

**Eighth Series, No. 40**

**Friday, April 25, 1986**  
**Vaisakha 5, 1908 (Saka)**

# **LOK SABHA DEBATES**

**Fifth Session  
(Eighth Lok Sabha)**



सत्यमेव जयते

**LOK SABHA SECRETARIAT**

**New Delhi**

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# LOK SABHA DEBATES

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## LOK SABHA

*Friday, April 25, 1986a/Visakha 5, 1908*  
(SAKA)

*The Lok Sabha met at Eleven of the  
Clock*

[MR. SPEAKER in the Chair]

### OBITUARY REFERENCE

[English]

MR. SPEAKER : Hon'ble Members, I have to inform the House of the sad demise of Shri Prafulla Chandra Borooah who was a Member of the Second and Third Lok Sabha during 1957-67 representing the Sibsagar constituency of Assam.

An able Parliamentarian, he took active interest in the proceedings of the House. A veteran freedom fighter, Shri Borooah participated in the freedom struggle from an early age and suffered imprisonment.

A well known social worker, he dedicated himself to the removal of untouchability. Shri Borooah was an active trade unionist. He was associated with several trade unions and educational and cultural organisations in various capacities.

Shri Borooah passed away at Sibsagar town on 28 February, 1986 at the age of 86 years.

We deeply mourn the loss of this friend and I am sure the House will join me in conveying our condolences to the bereaved family.

2

The House may now stand in silence for a short while as a mark of respect to the deceased.

*(The Members then stood in silence for  
a short while)*

## ORAL ANSWERS TO QUESTIONS

[English]

### Claim of NTC Against National Consumer Co-Operative Federation

\*803. DR. V. VENKATESH :

SHRI ATISH CHANDRA SINHA :

Will the Minister of TEXTILES be pleased to state :

(a) whether the National Textile Corporation has a large sum outstanding against the National Consumers Cooperative Federation and also one of its subsidiaries ;

(b) if so, the facts thereof ;

(c) whether a negotiated settlement is proposed to be worked out ; and

(d) if not, the reasons thereof ?

THE MINISTER OF STATE OF THE  
MINISTRY OF TEXTILES (SHRI  
KHURSHID ALAM KHAN) : (a) to (d).  
A Statement is given below.

### Statement

(a) and (b). The total outstanding dues payable by NCCF to various subsidiary corporations of NTC were about Rs. 14.66 crores as on 28.2.1986,

(c) & (d). The payment of amounts by NCCF for goods supplied to NTC subsidiaries is discussed and reviewed from time to time. However, NTC (WBABO) has filed a civil suit against NCCF/Adarsh Bazar Wholesale & Retail Consumer Cooperative Stores Ltd. Patna and others since outstanding amounts could not be recovered through negotiations.

**DR. V. VENKATESH :** Sir, the outstanding dues from the NCCF are about Rs. 14 crores. Actually this NCCF also comes under the purview of the Government of India but the hon. Minister has said that the NTC of West Bengal has gone to the court to settle the matter. Actually, the CMD of the Calcutta NTC and the Commercial Manager of the NTC, West Bengal are in collusion with some vested interests and to delay the matters they have gone to the court. Though NCCF and NTC come under the Government of India, I cannot understand why they are treating this NCCF as a private agency and are fighting in the court of law. I cannot understand these delaying tactics, particularly of the CMD and the Commercial Director of the NTC, West Bengal. I would like to know what action is going to be taken by the Government, particularly against these persons.

**SHRI KHURSHID ALAM KHAN :** Sir, in the first instance, I would like to mention that this Rs. 14.66 crores represents the cost of the controlled cloth which is a normal thing for about 4-5 week's supply of controlled cloth. The other matter about which the West Bengal subsidiary has gone to the court is for about Rs. 2 crores representing the cost of the non-controlled cloth which was supplied to Adarsh Bazar, which is an associate of NCCF. All possible efforts were made for settling the matter by negotiations but unfortunately the NCCF did not agree for any payment. Therefore, there was no option left but to go to the court because it was getting time-barred.

**DR. V. VENKATESH :** Sir, I am not at all happy with the answer given by the hon. Minister. But with all that, I am

asking a categorical question from him. The NTC in this country is a temple of corruption in all respects and the common man's money is being wasted like anything. Therefore, I want to ask a straight question from the hon. Minister whether there is any time-bound programme to renovate this temple of corruption in this country.....

*(Interruptions).*

**AN HON. MEMBER :** Not temple of corruption.

**MR. SPEAKER :** If it is already a den of corruption.....—

*(Interruptions)*

**PROF. MADHU DANDAVATE :** You say den of corruption.

**DR. V. VENKATESH :** I stand corrected, Sir. What I wanted to say is den of corruption.

**SHRI SURESH KURUP :** Nowadays temples have also become dens of corruption.

**SHRI KHURSHID ALAM KHAN :** We have no difference with the hon. Member regarding the need for eradication of corruption from the NTC and so on. We are making all possible efforts in that direction and for the information of the hon. Member I would like to say that only last week the services of two Directors of the West Bengal Subsidiary have been terminated. *(Interruptions)* Also, I would like to add that immediately I got letters from some Members of Parliament asking why services have been terminated.

**AN HON. MEMBER :** Who are they ?

*(Interruptions)*

*[Translation]*

**SHRIMATI KRISHNA SAHI :** Mr. Speaker, Sir, the hon. Minister has stated that he is making earnest efforts to eradi-

cate corruption. He has also stated that he has terminated the services of two Directors. We are glad to know this. I would like to state that the cloth that was supplied to Adarsh Bazar Stores Ltd. by the NTC was openly sold in the Calcutta market and bungling to the tune of crores of rupees has been done in this transaction. Only they know why and how cloth found its way in the market. But I would like to know from the hon. Minister whether it is a fact that the very officer who exposed this corruption and proved this embezzlement worth crores of rupees and black-listed the Adarsh Bazar Stores Ltd. has been put under suspension? The one who has indulged in corruption and has embezzled money still continues to hold office. The newspapers had also carried this report. Even two or three Members of Parliament have written about it, but no reply has so far been given.

MR. SPEAKER : What do you think should the people indulging in such acts.....

(Interruptions)

SHRI KHURSHID ALAM KHAN : Sir, whenever a person is removed from service, such an action is not taken without paying due consideration to the matter. Of the persons who had supplied cloth to Adarsh Bazar Stores Ltd., three persons have been found guilty during the inquiry and put under suspension. Inquiry against them is being held. They cannot escape punishment on this score.

MR. SPEAKER : She says that those who were found guilty have been allowed to go unpunished whereas the one who exposed the guilty has been put under suspension.

SHRI KHURSHID ALAM KHAN : The one who has been put under suspension was not involved in this case. instead, he was involved in another case of corruption.

SHRIMATI KRISHNA SAHI : They have not been able to bring any evidence against those who indulged in corruption.

He only knows what has been told to him by his officials.

[English]

SHRI THAMPAN THOMAS : Regarding controlled cloth, it appears from the answer given by the Minister that NCCF is to pay Rs. 14 crores and odd to the NTC. Is it because of the recent change of policy ?

[Translation]

MR. SPEAKER : It is strange state of affairs that Rs. 14 crores were paid without examining anything.

[English]

SHRI THAMPAN THOMAS : What happened was this. I would like to bring to the notice of the Government that the policy of distribution of controlled cloth has recently been changed. The subsidy element which was paid through NCCF has been shifted to NTC. The NTC is pricing controlled cloth at the same market price rate forgetting the subsidy element. And therefore it is not sold. Will the Government enquire into the question of stockpiling of controlled cloth in various State level godowns which are not sold on account of defective production and policy change of NTC ? Will it be taken back by the NTC and the accounts will be adjusted and the cooperatives relieved of the responsibility of the stocks ?

SHRI KHURSHID ALAM KHAN : May I reply to your query or this ?

MR. SPEAKER : I would like you, Mr. Minister, to go into it because this has been asked by several Members.

(Interruptions)

SHRI KHURSHID ALAM KHAN : The entire Board of the Subsidiary had gone into the whole question and they came to the conclusion that this was the responsibility of the officers concerned and therefore their services were termina-

ted. But I can also say that some people can always find some excuse or the other.

[Translation]

SHRIMATI KRISHNA SAHI : Mr. Speaker, Sir, you allow Half-an-Hour discussion on this issue.....(Interruptions)

[English]

SHRI THAMPAN THOMAS : Sir, my question has not been answered.

SHRI KHURSHID ALAM KHAN : As regards your question about Rs. 14.66 crores, I have already said that this represents the supply of controlled cloth for a period of 4 to 5 weeks and that is the regular payment received and supplies are made. There is nothing very unusual about it.

