not only in this House, people outside are also restive. I recollect the case of Aligarh Muslim University also, which was prolonged for a long period. We were all in the forefront. The issue of Aligarh is our own problem. I was in the lead. Some of our people went on giving wrong advice but in due course Shrimati Indira Gandhi came to know the real position and an amendment was brought. This amendment was made in 1980 and the people of the country say that we had no *mala fide* intentions.

The Congress from its very inception, whenever the country had not attained independence, took the responsibility of protecting the minorities. We fulfilled our promises regarding protection of the rights of the minorities. At that time people were migrating to Pakistan from India. The world observed that many big persons fled to Pakistan. When our Muslim brethren were going to Pakistan, non-Muslim members of the Congress stopped them from going there and faced the wrath of the communalists. In India, the greatest credit in helping the Muslims goes to Pandit Jawahar Lal, Rafi Ahmed Kidwai and Maulana Azad. Our Hindu brethren fought for us and because of that, Muslims in India today are leading a peaceful life.

This matter of Personal Law has been coming before us time and again. Big rallies are held in the connection. Eminent Muslim scholars discuss it. I was also invited to take part in a meeting in Hyderabad. I saw there that many eminent scholars were present in whose presence one dare not speak. One is afraid of speaking in their presence. I was an ordinary man there. In our childhood, we were taught the holy Quran and certain other things relating to religion. I knew some tenets of religion. Eminent scholars were present there who had the right to take decision in the matter. It is the right of the Muslim scholars to say whether there has been interference or not. There must be unanimity, whether

they are from Bareilly or from Deobund, whether they are Shias or Sunnis, whether there has been interference with the Muslim Personal Law. If the scholars say so, then I think the Congress will also agree and I will also agree.

I request Shri Banatwalla that he should see this matter in a larger perspective. I had requested him that so far as this matter is concerned, why is he raising this small question; he should raise some big question. He was annoyed with me. When he came out I asked him to let the Ulemas decide whether there has been interference or not. He then said "Innalillah" and started looking at me.

A meeting of the Muslim scholars will have to be convened to decide whether there has been interference or not. We cannot opine on it. If they are of the unanimous view that there has been interference, we will have to agree with them and we are sure that the Congress will also accept their view. If there are two opinions about it, then it does not matter whether you consider the issue in Parliament or outside it.

Memoranda are being signed. Processions are being taken out. Our Congress members are taking out processions. We will not let Shri Banatwalla take credit for it. He will not be allowed to do this. Our Congress have taken out procession with 50,000 participants. We also want that the rights of our community are protected. But in no case we will let Shri Banatwalla mislead the people for the sake of votes.

We have shed our blood and our objective is that Muslims and the people of other communities may make progress. We will not allow you to come forward to mislead Muslims. We the Muslims in the Congress will not permit it. We will protect the Muslim Personal Law because it has all along been protected by Shrimati Indira Gandhi, Shri Jawahar Lal Nehru and the Congress. It is in the manifesto of the Congress Party and the Congress has always been supporting it. Therefore, our submission is that when our beloved Prime Minister, Shri Rajiv Gandhi has declared that there was no intention to interfere with the Muslim Personal Law, he will adhere to it. I, therefore, respectfully

request Shri Banatwalla to withdraw this Bill. Give one chance, give the Muslims in the Congress a chance because they are with you. Withdraw this Bill and end this 'Tamasha'. Then see whether the Congress solves this problem of our community or not. If it does not, you can again raise this issue here.

SHRI G.M. BANATWALLA : That is all right but the word 'tamasha' is not a part of Parliamentary practice.

SHRI K.J. ABBASI : I withdraw it. It was intended for what is happening outside, not inside. It was meant for what is being spoken outside. A lot of things are happening outside and those can be stopped only when you become liberal. We know that you are quite liberal, you are cooperating and you have cooperated a lot. We are aware of your large heartedness; you are not narrowminded. I do not want to make a long speech here. I have expressed my feelings. I have always been in the Congress but I am a Muslim and with the grace of God will remain a Muslim and I have always abided by the tenets of Islam. We are not sitting here with religious texts in Urdu along with the English translation and we are not quoting from them; we have entrusted this work to Shri Ansari. These are my feelings and I want that the Congress Party should find out some solution for it; it may bring forward some amendment so that the Muslims are assured. I would request Shri Banatwalla to give us one chance, to give Congress one chance so as to put an end to the atmosphere created outside. It can happen only when you withdraw your Bill. This will help in normalising the situation. With these words I respectfully conclude. The things I have said are in the programme of the Congress Party and I hope that the people in the Congress Party will consider it and Shri Banatwalla will also consider it.

THE MINISTER OF STATE IN THE MINISTRY OF ENVIRONMENT AND FORESTS (SHRI Z.R. ANSARI) : Madam, the discussion being held on the Bill moved by Banatwalla Sahib has two basic aspects. One aspect is whether the judgment of the Supreme Court in Shah Bano case was, and is, in consonance with the intention of

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the law enacted by Parliament and the other aspect is whether this judgment has given rise to an issue whereby the Muslim community might be thinking that the judgment is tantamount to interference with their religion.

