

Rajya Sabha, at its sitting held on the 13th March, 1974, agreed without any amendment to the Esso (Acquisition of Undertakings in India) Bill, 1974, which was passed by the Lok Sabha at its sitting held on the 5th March, 1974".

PUBLIC ACCOUNTS COMMITTEE
NINETY-EIGHTH REPORT

SHRI JYOTIRMOY BOSU (Diamond Harbour) I beg to present the Ninety-eight Report of the Public Accounts Committee on the action taken by Government on the recommendations contained in their Ninetieth Report on the Report of the Comptroller and Auditor General of India for the year 1970-71, Union Government (Civil), Revenue Receipts, relating to Union Excise Duties

1312 hrs

**STATEMENT RE LEVY IMPOSED
BY COTTON TEXTILES EXPORT
PROMOTION COUNCIL ON YARN
EXPORT**

MR SPEAKER. Prof Chattopadhyaya

THE MINISTER OF COMMERCE (PROF D. P. CHATTOPADHYAYA): Mr Speaker, Sir, on the 25th February, 1974, hon. Member, Shri Madhu Limaye, referred to the charge of....

MR. SPEAKER: In order to save time, he may lay it on the Table.

PROF. D. P. CHATTOPADHYAYA: I lay the statement on the Table.

Statement

On 25-2-1974 Hon'ble Member Shri Madhu Limaye, referred to the charge of Rs. 1/- per kg. recently imposed by the Cotton Textiles Export Promotion

Council on export of cotton yarn and questioned the Council's competence in levying this charge. The Cotton Textiles Export Promotion Council (Texprocl) is a body sponsored and recognised by Government as an export promotion agency. The Council has been providing useful service to exporters of cotton textiles by disseminating market intelligence and negotiating bulk orders. The Council has also been regulating exports of cotton textiles to quota countries so as to ensure that quota levels are not exceeded and maximum foreign exchange realisation is achieved within the limited quantum of export admitted by individual importing countries. It stands to the Council's credit that in the last three years exports of cotton textiles have risen very substantially as seen from the following figures

Year	Value (In crores of Rs.)
1971	110
1972	150
1973	194

As the Hon'ble Member may be aware, in 1972 the Texprocl entered into a conversion deal with Messrs. EXPORTILJON of USSR whereby 20,000 tonnes of cotton were to be supplied by Messrs EXPORTILJON and 127 million sq metres of fabrics and 4488 million pieces of towels were to be supplied by the Council. On account of the changes in the market position of cotton and cotton cloth within the country, this conversion deal has resulted in a substantial loss to the Council.

It is understood that the Council has levied a charge of Rs. 1/- per kg. of yarn exported, with effect from December, 1973, to make up a portion of the loss sustained. In view of the services being rendered by the Council to the exporting community and the need to maintain the Council's financial viability, Hon'ble Members will agree

[Prof. D. P. Chattopadhyaya]
that the charge imposed by the Council is not without justification.

The Hon'ble Member also referred to the collection of premium on imported cotton and the spindle-loom levy/turn-over levy being made by the Indian Cotton Mills' Federation (ICMF). Government has been impressing on the industry the need for stepping up export of cotton textiles in order to earn precious foreign exchange. Until the second half of 1973, our cotton textile exports were not, by and large, competitive in international markets. As such it was found necessary for the industry to assist exporters of cotton textiles by providing some cash incentives. These incentives have been financed from an Export Promotion Fund created by the I.C.M.F. The Fund has been built up from voluntary collections from the industry by way of premium on imported cotton and spindle/turn-over levy. Mr. Speaker, Sir, you would kindly agree with me that if the industry has been making a voluntary collection to support this export effort, there is hardly any occasion for Government to interfere in the matter. Moreover, I would like to mention that the accounts of the Export Promotion Fund under reference are audited every year by the Accountant General, Commerce, Works, and Miscellaneous of the Government of India. Till now, no major irregularities have been noted. Besides, the rates of incentive on different items of export are determined by a Penal prescribed by the Textile Commissioner. There is thus no arbitrariness either in fixing the rates of incentives or in the utilisation of the Export Promotion Fund.

Finally with regard to the reference made by the Hon'ble Member to the observations made some years ago by the Sub-Committee of the Public Accounts Committee in regard to the collections being made by the Indian

Cotton Mills' Federation, I understand that the then Secretary of the Ministry had appeared before the Sub-Committee and explained the context in which these voluntary collections were being made viz., to promote export of cotton textiles, and the Sub-Committee was satisfied about the rationale of the collection.

13.13 hrs.

BUSINESS OF THE HOUSE

THE MINISTER OF PARLIAMENTARY AFFAIRS (SHRI K. RAGHU RAMAIAH): With your permission, Sir, I rise to announce that Government Business in this House during the week commencing 18th March, 1974, will consist of:—

(1) Further discussion on the General Budget for 1974-75.

(2) Submission to the vote of the House of Demands for Grants on Account (General) for 1974-75.

(3) Discussion and voting on:—

Demands for Grants (Railways) for 1974-75

Supplementary Demands for Grants (Railways) for 1973-74.

Demands for Excess Grants (Railways) for 1971-72.

Supplementary Demands for Grants (General) for 1973-74.

(4) General Discussion on the Gujarat Budget for 1974-75.

(5) Discussion and voting on:—

Demands for Grants on Account for 1974-75 in respect of the State of Gujarat

Supplementary Demands for Grants (Gujarat) for 1973-74.