As regards the supply and distribution of the controlled cloth, the hon. Member knows that distribution is done by the NCCF and the Supply Department in the States. If there is any complaint about any defective cloth which has been received at any depot, certainly it should be brought to our notice and we will take it up with the subsidiary concerned and see that the matter is rectified.

#### Items for Production in Handloom Sector

\*805. SHRIMATI USHA CHOUDHARI : Will the Minister of TEXTILES be pleased to state :

(a) whether Government propose to enlarge the list of items for production in the handloom sector and ensure its strict enforcement ; and

(b) if so, the details thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) and (b). Government of India have already issued a Notification reserving 22 items for

exclusive production in the handloom sector under the new "Handloom (Reservation of Articles for Production) Act, 1985." For stricter enforcement, three Regional Offices of the office of the Development Commissioner for Handlooms have already been opened at Delhi, Pune and Coimbatore.

[Translation]

SHRIMATI USHA CHOUDHARI : Mr. Speaker, Sir, the hon. Minister has stated in his reply and otherwise also the new Textile Act which has been passed in 1986 envisages encouragement to the occupation of traditional weavers that provides livelihood to crores of people. But I would like to know from the hon. Minister whether Government propose to give some subsidy to provide new equipment and technology to the handloom weavers ?

SHRI KHURSHID ALAM KHAN : Sir, no arrangement is being made so far as the question of giving subsidy is concerned. But, we have made arrangements to ensure that they produce quality cloth so that it fetched a higher price. Therefore, they are being given training in the manufacture of polyester cloth and for this purpose they are being supplied duty-free polyester.

PROF. MADHU DANDAVATE : The question is of technology.....

SHRI KHURSHID ALAM KHAN : We have 24 such weavers centres where they are imparted this training.

SHRIMATI USHA CHOUDHARI : Sir, I do not want to be drawn into a discussion, but the arrangement that has been made by the Government.....

MR. SPEAKER : You can do so.

SHRIMATI USHA CHOUDHARI : The existing arrangement has not benefited the weavers centres. They remain without work for days together for want of yarn. I do not want to say much on this, but you had made an arrangement

under which *dhotis* and *sarees* were to be exclusively manufactured and sold by them. But what we see today is that the powerlooms and the mills manufacture the same type of cloth and sell it in the market after sticking a handloom label. This too will have to be stopped.

At the same time, I would like to ask you a practical question. We do encourage them to manufacture various varieties of cloth, but at the same time, we should also make some arrangement for its marketing. We should make arrangement to give handloom cloth to the poor workers in the same way as we give food-grains to the labourers under the Employment Guarantee Scheme.

SHRI KHURSHID ALAM KHAN : I too do not want to be drawn into a discussion.....

MR. SPEAKER : Have you decided or not ?

SHRI KHURSHID ALAM KHAN : But I would say that this time we have increased the number of reserved items from 11 to 22 ; *dhoti* and *saree* is one of them. I am sure, hon. Shri Dandavate will interrupt me.....

PROF. MADHU DANDAVATE : I have said only this much that you have taken off even the *dhoti* and *saree* of the powerloom sector.

SHRI KHURSHID ALAM KHAN : Now I want that they should wear payjama.

So far as the question of hon. lady Member regarding marketing is concerned, we have written to the State Governments to bring all the weavers in their respective States under the Cooperative sector. Once they come under the cooperative sector, they would be able to get better credit facilities. Secondly, they would get marketing facilities through the cooperatives. This work is to be done by the States and not by the Centre. On our part, we continue to bring it to the notice of the State Governments.

-[English]

SHRIMATI SHEILA DIKSHIT : Mr. Speaker, Sir, I would like to know from the hon. Minister the fate of those handloom weavers in those areas where some stays have been taken by mills. What is going to be their condition ? Are they going to be stopped from producing these 22 items which have been reserved and set aside for the handloom sector ? Is the Government going to take some action to vacate the stays which are taken by the powerloom and mill-made sectors ? These poor people are left with no reserved items at all, as a result of this stay.

SHRI KHURSHID ALAM KHAN : Sir, that is a very simple question. Reservation means, certain items have been reserved for the handloom sector and, therefore, the handloom sector will produce those items. The enforcement authorities will be there to ensure that there is no encroachment or infringement of these things meant for the handloom sector.

[Translation]

PROF. MADHU DANDAVATE : She has raised the issue of stay.

[English]

SHRI KHURSHID ALAM KHAN : In one or two States, they have taken the stay order. We are going to fight it out and see that the stay orders are vacated.

SHRI P. KOLANDAIVELU : In the proposed list, actually it has been enlarged from 11 to 22 items. But unfortunately, you have not added the main item, i.e. Madras handkerchief. You have not added it. I want to put a question.

As early as in 1954-55, the Madras handkerchief was exported to Nigeria and other countries which earned a foreign exchange of more than Rs. 18 crores. But unfortunately, you have stopped and you have not added it in the list. Even our hon. Chief Minister of Tamil Nadu has written a letter to you straight-away

asking to add this item in this proposed list. But you have not added it for the last two years. I would request the hon. Minister to give an answer, a positive answer whether you are going to include this item or not by which the country will earn a foreign exchange of more than Rs. 20 crores.

**PROF. MADHU DANDAVATE :** Let one section start with ladies' handkerchief.

**SHRI KHURSHID ALAM KHAN :** Sir, the list has been prepared and approved with the recommendations of the special committee which was appointed to look into this question in detail and their recommendations have been accepted. I would only like to say to the hon. Member that let us see how this list works out and then, we will see, what should be done later on because this is subject to revision and review from time to time.

**SYED SHAHABUDDIN :** Mr. Speaker, Sir, I am sure, all of us in the House welcome the move by the Government to reserve more items for the handloom sector. The number has been increased from 11 to 22 items.

I would like to know from the hon. Minister what does it mean in terms of the production potential. That is to say, for meeting the demands of those 11 items, there was a certain quantum of production, and then by increasing it to 22, by what percentage have you increased the production potential? And does the handloom sector today have the capacity to meet that production potential?

**SHRI KHURSHID ALAM KHAN :** Sir, the committee which went into the whole question came to the conclusion that the handloom sector is capable of producing the items which are being reserved for them. But at the same time, we have given three month's time for the change-over in order to ensure that the handloom sector's capacity and capability is fully utilised for producing these 22 items.

**SYED SHAHABUDDIN :** What does

it mean in terms of increase of production potential, does it mean 50% increase or what does it mean in terms of square metres?

**SHRI KHURSHID ALAM KHAN :** It will mean almost double.

#### Take-Over of Sick Sugar Mills

**\*807. PROF. MADHU DANDAVATE :** Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether it is a fact that provision for take-over of the sick industrial units by Government has been made through the enactment of a special law ;

(b) if so, how many sugar mills have been located as 'Sick Mills' ;

(c) how many of these mills have been taken over by Government ;

(d) how many of them belonged to the co-operative and private sectors ; and

(e) whether the rest of the sick sugar mills are likely to be taken over ?

**THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A.K. PANJA) :** (a) to (e). A statement regarding Sick Industrial Unit is given below.

#### Statement

(a) The subject matter of taking over of sick industrial units is not within the purview of this Ministry. However, the Sick Industrial Companies (Special Provisions) Act, 1985 which came into effect on 8.1.1986 provides *inter-alia* for sanctioning by the Board for Industrial & Financial Reconstruction, of schemes for the proper management of a sick industrial company by change in, or take over of, management of the sick industrial company.

The Board has not yet been constituted.

(b) to (e). In view of (a) do not arise.

**PROF. MADHU DANDAVATE :** They are laying so many papers on the Table of the House that there is no place at all.

Firstly, in giving the reply in the first part, the hon. Minister said "The subject matter of taking over of sick industrial units is not within the purview of this Ministry." Normally, when we send to your Office our Questions, if the Ministry concerned feels that it does not concern them at all, I think, the first duty is to inform the Hon. Speaker that it may be transferred to some other Ministry. Why should the questioners unnecessarily suffer in the quarrel for jurisdiction? I would have recommended that merge both the Ministries together. But anyway....

**MR. SPEAKER :** That may be the ultimate aim.

**PROF. MADHU DANDAVATE :** That might be the object. It is an indirect thing. Though the hon. Minister said that it does not fall within the purview of his Ministry, he has said "However, the Sick Industrial Companies (Special Provisions) Act, 1985 which came into effect on 8-1-1986 provides *inter-alia* for sanctioning by the Board for Industrial & Financial Reconstruction etc...The Board has not yet been constituted." Therefore, no reply can be given. ! After getting such a great big discretion of what is to be done and what has to be done, if that is not done, what can I do? In spite of the Board not being appointed....