The question is that had this been only the parameter of this issue and had the discussion been confined only to Cr. P.C. and the judgment then, perhaps, I would not have spoken on it. In fact, I had no intention of speaking, but the interest evinced by this august House in the Muslim Personal Law and in the teachings of the Quran has impelled me to speak on it. No doubt I am not very learned, I have very little knowledge of the religion and the Quran, but I have been a student of religious studies and history, particularly the history of Islam for the last 40 years or so. Whatever knowledge I have come to acquire about the Quran, about the provisions in the holy Quran regarding maintenance, I shall put before you. To the question of Shah Bano case I shall come later. Before saying anything on the provisions of the holy Quran which have been discussed here at length and so many translations of which have been quoted, I would like to make before you a few submission about what is enshrined in the holy Quran. The Quran is the religious book of the Muslims which does not merely contain a few rituals; it is not a book of rituals, it is rather the faith of the Muslims. It embodies guidelines for human beings to manage the society in a proper way and on proper lines. It is, therefore, not proper to regard the holy Quran merely a book of customs and rituals. It is rather a law of life. That law projects a social pattern which is conducive to the welfare and well being of humanity. Here I would like to make another submission regarding the holy Quran. When we shall talk of the holy Quran, we shall talk of it in its entirety and not in parts. When we talk about the social set up of particular community, we talk of it in its entirety and not of its each constituent part separately. If we want to have an insight into the social set up of a community, we shall have to see that set up in its entirety. We cannot see each of its constituent part

separately. If we see one constituent in isolation, then the apprehension is that we may arrive at wrong conclusions and then which is beautiful may appear to be ugly and *vice versa*. My third submission regarding the holdy Quran is that it should not be used for citing instances in the courts as is done by our advocates. The holy Quran is not a book of instances. In the courts the advocates prepare their cases and for that they look for precedents to strengthen their cases and the favourable precedents are quoted while the adverse ones are held back. The holy Quran should not be used in this manner. The Quran is sacred spiritual book. It has been the tradition and the culture in our country that we have learnt to respect the scriptures and not to denigrate them in any way. Whatever I am saying about the holy Quran, the same applies to Guru Granth Sahab, Gita, the Vedas and the Ramayana. These are not the ordinary books which should be made use of as reference books in the court proceedings to prove ones case.

Madam, to understand the meanings of the holy Quran is also a very big problem. For that, firstly one should have knowledge of the Arabic language, which very few people have. If one does not know the Arabic language, one should have understood the holy Quran either through those who have knowledge of the Arabic language or through that language which is nearest to the Arabic language. Then, another factor is what meaning *Mohammad Rasul Allah* (Peace be upon him) to whom this divine law was revealed, bestowed on the holy Quran. There is one *Aayat* of the holy Quran which says :—

Ho-al-lazi baas Fil Ummiyuna

Rasulam Min hum yatloo Alathim

Aayatiai va yuzakkilhim va yovalem

hum-ul-kitaba Val Hikmah

We have bestowed on you the knowledge of the book and of *hikmat*. What is this *hikmat*? The learned interpreters have said : "The book means the holy Quran and *hikmat* means the life of *Rasulallah*" (Peace be upon him). Viewing his life, we can know what the holy Quran is. And his life could be understood only by those who lived with him all the time and who

saw him sitting, walking and explaining the meanings of the holy Quran, and those Ulemas who have, as has also been observed by Abbasi Saheb, been the collectors of the *Hadis* (Sayings and traditions of Prophet) those learned ones who have devoted their entire lives to know the meanings of each and every *Aayat* and to keep the meaning of each and every *Aayat* and *Hadis* eternal.

Madam, the history bears testimony that so many commentaries of no other book of the world have been written as those of the holy Quran. The history bears witness that such a detailed and complete record of the life of no other person is available except that of Mohammad Saheb—how he ate, how he drank, how he slept, how he had had relations with friends, how he sold purchased things. A Muslim has faith as if these details of his life represent the holy Quran. Somebody wanted to know something about the life of Mohammad Saheb from Hazrat Aisha (Rasi Allah-e-taala Anha) whereupon she said, “Do you not read Quran”? He replied in the affirmative, whereupon she said “If you read Quran, then it is not difficult for you to know about the life of Mohammad Saheb, because one Quran was that which was enshrined in the form of a book or that which the *Hafiz* memorised by heart, but there was a Quran who moved about in the streets of Medina and who spent every moment of his life in the service of Allah, in the service of the Quran, in following the injunctions of the Quran. The best source to know his life can be those Islamic Jurists who have drawn conclusions in regard to different issues by devoting their entire lives. I do not acknowledge that the society is static, nor does Islam. According to Islam our society is a collective entity, it is dynamic and progressive and, therefore, Islam wants that if with the change in the conditions and with the progress there is need for change, then a provision may be made to enable us to make changes in the laws, but it is subject to one condition and that is that whatever law is there in the holy Quran in clear terms and in minutest details, that cannot be changed. Whatever has been ordained in any *Aayat* of the holy Quran cannot be changed by anything in the *Hadis* and by any word or deed of even the greatest of men. The holy

