

[Shri T. T. Krishnamachari]

genuine one. There it is a matter where immediately we shall attract the intervention of the courts.

**Mr. Speaker:** All that I can suggest is that the Government may consider this, of course, after gaining experience in this regard as to whether any particular forms of rules or instructions can also be framed under the rules here.

**Shri T. T. Krishnamachari:** I shall certainly bear in mind the direction of the Chair.

**Mr. Speaker:** The question is:

"That the Bill be passed."

The motion was adopted.

#### CENTRAL EXCISE AND SALT (AMENDMENT) BILL

**The Deputy Minister of Finance  
(Shri B. R. Bhagat):** I beg to move:

"That the Bill further to amend the Central Excises and Salt Act, 1944, be taken into consideration."

This is a non-controversial Bill. It is proposed in the Bill to amend the Central Excises and Salt Act, 1944 in the following manner:

- (i) delete the proviso in clause 16 of sub-section (2) of section 37, and
- (ii) amend Explanation No. 2 to Item 12 of the First Schedule.

13.18 hrs.

[**MR. DEPUTY-SPEAKER** in the Chair]

The proviso referred to was in fact borrowed from the Iron and Steel Duties Act, 1934 which was consolidated along with other similar Acts into the Central Excises and Salt Act, 1944, and it specifically lays down the quantum of rebate to be granted on the

duty paid on steel ingots and articles of iron manufactured from such ingots on export out of India. This quantum is related to the excise duty in force in 1944 when the Central Excises and Salt Act was passed, that is Rs. 4 per ton. In the Finance (No. 2) Act of 1957 the excise duty on steel ingots has been raised to Rs. 40 per ton. It will, therefore, be necessary to revise correspondingly the quantum of rebate. This will necessitate an amendment of the clause in question.

In respect of other excisable goods, however, the quantum of rebate has been specified in the Act, but has been left to be regulated by the rules. It is, therefore, proposed to bring the position in regard to steel ingots into line with that prevailing in respect of the other excisable commodities by deleting this particular proviso in the clause in question.

It is also proposed in the Bill to amend Explanation No. 2 in Item No. 12 of the First Schedule to the Central Excises and Salt Act. In Item No. 12 the term "cotton fabrics" is defined to mean all varieties of fabrics manufactured either wholly from cotton or partly from cotton and partly from wool, rayon or art silk.

The rate of excise duty depends upon the average count of yarn. For the purpose of determining the average count of yarn, certain rules have been laid down in Explanation II under the item. In respect of the fibres other than cotton, in commercial practice, the idea of 'count' i.e. a ratio between weight and length of yarn is expressed in different terminology. For example, in the case of rayon art silk, the expression used is a "denier" and in the case of wool, it is called "Yorkshire Skein". On purely technical grounds some doubts have therefore been expressed as to how far the use of the expression 'count' in the tariff can be actually related to yarns made out of other fibres. To put the matter beyond

\*Moved with the recommendation of the President.

doubt and to provide a uniform basis for determining the average count, it is proposed to insert a new rule in the explanation II to the effect that in the case of fabrics manufactured out of cotton and other yarns, such other yarns shall be deemed, for the purpose of determining the average count of yarn, to be cotton yarn. With these words I move.

**Mr. Deputy-Speaker:** Motion moved:

"That the Bill further to amend the Central Excises and Salt Act, 1944 be taken into consideration".

I find that there are no speakers.

**Shri B. S. Murthy:** The Bill is non-controversial.

**Mr. Deputy-Speaker:** The Minister did not say that. I find that there are no amendments. I shall now put the Motion to the vote of the House.

The question is:

"That the Bill further to amend the Central Excises and Salt Act, 1944 be taken into consideration".

The motion was adopted.

### Clauses 1—3

**Mr. Deputy-Speaker:** There are no amendments. I shall therefore put all the clauses together. The question is:

"That clauses 1 to 3, the Enacting Formula and the Title stand part of the Bill".

The motion was adopted.

Clauses 1—3, the Enacting Formula, and the Title were added to the Bill.

**Shri B. R. Bhagat:** Sir, I move:

"That the Bill be passed".

**Mr. Deputy-Speaker:** The question is:

"That the Bill be passed".

The motion was adopted.

### INTERIM REPORT OF THE LIFE INSURANCE CORPORATION

**Shri Sadhan Gupta (Calcutta East):** Mr. Deputy-Speaker, Sir, beg to move:

"That the interim report on the activities of the Life Insurance Corporation be taken into consideration".

As I was reading the report, I was struck by the failure to pinpoint the real problems confronting the Corporation and the real features regarding the upsurge of its activities and the expansion of its business in quantity and in quality. Cases of inefficient functioning have not been few in number. The attitude of the Government has not been to see that the Corporation is doing as well as the private sector. Indeed, I am a little surprised that a little consideration of the report will show that judged partly by the standards of the private sector, the Corporation has not fared so badly and its business is by no means less than the private sector. For instance in 1956, the placement was Rs. 240 crores and at the normal rate of completion of business, that is to say, even allowing for 1 per cent. non-completion, the output of new business might have been about Rs. 238 crores, which is the highest new business figure in the private sector. This has happened in spite of the fact that the output on account of staff insurance, married women policy and Estate duty policy has decreased and is bound to decrease further. In regard to the placement of Rs. 240 crores, we must take into account the adverse circumstances in order to arrive at an unbiased comparison with the private sector. We may make allowance for the chaotic conditions that followed nationalisation, the adverse reaction that was created by the announcement about the reduction of the amounts payable on policies in respect of the different companies and the chaotic disorganisation in the wake of the setting up of the Corporation. Above all, there was the colossal loss of business that took