**MR. SPEAKER :** You still intend to ask him !

**PROF. MADHU DANDAVATE :** I have put the question in a manner that the hon. Minister will not find any embarrassment in allowing that. Therefore, I ask him though the Board is not set up, from his general knowledge and common sense, can the hon. Minister tell

us in various States and particularly in Maharashtra, how many sick mills are there and what is the reason that they have become sick and is it a fact that some of them are already taken over by the Government but later on under some pressure of the rival factories.....

**AN HON. MEMBER :** Sugar mills.

**PROF. MADHU DANDAVATE :** I am referring to sugar mills. My question is about sugar mills.

**SHRI A.K. PANJA :** I hope it is not about textile mills !

**PROF. MADHU DANDAVATE :** No, I will come to that. Therefore, can you give me the information ? Then I will come to the other portion because I have correspondence with his predecessor. The trouble is the moment we send any letter, the Minister gets changed. Therefore, the former reply gets out-dated.

Therefore, can the hon. Minister tell us how many mills, according to his knowledge, had become sick mills they were taken over and because of the pressure of rival sugar factories, again that take over of the management, was annulled ? I would like to know that.

**SHRI A.K. PANJA :** So far as the first portion is concerned, if the hon. Member addresses a question to a particular Department, usually from the parliament Question and Answer Division, it goes straight to the Department. Then when we find that it does not concern us, then we have a dialogue with the Parliament Section and after that, we send it to the Department concerned which is supposed to answer. But if they do not agree, then we have to answer. That is the procedure, I am told. So, the hon. Member, in his long experience....(*Interruptions*) should have found out that the question is regarding sick industrial units, not sick sugar industry. Naturally the Finance Division is concerned with the sick industrial units.

Secondly, so far as the study of sick sugar mills is concerned, there is no study as such. But we have found from our own records that those mills which have plants having below 1,250 TCD capacity, are considered to be economically not viable. Therefore, this is one of the criteria.

The second point is sugar industry being very old in our country, some have become very old like some 172 sugar factories have become 25 or more years' old. There also, not only because of the age, but because of non-viability if the machinery becomes old, they become sometimes non-efficient, we are using the word, non-efficient, about production. They are non-efficient because of less sugar cane growth in the country or in the command area.

So far as handing over of certain sugar factories which were taken over under the 1978 Act, is concerned there were 8 such sugar factories taken over. The management was taken over under 1978 Act. The details are here, but they were, handed over back, that is, denotified because the term of take-over expired and the Government found that there was no reason for extension. Three conditions were set down for the purpose of taking over. That is : if there are losses, if they cannot pay the cane-growers and if they have outstanding dues to be paid to the cane-growers. Then they are taken over. And after the duty of the government is over, it is handed over back. Out of the 8, all were asked to be handed over. 5 have already taken over willingly. So far as three factories, are concerned namely, Deoria Sugar Mills, UP, Sitaram Sugar Mills, U.P. and Sakseria sugar mills U.P. initially all these three refused to take them back. The last one, that is, the Sakseria Sugar Mills agreed that it is seriously considering taking back and negotiations are going on. The other two have not agreed. So the ex-Custodian has been asked to look after the protection of the property.

PROF. MADHU DANDAVATE : The second question arises out of my correspondence with your predecessor, Mr.

Singh Deo but, unfortunately, Ram Swarup came in my way. Therefore, I have to ask you that question.

What happened—I will concretely frame my question. Certain private sugar mills in Maharashtra were getting some sugar cane for their factories but later on it was diverted to some other co-operative factories. I do not want to go into what was the politics and all that. But it was diverted and these people were starved of sugar cane quota and as a result of that, they made a concrete proposal to this Government and I want to ask a question about that proposal.

The concrete proposal is that if we are not able to arrange to give sugar cane quota to these private mills which are closed, in that case, will you allow them to import raw sugar for refining and processing so that they will be able to undertake that and keep the factories going on so that thousands of workers will not be robbed of their jobs? The Trade Unions and the management jointly made that proposal and I have the reply which says, 'The matter is under consideration'. Next time the reply was 'The matter is under active consideration.' Now tell me what adjective will you use as far as the consideration of this concrete proposal is concerned? Either give them the sugar cane quota or accept their demand for import of raw sugar which can be refined and reprocessed so that the work can go on and the workers do not lose their jobs.

SHRI A.K. PANJA : I hope in the meantime another Ram Swarup will not intervene with me.

So far as whether it is under consideration or under active consideration, is concerned I would have used the usual phraseology 'being looked into', but I do not want to use that, the hon. Member being a senior member.

So far as the demand for import of raw sugar is concerned, the Government has decided not to do so. The reasons are that even though various sugar mills not only in Maharashtra but from other States also made a representa-



tion, we made a calculation as to what would be the cost and what would be the price if the import takes place and, thereafter, what would be the end price. We found that import of raw sugar will not be convenient so far as the end users are concerned. (2) Immediately the import takes place a feeling comes in, a sense of feeling comes in in the minds of farmers not to grow. You will remember PL 480. Immediately PL 480 was stopped, activities started. Therefore, import means that the sensitive activity in the mind that they must grow and become self-sufficient goes out. That is why at this stage we have decided not to import any raw sugar.

So far as sugar cane growing is concerned, it is the responsibility of the State and therefore, it is for them, the State of Maharashtra or in fact any other State, to see that the proper command area of a particular sugar factory gets sufficient sugar-cane for the purpose of crushing. So far as the cooperative is concerned, no politics is involved. Definite policies we have stated on the floor of this Parliament, to encourage cooperatives so far as sugar production is concerned; secondly on the public sector and thirdly on the private sector.

**PROF. MADHU DANDAVATE :** Why not you use your good offices with the Maharashtra Chief Minister ? Recently, he has gone from here only. You try to use your good offices so that the sugar-cane will be available and the workers do not lose their job.

**SHRI A.K. PANJA :** Prof. Dandavate knows the Chief Minister more than what I know.

**MR. SPEAKER :** You can use his good offices.

**SHRI ASUTOSH LAW :** Sir, since sugar is an essential commodity, obviously the demand is more. But unfortunately, we are not producing sufficient sugar to meet our demands. We are importing sugar from outside and wasting our foreign exchange. The hon. Minister has told us that these are sick mills. May I know from the hon. Minister

as to how many sugar mills are there in India and with this break-up how many are in cooperative sector; how many are in public sector, how many are in private sector and out of those sugar mills how many are sick now, not functioning well. I would also like to know as to what steps the State Governments have taken to make them viable and last but not the least, what is the position of the two sugar mills in West Bengal.

**SHRI A.K. PANJA :** The hon. Member has asked, in fact, four questions when you have allowed it as connected matter.

**MR. SPEAKER :** You select any good one. You have been given option.

**SHRI A.K. PANJA :** So far as the first question regarding the number, we find from our records that in the cooperative sector—whole of India—there are 193 sugar-mills; in the public sector there are 43 mills and in the private sector, there are 130 mills. Total as on date is 366. The details of which one is sick, as I said, no study has been made. But we have categorised some by saying that they are non-efficient. Out of that, we find 172 factories are 25 years old or more and 75 factories have capacities less than 1250 TCD. Of this 75 factories, cooperative sector is having 6, public sector 30, and the private sector 39. So far as the steps being taken are concerned, there are various steps. I cannot give all the details. It will take time. But the answer in short, is that soft-loan scheme is there. The scheme envisages expansion of the crushing capacity upto 1500 TCD; then, improvement of the thermal efficiency; installation of saving devices and then sugar development fund is there from where the applicants were given benefits, if they satisfy the parameters for the purpose of modernisation their factory and also growing sugar-cane. The third one is loans for sugar-cane development. These are the major points.

[Translation]

**SHRI PRAKASH V. PATIL :** As the sugar mills in the private sector in Maha-

rashtra do not have producer members on their management, they are not able to go in for production. The cooperative sector has demanded that such mills be run in the cooperative sector. What is Government's opinion about it ?

[English]

SHRI A.K. PANJA : Sir, taking over of factories does not solve the problem and that is why the new Act has been passed during 1985, and it came into operation on 8th January 1986 by which the management is sought to be taken over for the purpose of improving the efficiency i.e. old blood is changed and new blood is injected with people having good knowledge about sugar. Therefore, taking over of factories does not solve the problem.