Quran is the supreme law and whatever has been laid down in it can never be changed and the *Hadis* comes next to that. The *Ulemas* have rendered the job of interpretation of the *Hadis* and *Aayats* of Quran and of resolving issues connected therewith because there is no scope for any change in our basic principles and tenets which have been precisely enshrined in the holy Quran and the *Hadis*, but except that there is a field in which there are so many things which are required to be changed with the change in circumstances and those changes are allowed. Let us take an example to see how changes can be made. An elderly person may encompass a very large area for the use of his descendants, construct a house therein in accordance with the requirements of his present family and start living there and leave the remaining area so that with expansion of the family, the house will also be expanded according to the liking and the needs of the new family members. But the family of that elderly person remains his family till he extends his house within the area encompassed. The moment, a member of that family crosses the bounds of that area, he does not remain a part of that family. This is the basic principle and this is the basic requirement of the holy Quran.

The other principle of the holy Quran is related to our social life. Wherever the holy Quran has devolved some responsibility, it has simultaneously kept in view the human sensitivity and taken care not to put such a burden on anybody as he may not be able to bear, because if this is done it will not be in the interest of the man and then he will be justified in getting rid of that by fair means or foul or passing that on to others. This principle of the holy Quran has, therefore, been reiterated at many places and it has been said that “*La yukallif-o-nafsan-illa vusaha*”—do not take so much burden on yourself as may be beyond your capacity.

Another principle which, in the context of human society, is of overriding importance as compared to other laws of the society is “*Va-Vaza-al-Meezan*.” The Almighty speaks in the holy Quran that He created the scales not only to weigh the grains. The interpreters have said that the scales signify balance and that He created balance

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“*Va Vaza-la-Mizan, Alla Ta'ghau fil Mizan*”—do not revolt against the balance, do not run away from the balance. After “*Va Vaza-al-Mizan, Alla Ta'ghun fil Mizan*” He further decreed “*Va aqimul Vazna bil qista vala tukhsirul Mizan.*” ‘*Qist*’ means justice and “*Va qaimul Vuznu bil qlste vala tukhsirul Mizan.*” means to weigh with justice and not to short-weigh. If this is viewed superficially, then it means that in our successful business life one should neither weigh less nor more, but if seen in depth, then it means that one should avoid imbalance in the society. Have no imbalance in the society and establish a society without any imbalance, which should function like a weighing scale which stoops neither on one side nor on the other and which remains exactly parallel to the earth. This is what the holy Quran says. We would have to test the law of any society keeping in view these principles and all the other laws enunciated in the holy Quran are based on both these basic principles.

Now I come to the real issue—divorce. For a number of days there had been a lot of hue and cry about the issue of divorce in this country. Now, of course, the matter has settled down gradually and an awareness is there that such conditions can arise in our society and in our family life in which divorce may be the only way out. The Quran also has not liked divorce, and the marriage has not been treated merely a social contract. Contractual marriage is of course there, but that does not mean that this contract could be broken at will. No. The Quran has rather attached sanctity to it and ordained it a pious relationship. It is such a relationship which the Quran wants to continue throughout life. I have brought a number of books here. Whatever I am saying that is based on these books and if need be, I shall refer to them here and there. But about marriage, I would like to say that *Shariat* does not treat it to be a mere contract but according to Islam and the Islamic *Shariat*, marriage is sacrosanct. Islam considers marriage to be a prayer and a prayer to this extent that according to one *Hadis* of Mohammad-ul-Rasul Rasulullah (Peace be upon him), ‘a person who has not married, is not his

progeny’. Alas ! Azeez Qureshi could understand it. The fact is that the Quran has checked the evils which could arise in the society due to some or the other reason. Dandavate Saheb will disagree with me; he will not understand it but these people will understand that the Quran has emphatically checked the evils that are likely to arise anywhere in the society. Marriage has been given the status of a prayer simply because after marriage a man will not go astray.

SHRI ARIF MOHAMMAD KHAN :
Even then some people do go astray.

SHRI Z R. ANSARI : But I was not expecting this from you. Others may do so, but I do not expect this from you.

I have submitted that marriage is not merely a contract. This is a pious relation. Islam has given this pious relationship the status of a prayer. Just as a man is blessed by God when he offers *Namaza* and observes *Roza*, similarly he is blessed by Him when he gets married. This is the status that has been given to marriage.

