

[English]

**Setting up of Joint Venture Company  
Abroad**

3748. SHRI SUDHIR SAWANT: Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) whether the Government have received any proposal from foreign companies for establishing a joint venture company abroad in collaboration with Shipping Corporation of India.

(b) if so, the details thereof; and

(c) the reaction of the Government thereto?

THE MINISTER OF STATE OF THE MINISTRY OF SURFACE TRANSPORT (SHRI JAGDISH TYTLER): (a) No, Sir.

(b) and (c) Do not arise

**Assistance for Construction of Kodal  
Ghat Road**

3749. SHRI SUDHIR SAWANT: Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) whether the Union Government propose to provide assistance from the Central Road Fund for construction of Kodal Ghat Road connecting Belgaum with Goa;

(b) if so, the details thereof, and

(c) if not the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF SURFACE TRANSPORT (SHRI JAGDISH TYTLER): (a) to (c). Presumably, the Hon. Member is referring to a proposal for improvement of Belgaum-Jamboti-Kanakambli-Chorla-Goa Road estimated to cost Rs. 75 lakhs sponsored by the State Government of Karnataka under their Central Road Fund Programme for 8th Plan period. However, this proposal could not be processed for sanction since actual augmentation of the Central Road Fund as per the Revised resolution adopted by the Parliament on 13.5.1988 is yet to take place

[Translation]

**Loans from Foreign Financial  
Institutions**

3750. SHRI MOHAN SINGH. Will the Minister of FINANCE be pleased to state:

(a) the amount of short term and long term loans taken by the Government alongwith the rate of interest on such loans from various foreign financial institutions other than the World Bank and I.M.F. during the last three years; and

(b) the amount of short term loan repayed till now?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR). (a) Government do not resort to short term loan from foreign financial institutions other than the World Bank and IMF by the Government is given below:-

Institution	Amount (Rs. Crores)			Rate of Interest
	1988-89	1989-90	1990-91	
1. International Fund for Agricultural Development	29.33	17.92	8.48	Service change of percent

<i>Institution</i>	<i>Amount (Rs. Crores)</i>			<i>Rate of Interest</i>
	<i>1988-89</i>	<i>1989-90</i>	<i>1990-91</i>	
2. Asian Development Bank	20.28	36.23	325.17	6.5 per cent
3. Organisation of Petroleum	28.97	6.92	9.84	Service charge between 0.5% to 0.75%.

(b) Does not arise

#### **Evasion of Excise Duty by big Industries**

3751 SHRI MOHAN SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether the Government are aware that some of the big industries manufacturing consumer goods have set up units in the small scale sector also for getting the supply of manufactured goods at concessional rates of Central excise duty fixed for the small scale sector; and

(b) if so, the steps taken or proposed to be taken by the Government to check evasion of duty in such an illegal manner?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) As per the provisions of Notfn. No. 175/86-CE dated 1.3.86 vide which duty concessions have been granted to small scale industries, it is permissible to manufacture excisable goods in the small scale sector and to supply them to the big companies who market the same. The concession continues to be available as long as the transaction between the small scale manufactures and big industries are on principal to principal basis. Where the

goods are manufactured by the small scale manufacturer on job work basis, the concession is available if the relationship between the raw material supplier and the job worker is one of principal to principal. However, if from the facts of the case and the terms of agreement between the raw material supplier and the job worker, it can be established that the job worker is a dummy unit or is just a hired labour of the raw material supplier, then the raw material supplier would be the principal manufacturer and the benefit of small scale exemption to the job worker will not be available.

(b) Whether any case of misuse of the concession granted to small scale industries is noticed, appropriate remedial action to recover duty and impose penalty is taken. Anti-evasion machinery has been asked to step up their efforts to check evasion of duty inter alia by misuse of the concessions available to small scale industries.

#### **Imbalance in exports**

3752. SHRI MOHAN SINGH: Will the Minister of COMMERCE be pleased to state:

(a) the extent to which exports registered increase during the months of July, August, September and October, 1991 both in terms of rupee and dollars after the devaluation of