[Translation]

**Report of Committee appointed on Imposing Tax on Expenditure**

\*808. SHRI JAGDISH AWASTHI : Will the Minister of FINANCE be pleased to state :

(a) whether Government have received the report of the Committee appointed to go into the question of imposing tax on the basis of expenditure;

(b) if so, the details of recommendations made therein;

(c) if not, the time by which the report of the Committee is likely to be received; and

(d) the progress made by the Committee in its work so far ?

[English]

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) No, Sir,

(b) Does not arise.

(c) The report is expected to be received by the 31st December, 1986.

(d) The Study Group has held several meetings since its formation. In order to elicit opinion from various groups on issues arising out of its terms of reference, the Study Group has sent a questionnaire to important organisations of business, industry, trade and profession and also to eminent economists, professional experts and academicians of the country and outside. The replies are awaited.

[Translation]

SHRI JAGDISH AWASTHI : Sir, the hon. Minister has stated that the report is expected to be received by 31st December, 1986. I would like to know who are the members of this Study Group and to how many persons the questionnaire has been sent and how many of them have returned it duly filled up ?

[English]

SHRI JANARDHANA POOJARY : The member of the Study Group are : (1) Dr. Raja J. Chelliah, Member, Planning Commission—Chairman ; (2) Dr. Amaresh Bagchi, Director, National Institute of Public Finance and Policy—Member ; (3) Shri C.K. Tikku, Member, CBDT, Department of Revenue—Member; (4) Prof. Pulin Nayak, Reader, Delhi School of Economics—Member ; (5) Shri P.A. Nair, President, Institute of Chartered Accountants of India—Member ; (6) Dr. C. Rangarajan—Member; (7) Shri Kanwaljeet Singh New Delhi—Member-Secretary. So far as the number of people who have replied to the questionnaire is concerned, we do not have the figures.

[Translation]

SHRI JAGDISH AWASTHI : Sir, I would also like to know from the hon. Minister how many sittings this Committee has held so far and where have they been held ? Besides, was the same questionnaire circulated to the M.Ps. and M.L.As also ? If not, whether it is proposed to circulate it to them also ?

[English]

SHRI JANARDHANA POOJARY : A number of meetings have been held.

The details of these, I will write to the hon. Member. So far as the questionnaire to be sent to hon. Members of Parliament is concerned, I will see that it is sent.

**DR. G.S. RAJHANS :** In view of the fact that it is a very important Committee, will the hon. Minister consider publishing the questionnaire in newspapers and elicit the opinion of the general public also ?

**SHRI JANARDHANA POOJARY :** It is a good suggestion.

I will see that it is published in the newspaper also.

[Translation]

**SHRI GIRDHARI LAL VYAS :** Mr. Speaker, Sir, I would like to know from the hon. Minister how much time has passed since this Committee was set up and what progress has so far been made by the Committee ? Besides, who are the people represented on this Committee ? Is there any proposal to keep M.Ps., M.L.As. and the people from the lower strata on this Committee ? This is one such matter which affects the big people. The people who have been nominated to this committee are delaying the submission of the report. I want to know from the hon. Minister what immediate steps he is going to take to see that its report is submitted as early as possible ?

[English]

**SHRI JANARDHANA POOJARY :** The Committee has been set up after the Government of India Resolution dated 13-12-1985. Much time has not elapsed and they are doing their work, and representation has been given. If the hon. Member thinks that more representation should be given, we will look into that. But what I want to tell the hon. Member is this: if they have got any representation to be made, they could send the representation to Dr. Chelliah or to the Committee, and they will look into all these aspects.

### Purchase Programme of Jute Corporation of India

\*810. **SHRI PRAKASH V. PATIL :** Will the Minister of TEXTILES be pleased to state :

(a) whether Government have received complaints that the purchase programme of the Jute Corporation of India gets delayed and it stops purchasing before October with the result that the farmers are exposed to sale to traders at a low price ;

(b) if so, whether paucity of funds is inhibiting the Corporation to play their full role to give relief to the jute growers ; and

(c) if so, the steps being contemplated to improve the functioning of the Jute Corporation of India particularly its purchase programmes ?

**THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) :** (a) A Statement is given below.

(b) & (c). There is no fund constraints for purchase of raw jute/mesta under price support operation as RBI has made available necessary funds to JCI on "as required" basis.

### Statement

In order to protect the interests of jute growers and to check fall in raw jute prices Jute Corporation of India (JCI) commenced commercial purchases of raw jute from early, August, 1985. No purchase was called for in July, 1985 as raw jute prices remained well above the operational level. JCI started price support operation as soon as prices come down the support level in mid-September 1985. Price support operation for white and tossa jute continued till end of March, 1986 and for mesta, which comes late in the market, is still continuing. JCI has made a record purchase of about 27.92 lakh bales in the current jute season (1985-86) surpassing all past records.

[Translation]

**SHRI PRAKASH V. PATIL :** Mr. Speaker, Sir, last year the price of jute bags had risen from Rs. 8 to Rs. 16 but its benefit did not go to the farmers ; the traders cornered the entire benefit. At the same time, the consumer had to suffer because he had to pay a higher price. This had an indirect bearing on the price of other commodities as well. I want to know what steps the Government propose to take to bring improvement in this regard and the time by which such steps would be taken ?

**SHRI KHURSHID ALAM KHAN :** Sir, it has been our effort to see that the Jute Corporation of India purchases jute only from those who actually produce jute. We had sent this proposal to the State Government with the instruction to issue certificates to the jute growers so that jute could be purchased on the basis of those certificates and that nobody else could bring the jute for selling.

So far as purchase is concerned, we continue to purchase jute and this year our purchases have touched a new record of about 28 lakh bales. Besides, it is for the first time that we have built a buffer stock of 6 lakh bales of jute so as to stabilize its price.

**SHRI PRAKASH V. PATIL :** Its raw material is a good packaging material. What steps Government contemplate to increase its consumption ?

**SHRI KHURSHID ALAM KHAN :** The Government are taking all possible steps. But the difficulty is that the synthetic material is doing a great harm to jute. We have brought it to the notice of the Industry Minister and now it has been decided that a representative each of the Ministry of Industry, Ministry of Textile and the Government of West Bengal would sit together and think how balance between the two materials could be struck so that jute is not affected and at the same time synthetic material is also is used.

[English]

**SHRI V. KISHORE CHANDRA S. DEO :** Sir, I represent a part of the country where "Mesta" is not only grown in large quantity, but it is also the main crop because it is grown in dry lands by the farmers who own three to five acres of land. The Hon. Minister, in the statement laid on the table of the House has stated that till the end of March 1986 and even later on "Mesta" has been purchased and that too he has stated that record purchases have been made. This record purchase does not matter in certain circumstances because in the three northern districts of Andhra alone the estimated produce this year was 16 lakh quintals. I do not know how much has been purchased from the three northern districts of Andhra alone as far as "Mesta" is concerned. One of the reasons given by the JCI as to why the purchases have not been made is that they do not have godown facilities. The rent that you provide for godown is 25 ps. or 30 ps. which was fixed 15 years back. So, unless you revise the rates, it is not possible to get godowns. I would like to know whether there is a proposal to increase the rates that you pay for godowns, so that you can get to stock them. If not, then at least you can make use of the open agricultural market yards and stock the "Mesta" there. They say that we do not have permission to stock "Mesta" in the open market. So, if you get the permission from the Centre we can have no objection to purchase it. So, you will either have to increase the rent or you will have to allow them to stock it in the open yards. You will have to step up the production because still the plight of the farmers is very very bad. In the next year they will have nothing to put up for their livelihood unless some measures are taken immediately.

**SHRI KHURSHID ALAM KHAN :** As I have already stated, we have made the record purchase this year. The production was also about 100 lakh bales of jute this year. But at the same time when we have started the buffer stocking, this will help in stabilising the prices in future.

Another problem about the godown is that the jute production is very erratic. Sometimes it is 100 lakh bales and sometimes it is much less. So, we have to take the godowns according to the requirement each year. I can assure the Hon. Member that as far as the requirement of the godowns is concerned, we would ensure that the necessary godowns are available for the quantity of jute that we purchase.

**SHRI CHINTAMANI PANIGRAHI :** May I know from the Hon. Minister, while appreciating that the Jute Corporation of India is trying to have more purchase of jute from the farmers, whether the Minister is aware that in Orissa a large number of jute growers had to sell their jute products at distress sales. It was widely discussed in the Assembly and the State Government also tried to bring it to the notice of the Central Government. But the Jute Corporation was not able to purchase adequately from the jute growers of Orissa. Therefore, they lost heavily. Will the hon. Minister think of having a separate headquarter for JCI in Orissa itself so that they can directly go to the farmer and not depend on the middleman who exploits the farmers ?