Now there is the issue of divorce. I have with me the commentary by Maulana Abdul Majid Saheb Daryabadi in both Urdu and English and also that by Mufti Shafi Saheb Deobandi. I have the commentary by Maulana Kandhlvi. There is also commentary in Urdu by Shah Abdul Qadir of the family of Shahwali Ullah Muhaddis Dehlvi which is very old and probably the oldest. After going through all of them, I am giving the essence before you. Thereafter, if you wish, I shall read out their provisions. I am making this submission before you that the intention of the holy Quran is that this relationship may be maintained throughout life in a very happy manner and it should not break. But in spite of this, conditions may develop wherein despite efforts, discord may reach a point when it may become an unnecessary burden for both the spouses to maintain their relationship and the unnecessary burden may tend to create more problems. Therefore, the remedy of divorce is there merely as a permission and it is not mandatory. So many people say that we are permitted to marry four times. But four marriages are not mandatory, they are

simply permitted. But the intention of the Quran is that one should marry only once.

PROF. MADHU DANDAVATE : Had it been mandatory, it would have become quite burdensome.

SHRI Z.R. ANSARI : Yes, it would have become very difficult. Only you will be able to help and there is none else.

PROF. MADHU DANDAVATE : Only one has made me know the reality.

SHRI Z.R. ANSARI : I was saying that there is merely a provision for divorce and the Quran has amply emphasised that this provision should be made use of very carefully. Now, I would not like to read out all those provisions. My nephew is quite intelligent and he has given the proof of his intelligence during discussion on this Bill last time. I was also present and listening at that time. I am his uncle.

AN HON. MEMBER : Sure !

17.13 hrs.

[Shri Zainul Basher in the Chair]

PROF. MADHU DANDAVATE : Mr. Chairman, Sir, I rise on a point of order. In this House nobody is anybody's uncle and all are hon. Members.

THE MINISTER OF STATE IN THE DEPARTMENT OF PARLIAMENTARY AFFAIRS (SHRI GHULAM NABI AZAD) : Hon. uncle.

SHRI Z.R. ANSARI : I am sorry. Dandavateji, the fact is that this subject is very dry and if there is no humour then you will get bored and so shall I. The height of dryness is that I have to take water again and again. So, I...lo, the situation has now changed. mean, at the time of marriage, Hon. Madam was in the Chair and at the time of divorce Hon. Sir has occupied that Chair...(Interruptions)

MR. CHAIRMAN : You may now have one more glass of water.

SHRI Z.R. ANASARI : Sir, I was saying that divorce is the last unpleasant part of married life which the Quran has considered to be inauspicious. There are a number of *Hadis* covering this aspect. Nabi-e-Akram (peace be upon) him has observed : "Among all the permissible things, the most hateful act for me is that of divorce. But it may be resorted to if the married life has become unbearable and a burden for both the husband as well as the wife." If the conditions warrant, divorce may be resorted to. There are ways for effecting divorce. A restriction on divorce has been imposed in different ways. You see the provisions of the Quran wherein it has been said. if this mistake is committed, then take recourse to some method such as make some changes, fix some date, etc. At last, if there is no way out and there is no alternative but to resort to divorce, then give divorce in the some graceful manner in which you had contracted the marriage. If this unpleasant act is at all required to be resorted to, divorce--an act of bitterness--should be resorted to gracefully with a healing touch as far as possible. This is the intention of the Quran.

Our able friend, the hon. Member, has no doubt quoted the provisions of Quran correctly. The method of divorce laid down in the Quran is that it should happen in the condition of *Tohr-Tohr* means the period of purity of the woman. *Tohr* is the time between two periods when the woman is pure and during the period of *Tohr*, no intercourse should have been done. The provision is that pronounce *Talaaq* once; let her live in your own house; let her live in your house till the three periods of purity and when the *Iddat* period is about to be over, either retain her happily or relieve her with grace. If you think that this will become a burden, then relieve her with grace. This is the provision.

After pronouncing *Talaaq* once if you feel the need, you may pronounce it second time. These are the provisions of Quran. Then let the period of *Iddat* be completed. The wife will live under the same roof with you until the period of *Iddat* is over but there will be no sex relationship. But the husband will continue to meet her requirements of food and clothing as heretofore. When the *Iddat* period is about to be over,

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two ways are open to the husband : either to accept her happily or, relieve her gracefully.

After the completion of the period of *Iddat*, divorce is complete—then the husband and the wife are separated. But if the husband still has some soft corner for the wife and he realises that he has committed a mistake then he is permitted to remarry the divorced wife. If the husband has pronounced *Talaaq* three times which is known as *Talaaq-e-baen* then there is no way out. That is why it is prohibited to treat the pronouncement of *Talaaq* in a lighter vein. Huzur Nabi Karim (peace be upon him) has said that three things should not be done in a lighter vein. First marriage should not be done in a lighter vein. If the consent is give in a lighter vein, the woman can claim the status of a wife and later on if the man tries to withdraw from it on the plea that he had consented in a lighter vein, she will claim maintenance. Similarly, divorce should also not be given in a lighter vein because after pronouncing *Talaaq* thrice, the divorce becomes irrevocable. Then they cannot remarry till the divorced woman marries another man and consummates the marriage with him. Thereafter, if the second husband divorces her willingly, she can remarry the first husband after the period of *Iddat* is over. This is in a way punishment for the hasty action of the husband and for disregarding the provision of Quran; he will not get his wife back howsoever repentant he may be. There is need to be careful about the provisions of Quran. There is no problem in it except that I have a serious difference of opinion with Shri Arif Mohammad Khan about the statement made by him during his speech that the decision of Hazrat Umar Razi Allatalli Anah was a political decision.