**SHRI KHURSHID ALAM KHAN :** It is not the question of opening the headquarters. It is the question of opening the purchase centres. Purchase centres have been opened in all the States. We have been advertising through the medium of television, radio and newspapers that people should not sell their jute in distress because JCI is there to purchase and they will gradually start purchasing jute coming in the market.

#### Import of Sugar

\*811. **SHRI K. RAMACHANDRA REDDY :** Will the Minister of COMMERCE be pleased to state :

(a) whether Union Government have ordered the State Trading Corporation to import six lakh tonnes of sugar during this year till September, 1986 ;

(b) the cost at which sugar is being purchased in the foreign markets ; and

(c) the total loss suffered due to high prices of imported sugar and low priced domestic sale ?

**THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) :** (a) to (c). A statement is given below.

#### Statement

- (a) Quantum and schedule of import of sugar is decided after considering domestic stock, production and consumption of sugar, current price and expected trend of its movement in internal market and sugar price in international market. It will not be in public interest to disclose actual quantum and schedule of proposed imports of sugar.
- (b) Sugar is purchased at international market price and its average cost during 1985-86 was Rs. 2222 (provisional) per metric ton on cost, insurance and freight basis.
- (c) Sugar imports are made to meet the domestic requirements and no computation has been made of total profit or loss on account of these imports.

**SHRI K. RAMACHANDRA REDDY :** Sir, a very peculiar answer has been given. It is an answer which does not answer anything. In part (a) of my question I had asked : Whether Union Government have ordered the State Trading Corporation to import six lakh tonnes of sugar during this year till September, 1986 ? The answer given is that it will not be in public interest to disclose the actual quantum and schedule of proposed import of sugar. I do not know why the Government is secretive and does not want the House to know the facts when the whole world knows it from the newspapers about the quantum of sugar being imported. It is said husband will be the last person to know about the infidelity of the wife. In the same way Government does not want the House to know about the quantum of import of sugar.

Sir, the estimated demand is about 82 lakh tonnes and the estimated production is 68 lakh tonnes. Therefore, there is a deficit of 14 lakh tonnes. Then there is a closing balance of 40 lakh tonnes by the end of February 1986. That means we are having a surplus of 26 lakh tonnes of sugar. If so, where is the necessity to import so much sugar? Is it done with the deliberate intention of keeping the prices down and see that the back-bone of the farmer is broken which is already very very weak?

**SHRI P. SHIV SHANKER :** Sir, as regards the first part I must make the position clear. It is true we have withheld in the public interest to disclose the actual quantum position but I would like to give a very clear picture on this issue.

Sir, by January 1986 internationally the prices of sugar were 198 dollars per tonne and the moment Soviet Union disclosed their desire to purchase a particular quantum the position today is that it has risen from 198 dollars to 252 dollars. Actually I am only worried if the Government commits itself to a particular quantum the prices in the international market will shoot up because India is one of the countries which is in the foremost with reference to the question of import of sugar. Therefore, only under an apprehension that this might further shoot up the prices that we have not been able to give the quantum and there is nothing much that should be read in it.

The second part of it is that the hon. Member has quoted the figures with reference to the total requirements and production. The position that would prevail is that the total requirement would be 85.38 lakh tonnes and so far as the total availability for the year 1985-86 is concerned it is likely to be 98.34 lakh tonnes. Therefore, the position that would emerge is that we would have on 1-10-1986 an opening stock of 12.96 lakh tonnes. In fact, the latest reports that I am getting are that instead of the estimated production of 65 lakh tonnes, it is likely to be 68 lakh tonnes which would further push up the opening stock as on 1-10-1985 to 15 and

odd lakh tonnes. That will be the situation. Therefore, one need not get concerned about it.

**SHRI K. RAMACHANDRA REDDY :** With respect to the cost of sugar, he has mentioned Rs. 2222 per tonne. I would like to know what the position is in regard to the issue price of import sugar. By importing the sugar, I want to know whether the Government is making any gain or loss. The issue price is somewhere Rs. 5 or Rs. 6 per kilogram

**MR. SPEAKER :** This has been answered many a time.

**SHRI P. SHIV SHANKER :** It is true that I have given it in the answer itself that on an average the c.i.f. cost of the sugar is Rs. 2222 in 1985-86. But adding the customs duty, port charges interest on capital employed and other miscellaneous charges, the figure comes to Rs. 4079 per metric tonne. The STC makes it available to the Food Corporation of India at the rate of Rs. 3900 per metric tonne and when it comes to the question of the issue price, it is given to the State Governments at the rate of Rs. 520 per quintal and so far as the public distribution system is concerned, it is provided at the rate of Rs. 4.80 per kilogram. Now the position is that it is possible while the figures of profits or losses etc. are not worked out because what is imported is according to the domestic demands in the country. I was myself going into it. It is possible that with a little more money, one could get it in this price, but then the point is if we sell it at a lesser price, then the price of the domestically produced sugar will also go down, as a result of which what will happen is that ultimately the grower will be affected and if the grower is affected, the area of cultivation for the next year would go down so that only for the purpose of maintaining the stability of the price, it is these prices which have been determined and at these prices the sugar is supplied

**SHRI DINESH SINGH :** Mr. Speaker, Sir, you are aware that the sugar production in this country has been very erratic. When there is an over production of

sugarcane, the farmer does not get adequate price for his produce and therefore the production goes down in the coming year. I should like to know from the hon. Minister whether it is not possible to create a buffer stock to ensure that the farmer gets adequate remunerative price for his produce and there is sufficient stock in the country so that one has not to resort to imports.

**SHRI P. SHIV SHANKER :** In fact, both the aspects which have been stressed by the hon. Member are followed by the Government. That is why I have given the figures as to what the opening stocks are and what they are likely to be as on 1-10-1986. We have taken into consideration the opening stock as on 1-10-1985 for the purpose of coming to the conclusion that about 98 lakh tonnes are there.

**SHRI DINESH SINGH :** But whether there would be a permanent shortage.. ?

**SHRI P. SHIV SHANKER :** In regard to permanent shortage, in fact this has got to be balanced with the stock. For that, steps are being taken.

**SHRI ANANDA GAJAPATHI RAJU:** Sir, basically, India has been sugar exporter for the last four or five years and the sugar industry is being killed because of the *ad hoc* imports of sugar at different times without any basis because the prices are going down for the sugar.

The farmer is being affected and the rural areas are subsidising the urban sector by selling food products, sugar and other inputs cheap into the urban market. So on one side, money does not come to the rural sector in terms of developmental funds and on the other side the rural sector is subsidising the urban sector. Will the Minister correct this position of indiscriminate imports on items which will affect the rural areas ?

**SHRI P. SHIV SHANKER :** Sir, actually, the position as it exists is that it is only four years back that there had been a boom in the production of sugar cane. Afterwards the case had been that during the years 1983 and 1984, there had

not been any imports. But later on as a sequel to the boom in the production, prices came down. Because the prices came down, the growers could not get the remunerative prices and because they did not get the remunerative price, the consequential effect was that they did not go for purposes of growing sugar cane. This has created a problem and that is why again they had to be prompted and they had to be inspired for taking up more areas for the purpose of cultivation of more sugar cane. And it is going on. The point is that it is not a case of indiscriminate import. As I said, it is based only on the domestic demand and supply, that the balance is sought to be imported, keeping in view a little bit of a buffer stock, as one of the hon. members has suggested, so that in times of need that can be taken care of.

**KUMARI MAMATA BANERJEE :** There is some propaganda. I have seen in the newspapers that imported sugar is not sweet.

*(Interruptions)*

**MR. SPEAKER :** The question itself is so sweet.

**SHRI P. SHIV SHANKER :** The hon. member has referred about propaganda. In fact there is no truth in it..

*(Interruptions)*

**MR. SPEAKER :** You say that it is a propaganda.

*[Translation]*

**DR. PRABHAT KUMAR MISHRA :** Mr. Speaker, Sir, much has been said about sugar and sugarcane but it has not added any sweetness to the talk.

**MR. SPEAKER :** Send him some bags of sugar.

**DR. PRABHAT KUMAR MISHRA :** In this context, please tell us how many

diabetes patients are there in this country ? ...

(Interruptions)

MR. SPEAKER : Question No. 812.

[English]

**Financial Crisis in NTC Mills in Vidarbha**

\*812. SHRI BANWARI LAL PUROHIT : Will the Minister of TEXTILES be pleased to state :

(a) whether Government are aware that the five textile mills in Vidarbha run by the National Textile Corporation (Maharashtra North), are facing serious financial crisis due to the decision of the National Textile Corporation management to divert funds from these mills ; and

(b) the remedial steps Government propose to take in this regard ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) and (b). A Statement is given below.