THE MINISTER OF STATE IN THE DEPARTMENT OF POWER (SHRI ARIF MOHAMMAD KHAN) : I am sorry; I never said that. I had only given a reference that may be wrong. I do not deny that. I am not a learned man as you may be. I had only given a reference. My only submission is that it is wrong to say that I had said that, I refuse to own it. The reference was

from the book by C.B. Masani of the Pakistan Law Commission.

SHRI Z.R. ANSARI : All right, Sir. I do not look to Pakistan for guidance. I may submit, Sir, that in this entire world there is no other country which has as much knowledge about the Islamic Scriptures as India. You may refer to Pakistan if you like but the *Ulemas* of the school of Islamic studies, Deoband and other highly learned scholars whose piety, learning, fear of God and asceticism is unparalleled in the entire world are found only in India. You will find men of letters in other parts of the world also but it is only in India that you will find men who are God-fearing, who observe asceticism and who lead an ideal life which makes us believe that perhaps these people are not the earthly-beings but have descended from heaven. So, I do not at all agree that there are more learned people than our *Ulemas* in any other part of the world. Now, since he has referred to Pakistan, I shall also give quotation rather than speaking on my own behalf.

PROF. SAIFUDIN SOZ : Quotaihs Pakistan or India ?

SHRI Z.R. ANSARI : It is from Pakistan.

PROF. SAIFUDIN SOZ : We object to it. (*Interruptions*) You may please quote from an Indian source. (*Interruptions*)

SHRI ARIF MOHAMMAD KHAN : I have no objection as the issue is academic.

SHRI Z.R. ANSARI : The point is that Hazrat Umar Razi Allah Taali Anah was the second Celif of Mohammad (peace be upon him) who remained with him throughout life and he...

SHRI GHULAM NABI AZAD : Now there is a change in the nephew.

SHRI Z.R. ANSARI : Like two *Talaaqs*, there are two nephews now.

(*Interruptions*)

I was making only this submission that to say about Hazarat Umar Anah that his

decision was a political one is too bold a statement. When did he take this decision? This decision was taken by him when thousands of followers of Mohammad-ul-Rasul Allah were present. Those were different times. They were the times when even if the greatest of men said a wrong thing, an ordinary man could dare say: "We shall neither do what you say nor hear." There is an incident relating to Hazrat Umar himself that during *Juma* discourse, once he told the congregation to listen to what he said and obey, whereupon a shepherd stood up and said, "I shall neither hear you nor shall I obey you unless you tell us that I got as much cloth from the public fund as you got, how is it that I being short statured could not make *kurta* from that cloth whereas you could make it in spite of being so tall and broad?" Such daring was the spirit during those times that an ordinary man could say this to a person, whose domain was about to extend beyond Iran and Iraq and upto Egypt. Hazrat Umar taking a decision against the provisions of the holy Quran and the *Hadis* during such times.

(Interruptions)

PROF. SAIFUDIN SOZ : Say positively, otherwise there will be misunderstanding...(Interruptions)

SHRI Z.R. ANSARI : It will be sufficient to hear what I say. Whosoever wants to know more about it, he can read further. I have submitted before you that it was impossible during those times for Hazrat Umar to take a decision against the holy Quran and the *Sunnat* and that the people should accept that without any protest. There is not one or two but hundreds of such examples of that period and even of the period after that when an ordinary person stood up against the great and the glorious king or the emperor and said that he was wrong and that he (the ordinary person) was not prepared to listen to him. May it be the period of Bani Umaiah and the history of the times of Bani Abbas and read the case of Imam Ahmad-bin-Hambal on the issue of Quran, how they openly expressed their views against the big and the glorious rulers and

emperors and had the least fear on account of that.

The times of Umar Razi Allah Taali Anah are part of the period of prophethood. Sahaba-e-Karam's period according to a *Hadis* of Mohammad-ul-Rasul Allah is included in the period of Prophet himself. The best time is Sahaba-e-Karam's time. In a *Juma* Khutba (discourse), provided my nephews care to hear sometimes the discourse. Imam reads out this during the discourse: "*Khairulqarunl qarul sam nlzaen yalunaham sam uldin yalunaham*"—the best time is my time and thereafter the time next to that and so on. *Fiqh* has treated the period of Sahaba-e-Karam as the very period of Mohammad-ul-Rasul Allah and his way of life as *Sunnat*, *Sunnat Mohammadi*. Therefore, the decision of Umar Farooq cannot be political and then there is the *Hadis* also. Rasul Allah (peace be upon him), no doubt, expressed anger when somebody pronounced *Talaaq* thrice simultaneously but, in spite of that expression of anger, those three *Talaaqs* were given effect to. Therefore, it is quite in accordance with the *Sunnat* and it is too bold for anybody to say or to write that this decision was a political decision. Only Allamah Maudoodi can dare say so and none else. He has often said so at number of places. Allamah Maudoodi has often taken liberties with Sahaba-e-Karam and other great persons. Thank God, he has gone over to Pakistan bag and baggage and mostly such people have gone to Pakistan. How they are writing books and sending them to us. They are misleading us. They are setting up commissions and sending commissions here. For God's sake they should have pity on us...(Interruptions)