**Statement**

(a) No Sir, It is not correct to say that the five textile mills in Vidarbha run by the National Textile Corporation are facing serious financial crisis due to diversion of funds.

(b) However, these mills are facing financial crises due to sluggish market conditions. The following steps are being taken to improve the situation ;

- (i) efforts are being made to liquidate the stocks ;
- (ii) banks have been requested to enhance the finance limits ;
- (iii) cotton has already been made available on credit basis to the subsidiary corporation ; and

(iv) recoveries of outstanding dues are being made to enable units to ease their liquidity problems.

[Translation]

SHRI BANWARI LAL PUROHIT : I want to know whether Government have diverted any funds out of the allocation they made to these five mills ? I want a categorical answer to it.

SHRI KHURSHID ALAM KHAN : Sir, there is no question of transfer of funds. But it is true that their credit limit was very low and we are trying to increase it. We did increase it a bit but not to the extent it was needed.

SHRI BANWARI LAL PUROHIT : Surely you have to pay more when you purchase cotton and other material on credit and it results in loss. Do the Government not feel that instead of buying on credit if they buy in cash, they would not be required to pay more and the condition of the mills would also take a turn for the better ?

SHRI KHURSHID ALAM KHAN : I share your views. We can go in for buying ourselves provided we have enough credit.

MR. SPEAKER : Both are in collusion with each other.

[English]

**Control on Private Investment Companies charging high rates of Interest**

\*813. SHRI VAKKOM PURUSHOTHAMAN : Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware that several private investment companies known as "Blade Companies" are coming up in Kerala offering a high percentage of interest to the depositors and collecting cut throat interest from persons who take the loans ; and

(b) if so, whether Government propose to take any steps to control these companies ?



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

**Statement**

Reserve Bank of India have reported that there have been press reports about the functioning of certain unincorporated bodies known as 'Blade Companies' in some parts of Kerala. It has been alleged that they are accepting deposits from the public by offering exorbitant rates of interest and charge high rates of interest on loans advanced by them.

The 'Blade Companies' are mostly unincorporated bodies. In so far as unincorporated bodies are concerned, Chapter-IIIC of Reserve Bank of India Act prohibits them from accepting deposits in excess of the specified number of depositors. Reserve Bank of India have addressed the State Governments to create necessary enforcement machinery in their respective States to enforce the provisions of the law. The Government of Kerala are reported to have asked its officials to initiate action against offenders contravening the provisions of the Act.

Regarding the Money Lending activities of these 'Blade Companies', the issue relates to a subject reserved for State Governments. The Government of Kerala have enacted the "Kerala Money Lenders Act, 1958", which regulates the lending activities of these bodies.

SHRI VAKKOM PURUSHOTHAMAN : A good number of private investment companies known as 'Blade Companies' are coming up in Kerala, just like the 'Mutka'. The interest offered by them is very attractive and in many cases more than 35 per cent is offered. And the interest they collect is even much higher. After collecting a huge amount, many of them disappear from the place and it is impossible to locate them. Will the Government take effective steps either to prohibit these companies or to insure the money deposited by the public in these banks ?

**WRITTEN ANSWERS TO QUESTIONS**

[English]

**Proposed Merger of Hindustan Commercial Bank Ltd. with Dena Bank**

\*804. SHRI M.V. CHANDRASEKHARA MURTHY : Will the Minister of FINANCE be pleased to state :

(a) whether there is any proposal to merge the Hindustan Commercial Bank Ltd. with Dena Bank ;

(b) if so, the details thereof ; and

(c) when the merger will be executed ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) No, Sir.

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

**Land Under Mulberry Plantations**

\*806. SHRI V. KRISHNA IYER : Will the Minister of TEXTILES be pleased to state :

(a) the area of land under mulberry plantation in the country ;

(b) whether the area of land under mulberry plantation will be increased during the Seventh Plan ;

(c) if so, how many hectares will be utilised for mulberry plantation ; and

(d) whether any incentives will be given to the farmers to grow mulberry ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) to (c). The land under mulberry cultivation was approximately 2,14,838 hectares at the end of VI Plan. The target for additional area to be developed during VII Plan has been tentatively fixed at 64,200 hectares,

(d) Farmers would continue to be encouraged to grow mulberry by providing them with assistance in the form of free supply of mulberry cutting in new areas and quality disease free silk work seeds at reasonable rates. Besides, technical guidance and training will continue to be provided to farmers by the Central Silk Board.

#### **Closure of Plastic Units**

**\*809. SHRI JAI PRAKASH AGARWAL :**

**SHRI R.S. MANE :**

Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware of adverse reaction on plastic units all over the country due to increase in customs and excise duties in the budget ;

(b) whether a large number of units are on the verge of closure as a result of increase in duties ; and

(c) if so, the steps Government propose to take to help the units ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). Government has received representations from various plastic manufacturers Associations, regarding problems arising consequent to the 1986 budget proposals in respect of customs and excise duties. It would, however, not be correct to say that a large number of units are facing closure due to increase in customs and excise duties. In fact in respect of certain items the duties have been reduced. In respect of Low Density Polyethylene and High Density Polyethylene the excise duty has been reduced to 30% from the earlier levels of 31.5% and 36.75%, respectively. The customs duties in respect of certain engineering plastics have also been reduced.

2. Prior to the 1986 budget the small scale exemption was only available in

respect of plastic raw materials falling under sub-item (1) of Item 15A of the earlier Excise Tariff. In the 1986 Budget all the plastic items have been brought under the general scheme of small scale exemptions with a few exceptions and have also been covered under the MOD-VAT scheme for the purposes of availing input duty relief.

3. In certain areas where representations have been received Government has taken necessary steps to help the plastic units. The general small scale exemption scheme announced in the 1986 budget has been further liberalised. Small scale units with a turn over not exceeding Rs. 1.5 crores in the previous financial year are eligible for complete excise exemption upto a clearance limit of Rs 15 lakhs in respect of items falling under a single tariff heading. In the case of small scale units producing more than one item falling under more than one tariff heading the complete excise exemption limit has been raised to Rs. 30 lakhs subject to the excise exemption limit in respect of a single tariff heading not exceeding Rs. 15 lakhs. Items like H.D.P.E. Woven Sacks, plastic canes and waste and scrap of plastics made from duty paid plastics materials have been completely exempted from excise duty.

#### **Export of Rice**

**\*814. SHRI MOHANBHAI PATEL :  
SHRI CHINTAMANI JENA :**

Will the Minister of COMMERCE be pleased to state :

(a) the varieties of rice which are being exported and the export price of each variety ;

(b) the agency through which export of rice is being made and the quantity of rice of each such variety exported during 1984-85 and 1985-86 indicating the names of the countries to which rice was exported ;

(c) whether a particular variety IR-8 was exported to some countries at less

than the price fixed ; if so, the details thereof ;

(d) whether any responsibility has been fixed therefor ; if so, the action taken against the defaulters ; and

(e) the details of the amount of loss suffered due to this deal ?

**THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) :** (a) Export of Basmati rice is allowed subject to Minimum Export Price of Rs. 7500/- per Metric Tonne f.o.b. Export of non-Basmati rice has been permitted within a limited ceiling with effect from 18-2-1986, subject to Minimum Export Price of Rs. 4000/- per Metric Tonne f.o.b.

(b) All categories of exporters are permitted to ex port. Export of Basmati rice during 1984-85 and April-December 1985 estimated at 2.42 lakh tonnes and 1.84 lakh tonnes respectively. Bulk of the export was to USSR, Middle East and U.K. Non-Basmati rice export was not permitted during 1984-85 and upto 17th Feb. 1986. Export data for the period from 18-2-1986 to 31-3-1986 is yet to be compiled.

(c) Export of non-Basmati rice was not permitted during 1984-85 and upto 17-2-1986. Government is not aware of any export of non-basmati rice below the Minimum Export Price.

(d) & (e). Do not arise.

#### **Development Blocks without Bank Branch in Tamil Nadu**

**\*815. SHRI N. DENNIS :** Will the Minister of FINANCE be pleased to state the number of development blocks in Tamil Nadu where there is no branch of nationalised banks ?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :** According to the information furnished by the

Reserve Bank of India, every development block in Tamil Nadu is banked. Information relating to the number of blocks where there is no branch of any of the 28 Public Sector Banks or the Regional Rural Banks would be collected and laid on the Table of the House.