PROF. SAIFUDIN SOZ : Have you any objection to *haquq-e-Alzojeen*....

SHRI Z.R. ANSARI : Let us leave it. I never see his book ever since I came to know about it. I was speaking about *Tulaaq*...(Interruptions)...I am not addressing you...That is why I had used those words. So far as *Talaaq* is concerned, it is correct that the method enshrined in the Quran is that of extreme carefulness. But if somebody does not adopt that method and acts rashly then hell with him; let him lose his

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wife. This is the intention of Quran. If somebody disregarded the provision of Quran, then Mohammad-ul-Rasul Allah (peace be upon him) has, despite expressing anger over it, given effect to it. Therefore, this is not an issue in which one should get involved too much. Now I am coming to the real issue. So far what I have been talking about was only a preface : *Tamanna mukhtsir si hai magar tumheed toolani*. The real issue is that of maintenance and so, I come to that.

The provision regarding maintenance is there in the holy Quran itself and so we need not go to the *Hadis*. It is proper that the former wife, i.e., the wife who has been divorced, should get maintenance from her husband during the period of *Iddat*. And if during the period of *Iddat* it is found that the wife is pregnant then it is proper that she should get maintenance during the period of pregnancy, upto the time of delivery and then after delivery, it has been said in the Quran about the husband for whom that child is begotten that since the child adopts the father's lineage, so it is the responsibility of the mother to suckle the child for two years and the maintenance of the wife and the expenditure on the child, the quantum of which may be decided between the two spouses, will have to be borne by the husband. And for deciding that amount the same principle will apply as I said earlier in this House : "*La yukallif-o-nafsan-illa-Vusaha*." That means do not put so much burden on somebody as he may not be able to bear. And if the wife says to him, "you have divorced me, so I shall not suckle your child," then the husband will say, "All right, do not suckle it. I shall engage *daya* for that." But, in spite of that, the child will remain with the mother and the *daya* will also remain with the mother. This precaution has been taken. After all, mother has attachment with the child and only she knows how to bring it up, it cannot be snatched away from her. Then the entire expenditure involved in suckling the child for two years, as may be decided between the two, but as may not be so much... (Interruption.) That expenditure should not be so high as may cause burden on somebody. It should neither be so meagre that the mother may

not be able to bring up the child properly, nor so high that it may become unbearable for the husband. These are the very words used. In the end, it has been said : "*La yukallif-o-nafsan-illa-vu.aha*."—so much burden should not be put on any person as may be beyond his capacity. So, these are the laws regarding the maintenance. The question is what the real issue is and now I come to that.

SHRI C. JANGA REDDY : For so long you have not come to real issue.

SHRI Z.R. ANSARI : I am coming to that. That issue has been settled and now the present issue has to be settled. The point is that I am happy that this august House has evinced so much interest in this issue and I pray that it may take similar interest in the scriptures of different religions which have not only adopted community set-up but also maintained that. Thank God that I have read the Gita and the Ramayana also....

PROF. SAIFUDIN SOZ : Read Guru Granth Sahib also.

SHRI Z.R. ANSARI : Three-fourths of Guru Granth Sahib, Sir contains the utterances of Sufis of our religion. So, I was saying that the scriptures of different religions should be studied with a sense of faith and with an unbiased mind, whereby it may be that mutual differences and misunderstandings in our society may be removed and an atmosphere of unity created. This is what is called national integration—the national integration visualised by Mahatma Gandhi, Pandit Jawaharlal Nehru and Maulana Azad. In India, secularism does not mean negation of religion; it is rather having regard for each and every religion. And this is how an atmosphere of national integration can be created. If you do not accept my advice, the goal of national integration will never be achieved in this country. This is how Gandhiji had shown the path of mutual understanding. If a person of one community shows respect to the religion of the other community, then his religion will also be respected and this feeling will bring each other nearer and create a sense

of love and oneness amongst one another and then ultimately it will be—

*Man tu shudam tu man shudi man tan
shudam to jaan shudi
Takas na goyad baad azan man degram
to degri*

Thank God, a Persian scholar is present here otherwise I had blundered. I would, of course, have corrected the proceedings.

[English]

PROF. MADHU DANDAVATE : All are equally ignorant. You quote anything.

[Translation]

SHRI Z.R. ANSARI : My intention is that if a real desire is created to understand each other and the problems of each other in their right perspective in our society, then it will open the way for mutual understanding and create an atmosphere of national integration in the real sense throughout the length and breadth of this country, from north to south and from east to west. If it does not happen like this, it would be very unfortunate for our country.

Now, I am not going into more details. I have put forth a scheme before you and that entire scheme is regarding maintenance. If you want I shall read out the *Ayats* from the books which I have with me and explain their meanings to you, but I do not want to take more time.

The divorce is of four types and there are separate provisions for all the four of them. One type of divorce is that which is given immediately after marriage, in which case no dower, *mehr* was fixed and no consummation had taken place. In this case the provision of the Quran in that because there has been no consummation of marriage and *mehr* was fixed, so the Quran has provided "*matah*."

The second type of divorce is where *mehr* had been fixed and perhaps the marriage was solemnised but not consummated. In these circumstances, the husband shall return half of the *mehr* to the wife

and half shall be foregone by her. Here also, it has been said further that as the husband has the supremacy, he may forego his half also but if the wife wants to forego her half, then this is allowed. There is no restriction on anybody. A good way-out has been shown. The husband being in the position of supremacy and the divorce took place on account of some reason or the other, so in order to ensure that she may not feel the pinch of it, it has been suggested to the husband that he may not retain the half portion and pay the entire amount of *mehr*.

The third type is that the *mehr* has not been fixed and there was consummation of marriage and thereafter divorce took place. *Mehr* is not a pre-condition for marriage. In this situation, the divorced wife is entitled to receive the amount of *mehr* prevailing in the society as well as the right of maintenance during the period of *Iddat*.

The fourth type is that *mehr* was also fixed, marriage also took place, there was consummation of marriage also and thereafter there was divorce. In this situation, there is a provision of paying the entire amount of *mehr* but it has been followed by an expression : "*Val mutalliqate-mata-um-bilmaruf*." In the end it has been provided that every woman who has been divorced shall be paid "*mata-um-bilmaruf*."

Sir, as a matter of fact the problem is that sometimes it happens that certain languages are not capable of conveying the complete meaning in translation of a matter which originally occurs in the scriptures. Sometimes it happens that translation is not correct because of lack of knowledge. One may be well versed in one language but not so in the other. Abhullah Yusuf Ali Sahib has translated "*mata-um-bilmaruf*" as proper maintenance while the position is that it is neither proper maintenance. In "*Lisan-ul-Arab*" which is an authoritative Arabic dictionary it has been translated as small benefit or temporary benefit. Maulana Azad has translated "*mata-um-bilmaruf*" as 'some benefit'.

AN HON. MEMBER : Do you have the translation by Yusuf Ali ?

SHRI Z.R. ANSARI : Yes, I have. I may read it out; why should we suffer misunderstanding? So this is the matter! It is all right. The nephew is right. I am getting old. Maintenance at reasonable scale!

In fact the translation of *mata* as maintenance is basically wrong; it is totally wrong. Why do I say that it is not maintenance because if maintenance is accepted as the translation of *mata*, then it means that there is no escape at all; it has to be paid the whole life.

AN HON. MEMBER : Is the period mentioned there?

SHRI Z.R. ANSARI : The period is not mentioned there. There is no mention of period in this *Aayat*. But it has been clearly said in other *Aayats* of *Sura-e-talaq* and *Sura-e-ulbakra* enshrined in Quran that in case the wife is pregnant at the time of divorce, the husband will provide her during the period of suckling the child. This is *Aayat* No. 232 of the Quran. It has been said in *Aayat* 232 that the mother should suckle the child for complete two years. This is to fulfil the demands of suckling and the responsibility to make provisions devolves on the person whose child it is. The words used here are "the person whose child it is". It is the father's lineage which governs the parentage and that is why it is his responsibility to provide "*ritzkeh vllksotehn*", i.e., meals and clothes. The word *mata* has not been used there. How long? Upto the time till the child is a sucking. It has been further said in *Sura-e-talaq*, *Aayat* 6, that in case they (the divorcees) are pregnant, then continue giving them maintenance. The word '*enfiqu*' has been used here which means to pay maintenance till they are delivered of their burden. This provision is there in so clear terms. There is no logic to pay maintenance to a woman who is not pregnant and who has not given birth to a child for her life time or till the time she remarries as some hon. Members have construed the meaning of "*mata-umbilmaruf*." This is totally against those *Aayats* which are correct and wherein period has been fixed. Therefore, it is unanimous decision in a way. There is no difference

of opinion on it. All the *Ulemas* have interpreted it this way. The entire community has interpreted it this way. Maintenance is proper only during the period of *Iddat*. Yes, this period can be extended upto the time of delivery, if she is pregnant. Thereafter, it will not remain maintenance but will become '*ujrat*' (wages). This has given rise to some questions sometimes. These things are said out of generosity some times.