#### **Loan from Kuwait for Kali Nadi Hydro Electric Project (Karnataka)**

**\*816. SHRI V.S. KRISHNA IYER :** Will the Minister of FINANCE be pleased to state :

(a) whether the Government of Karnataka has requested the Union Government to obtain Kuwait loan i.e. from Kuwait Fund for Arab Economic Development (KFAED) for the completion of Kali Nadi Hydro Electric Project Stage II in Karnataka ;

(b) if so, whether any agreement has been entered into with KFAED for providing loan to the above project ;

(c) the amount to be given as loan by KFAED ; and

(d) the terms and conditions for repayment ?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :** (a) to (d). Under an agreement signed between the Government of India and Kuwait Fund for Arab Economic Development on the 12th February, 1986 KFAED have extended a loan of Kuwaiti Dinars 7 million (Rs. 295 crore) for part financing of the Kali Nadi Hydro Electric Project Stage II. The loan is repayable in 15 years in semi-annual instalments commencing from the 15th February 1992 and carries an interest of  $4\frac{1}{2}\%$  per annum and a service charge of  $\frac{1}{3}\%$  per annum on the amounts drawn and outstanding from time to time payable semi-annually.

**Managerial Cadre of National Textile Corporation**

**\*817. SHRI G.S. BASAVARAJU :** Will the Minister of TEXTILES be pleased to state :

(a) whether the subsidiaries of the National Textile Corporation are facing a serious crisis due to lack of competent managerial cadre ;

(b) if so, the details thereof ; and

(c) the steps taken and contemplated by Government in this regard ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) to (c). The top level management of the subsidiary corporations of National Textile Corporation consists of a Chairman-cum-Managing Director and Functional Directors. Qualified and suitable persons are appointed for these posts after due scrutiny by the prescribed selection Board/Committee. Action has been initiated to select suitable candidates for filling up vacancies which have arisen.

**Study of Various Problems of Industry by Finance Minister Question**

**\*818. SHRI KRISHNA SINGH :** Will the Minister of FINANCE be pleased to state :

(a) whether during the Annual Session of the Federation of Indian Chambers of Commerce and Industry in New Delhi in March this year, he undertook to study the various problems of the Industry including investment constraints ; and

(b) if so, the outcome thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) & (b). No Sir. While the problems affecting industrial investment and growth are continuously under examination, there was no commitment to undertake any study as such.

**Issue of Foodgrains to Fair Price Shops in Delhi**

**\*819. SHRI RAJ KUMAR RAI :** Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether foodgrains worth several crores of rupees were issued to Fair Price Shops in Delhi during November and December, 1985, through Delhi State Civil Supplies Corporation without collecting the cost of foodgrains and without proper Authority from Food and Civil Supplies Department ; and

(b) if so, the details thereof including the reasons for such action ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) & (b). In the middle of November, 1985, employees of the Food Corporation of India, Delhi Region resorted to "work to rule" and "go slow" tactics on the issue of weekly off and over time allowance. It was apprehended that such agitational approach of the employees might hamper the normal schedule of supply of foodgrains in the Union Territory of Delhi under the Public Distribution System. To ensure that there was no dislocation in the supply of foodgrains under the Public Distribution System in Delhi, the Food Corporation of India arranged supply of foodgrains from neighbouring States taking into account the needs of various Fair Price Shops in Delhi. The stocks so arranged by them were handed over by the Food Corporation of India to Delhi State Civil Supplies Corporation on ad-hoc basis. The foodgrains were delivered to the Delhi State Civil Supplies Corporation, a Government undertaking, as under the prevailing situation, it was not possible to adhere to the normal procedure of having drafts deposited by Fair Price Shops and have the formality of the authority from the Food and Civil Supplies Department of Delhi Administration observed. The total value of the foodgrains supplied on ad-hoc basis by the Food Corporation of India to the Delhi State Civil Supplies Corporation was Rs. 87.28 lakhs which has been fully realised

by the Food Corporation of India from the Delhi State Civil Supplies Corporation. The Delhi Administration has informed that during this period, some excess quantity of wheat and rice was also issued to the fair price shop owners. However, the money for that has also been paid by the Delhi State Civil Supplies Corporation to Food Corporation of India. It is, therefore, not correct to say that foodgrains worth several crores of rupees were issued to fair price shops in Delhi during November and December, 1985 through Delhi State Civil Supplies Corporation without collecting the cost of foodgrains and without proper authority from Food and Civil Supplies Department.

#### **Pending Insurance Claims with GIC**

**\*820. SHRI BALASAHEB VIKHE PATIL :** Will the Minister of FINANCE be pleased to state :

(a) whether the number of claims pending with the General Insurance Corporation has been increasing year after year ;

(b) if so, the number of cases which are pending between one to three years, three to five years and five to ten years ;

(c) the reasons for such accumulations ; and

(d) the steps taken to improve the situation ?

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

(b) Duration-wise breakup of No. of pending claims as on 31/12/84 is as under :—

<i>Duration</i>	<i>No. of claims pending</i>
1 to 3 years	1,09,629
3 to 5 years	26,382
Above 5 years	15,185

(c) Reasons for accumulation generally are non-receipt of police final investigation reports, non-submission of required information/documents by the insureds for verification of their claims by surveyors, disputes with claimants with regard to the cause or quantum of loss, cases pending in courts or with Motor Accident Claims Tribunals, etc.

(d) Steps taken by the General Insurance Corporation of India and its subsidiaries in regard to the above are :—

- (1) Simplification of forms and procedures relating to settlement of personal insurance claims.
- (2) formation of task forces at Regional Offices to regularly visit Divisional Offices to help in expeditious settlement of claims.
- (3) Setting up of special cells at Regional Offices to attempt out of court settlement of third party claims.
- (4) Upward revision of financial authority for settlement of claims of all categories.
- (5) Settlement of claims pending with Motor Accident Claims Tribunals through the forum of Lok Adalats.
- (6) Setting up of Grievance Cells at all Head Offices, Regional Divisional and Branch Offices of Companies, as well as at the offices of GIC at Bombay and New Delhi.
- (7) Time-limits prescribed for appointment of surveyors, submission of survey reports and other procedures for settlement of claims.

#### **Import and Export of Bulk Drugs by STC**

**\*821. SHRI MOOL CHAND DAGA :** Will the Minister of COMMERCE be pleased to state :

(a) whether the attention of Government has been draw to news item caption-

ed "STC Scheme for bulk drugs supply" appearing in the 'Financial Express' of 6 November, 1985 ;

(b) if so, the details of the bulk drugs imported by the State Trading Corporation during the last three years showing name of the medicine, name of the country and the amount spent in foreign exchange ; and

(c) the disposal of these bulk drugs indicating the names of the countries to which exported and foreign exchange earned thereby ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) Yes. Sir.

(b) & (c). The Scheme started in October, 1985 and no imports or exports have taken place so far under it.

#### Paddy Moisture

\*822. SHRI CHARANJIT SINGH WALIA : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether the present specification percentage of paddy moisture is 18 per cent ;

(b) if so, whether paddy crop that is harvested during October gives moisture percentage at about 20 per cent ;

(c) whether Government propose to raise the moisture percentage in paddy harvesting in the early season ; and

(d) if so, the details thereof and if not, the steps Government intend to take to stop the exploitation of the farmers ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) Yes, Sir.

(b) Such paddy lots which are offered by the farmers immediately after har-

vest without undertaking its drying, are found to contain moisture beyond 18%.

(c) No, Sir.

(d) Farmers are advised through publicity in press and other mass media like Akashwani and Doordarshan to bring the paddy stocks after proper drying so as to conform to the specifications prescribed.

#### Voluntary Disclosure of Assets

\*823. SHRI N. VENKATA RATNAM : Will the Minister of FINANCE be pleased to state :

(a) the number of persons who have disclosed their hidden assets under Government's offer to declare their hidden assets during 1985-86 ;

(b) the extra concessions granted to them ; and

(c) the amount of taxes due to Government from the voluntary disclosure of the hidden assets and the amount actually collected ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). Statistics are not being maintained by the Government to show how many persons have disclosed their hidden assets during 1985-86 in response to Government's offer, nor about the concessions granted to them.

(c) The amount of taxes due and amount collected from the voluntary disclosure of hidden assets cannot be estimated. However, the collections from Wealth-tax in 1985-86 have increased to Rs. 146.75 crores as against revised Budget Estimates of Rs. 110.00 crores.