We are too merciful. We are very merciful when others are affected but when we ourselves are affected, then there is no mercy. When somebody else is affected, somebody else is burdened, our mercy knows no bounds. It is very mercifully said, "All right, Ansari Sahib, why do you take recourse to detailed provisions; when it has not been prohibited, what is the harm if you give it."

Sir, this is the issue towards which I would like to draw the attention of hon. Members with the utmost emphasis. A woman who has separated from her husband, a woman who has been divorced, it is against the dignity of that woman to receive maintenance from her ex-husband. After all dignity also has its own place. Islamic culture does not permit the members of its community to force a person, whether man or woman, to lead an undignified life. First, this is taken as undignified by the society and secondly, the maintenance—as I have told you,—"*La yukallif-o-nafsan, illa-vusaha*"—do not put so much burden on somebody which he is not able to carry. I would like to invite your attention towards the conditions prevailing by and large in the country and outside. Somewhere or other when such undesirable burden is put on somebody, he has perforce to adopt such means as lead him towards brutality. Therefore, do not put undesirable burden. If somebody is burdened with much undesirable weight, either he will throw that weight on you and you will be crushed thereunder or else he himself will die under the burden of poverty. I have just now invited your attention towards the basic tenet of Quran—"*La yukallif-o-nafsan-illa-vusaha*."

Sir, I would like to draw the attention of this august House to the fact that there

s every fear of some evil cropping up in our society. There is no angel among men or women. Both men or women can err. All can have shortcomings, all can tread a wrong path. You consider for a while that in case you revoke this provision, the responsibility of paying maintenance for the whole life will devolve on the man who has given divorce. He will have to pay the maintenance, then where is the need for marrying like Shri Alziz Qureshi. Whe the matter is legal...(Interruptions) Somebody sitting behind has said that Banatwalla Saheb has also done so. there are not my views, somebody sitting behind has said this...

(Interruptions)

There is no difference between devil and mischievous. Both of them indulge in misleading. Childern are, of course mischievous. As an uncle, I have said this to my nephew. Please do not treat it as unparliamentary.

SHRI ARIF MOHAMMAD KHAN :
No, Sir.

SHRI Z.R. ANSARI : I have already submitted before you that this is an aspect of our society which calls for consideration lest by making such provisions we should take the society towards degradation with this fond hope that we are obliging the society, we are ameliorating its lot and we are making the weaker sections stronger; lest an incurable malady should develop which may be very difficult to be cured...

(Interruptions)

*Abhi to aye ho baitho zara tassalli se
lagegi der mujhe hal-e-dil sunane mein*

It is a matter of detail; it is a matter of whole life. God forbid if the problem befalls me, I shall be undone.

I was submitting before you that the third objection which is raised is that it is against justice, it is against justice that you pass a law to give maintenance to a stranger woman after there remaining no relation between the husband and the wife. this will be against one's rights and also against the demands of justice...(Interruptions)

I am speaking of the society and not of the Supreme Court. The society includes the Supreme Court and the Parliament also. That should not be construed this way.

Further, I would like to touch one point more. There is one more objection. There is a word *zulm*. It is an Arabic word. Its meaning in Arabic dictionary is to do something when it is not called for.

MR. CHAIRMAN : Ansari Sahib, you may continue next time.

SHRI Z.R. ANSARI : All right, Sir.

MR. CHAIRMAN : The House stands adjourned to reassemble on Monday at 11 a.m.

18.01 hrs.

*The Lok Sabha then adjourned till
eleven of the clock on Monday, November
25, 1985/Agrahayana 4, 1907 (Saka)*

CORRIGENDA

to

L.S. Debates, dated 22.11.1985 (English Version)

Col. 185, line 1: for '243' read '943'

Col. 259: after Q.No. 1019 and before Q.No. 1021 read the following:

Meeting of Chief Ministers at
Manali on Uniform Tax Structure

1020. SHRI V. TULSI RAM :
SHRIMATI PATEL RAMABEN RAMJIBHAI MAVANI :

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that at the meeting held recently at Manali in Himachal Pradesh, the Chief Ministers of North Zone States agreed on a uniform tax structure;

(b) if so, the details of the new structure and the extent to which it shall prevent tax evasion;

(c) whether discussions on ^{other} ~~the~~ matters particularly on financing resources, also took place at the meeting and if so, the details thereof and action proposed to be taken thereon;

(d) whether Government propose to hold a meeting inviting all the Chief Ministers of the States in the country for its introduction on national level;

(e) if so, the details thereof; and

(f) if not, the reasons therefor?

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

(a) to (f) : Zonal Council Secretariat have informed that there was no agenda item regarding uniform rate of sales tax for the meeting of the Northern Zonal Council. However, in the course of

(P. T. O.)

(ii)

deliberations this point came up for discussion and the Council felt that this could be appropriately discussed in detail by the Standing Committee of the Zonal Council at its convenience. Regarding financing resources there was no specific item on the agenda. However, it was felt that allocation of resources could be discussed by the Chief Ministers of the States at the meeting of the National Development Council.