#### Bank Robberies in Bombay

\*824. SHRI SHARAD DIGHE : Will the Minister of FINANCE be pleased to state :

(a) whether Government have enquired into the causes of the recent four

bank robberies in quick succession and a break open into the strong room of a bank in Bombay ;

(b) if so, the result of such enquiry ; and

(c) whether there is any proposal to improve further the security systems in the nationalised banks ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) & (b). Reserve Bank of India has reported that it had enquired into the incidents of the four recent bank robberies in Bombay. The incidents took place in the branches of Punjab & Sind Bank, State Bank of India, Indian Overseas Bank and Bank of Maharashtra on 13-2-86, 24-2-86, 4-3-86 and 20-3-86 respectively. Necessary complaints with police authorities have been lodged, who are investigating these cases.

(c) The security arrangements in banks have been examined earlier and guidelines for strengthening the security arrangements in banks exist. Government had appointed a Working Group to go into the question of bank security, which *inter alia* suggested surprise checks, reduction in cash holding, introduction of time-lock devices, control of ingress and egress into the branches etc. The concerned reports have been sent to the State Governments and the banks. Banks are implementing the recommendations in a phased manner. This is being monitored by the Reserve Bank of India. Further, the banks have been asked to classify their branches into different categories according to the risk involved, depending upon various factors such as location of the branch, cash handled by it, the law and order situation in the area, etc., and take steps to adopt adequate security measures.

#### Decline in Production and Export of Brassware

\*825. SHRI HAFIZ MOHD. SIDDIQ : Will the Minister of TEXTILES be pleased to state :

(a) whether the production and export of brassware has decreased consi-

derably and with that the employment avenues ;

(b) if so, the steps being taken to boost the production and export of brassware of Moradabad district of Uttar Pradesh ;

(c) whether any emphasis has been laid in the Seventh Five Year Plan to improve the general level of earnings among the artisans through training programme, supply of inputs, better marketing arrangements ; and

(d) the measures taken for promotion of exports and designs ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID AHAM KANUNJIA) : (a) & (b). Handicrafts being a decentralised sector, firm figures of production and employment in Art brassware industry are not available. However, the value of exports of art metalware during the last three years is as under :—

Year	Rs. Crores (prov.)
1983-84	67.23
1984-85	83.11
1984-85 (April-Nov.)	53.56
1985-86 (April-Nov.)	57.35

The above data do not indicate any decline in exports of brassware from the country.

The steps being taken to boost exports and production of art metalwares of Moradabad are as follows :—

- (1) Setting up of a Metal Handicrafts service Centre to improve the quality and finish of art metalwares.
- (2) Massive Training for production of Artmetalware.

- (3) Supply of raw material to the artisans through opening of Depot.
- (4) Proposals under active consideration to send two Sales-cum-Study teams to Australia and Saudi Arabia.
- (5) Proposal for sending of one team to South Korea to study the technologies adopted by them for production of Artmetalware.

(c) Yes, Sir.

(d) The measures taken for promotion of exports and designs are as under:—

- (1) An Export Promotion Council for Handicrafts has been set up.
- (2) Cash Compensatory support at the rate of 10% of the FOB value against exports of artmetalwares has been allowed.
- (3) Duty drawback rate has been raised from Rs. 15.80 to Rs. 19.50 per kg. against export of artmetalwares.
- (4) Foreign Designers are also being invited to improve the designs of the Brass-artware items.

#### FCI Specifications for Pulses

7676. SHRI KALYAN SINGH SOLANKI : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether Food Corporation of India specifications for acceptance of pulses for further supply to Army Purchase Organisation are more strict than ASC specifications ;

(b) whether officers of Food Corporation of India had accepted below specification pulses from parties directly or through NCCF and supplied the same to Army Purchase Organisation which refused

to accept these stocks and ultimately the same were disposed of through auction resulting in loss of crores of rupees ; and

(c) if so, (i) the quantity of pulses which was rejected by Army on account of quality and ultimately auctioned ; (ii) loss in terms of money suffered by the Corporation in this deal ; and (iii) action taken/proposed to be taken against officials who accepted sub-standard dal stocks and/or allowed the same to be deteriorated in Food Corporation of India godowns without proper chemical treatment ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A.K. PANJA) : (a) FCI specifications are more strict than ASC specifications in respect of split pulses. However, purchases of whole and split pulses through open tender enquiry for supply to APO are made on the basis of ASC specifications.

(b) Only a small fraction of stocks were rejected in 1984-85 by the Army Purchase Organisation out of the stocks purchased through NCCF during 1983-84 and 1984-85.

(c) A quantity of 519.356 M.Ts. although initially accepted was finally rejected on resampling and has been auctioned by the Food Corporation of India. The loss has been provisionally worked out as Rs. 8.19 lakhs. Appropriate action will be taken against the officials after receipt of the findings of the Central Bureau of Investigation, which is probing in the matter.

#### Control on Vanaspathi Production Unit by TGL International Limited

7677. SHRI H.N. NANJE GOWDA : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether it is a fact TGL International Limited and its group of compa-



nies has been controlling a large vanaspati production unit ;

(b) if so, the installed capacity of the same ;

(c) whether the company has at times increased its production of vanaspati beyond the licensed capacity without maintaining its proper quality ;

(d) if so, facts thereof and the number of complaints received so far ; and

(e) the action proposed to be taken against this company ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A.K. PANJA) : (a) & (b). T.G.L. International Limited has been controlling a small vanaspati unit of 15,000 tonnes per annum.

(c) & (d). No, Sir.

(e) Does not arise.

#### **Cotton Mills in Prakasham District of Andhra Pradesh**

7678. SHRI C. SAMBU : Will the Minister of TEXTILES be pleased to state :

(a) whether there is any proposal pending with Government to establish a major cotton mill in Prakasham district of Andhra Pradesh ;

(b) if so, the details thereof ;

(c) the total number of spinning mills existing in Andhra Pradesh and particularly in Prakasham district ; and

(d) the number of new spinning mills in Prakasham district for which letters of intent have been given ?

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

application for the grant of an Industrial Licence for the setting up of a new cotton spinning mill in Prakasam District in Andhra Pradesh is pending with Government.

(c) As on 31st March, 1986 there were 51 spinning mills in Andhra Pradesh, out of which two spinning mills were located in Prakasam District.

(d) No letters of intent have been issued for setting up of new spinning mills in Prakasham District in the recent past.

#### **Reduction in supply of Edible Oil to Vanaspati Industry**

7679. SHRIMATI JAYANTI PATNAIK : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether Government have reduced the supply of edible oil to the Vanaspati Industry ;

(b) if so, the reasons therefor ; and

(c) whether Government have made come alternative arrangement to step up the supply of domestic edible oil to vanaspati units to meet the demand of edible oil ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A.K. PANJA) : (a) & (b). The allocation of imported edible oils to vanaspati industry has been reduced during the current oil year with a view to reducing imports and giving greater incentives for higher indigenous production of oilseeds/edible oils.

(c) Government have allowed the incorporation of 10% indigenous solvent extracted and 30% expeller mustard/rapeseed oil to meet the demand of edible oils by the vanaspati industry. Excise rebate has also been provided on the usage of cottonseed and rice bran oils with a view to encouraging larger production and usage.

### Assistance to Handicapped by Commercial Banks

7680. SHRI LAKSHMAN MALLICK : Will the Minister of FINANCE be pleased to state the number of blind and other handicapped persons who were financed by commercial banks under Government sponsored programmes during the Sixth Five Year Plan period ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : The Reserve Bank of India has advised that under the present reporting system, data on financial assistance provided to the blind and physically handicapped persons is not being collected from banks.

### [Translation]

### Capacity and Production of Jute Mills

7681. SHRI KAMLA PRASAD RAWAT : Will the Minister of TEXTILES be pleased to state :

(a) whether the production capacity of 69 Jute mills in the country is 15.8 lakh tonnes whereas the production is less due to some factors ;

(b) if so the factors responsible for hampering production ; and

(c) the remedial measures being adopted by Government ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) On the basis of available capacity and current product mix pattern, achievable production capacity of jute mills in the country is estimated to be of the order of 15.40 lakh tonnes per annum.

(b) & (c). A Statement is given below.

### Statement

(b) Factors hampering optimum utilisation of installed capacity include :

(i) Uncertain demand prospects for jute goods, both within and out-

side the country, due mainly to stiff competition from synthetic substitutes and from Bangladesh ;

(ii) Inadequate availability of raw jute particularly in years of short crop ;

(iii) Production constraints such as :

—frequent power cut and restrictions imposed on electricity consumption ;

—Poor conditions of plants and equipments leading to lower productivity ;

—frequent disruption in operation due to lockouts and strikes in jute mills on account of strained industrial relations.

(c) The Government is continuing to help the jute industry in domestic and international markets through various measures, which include :—

(i) Purchase of jute goods by Government (DGS&D) from jute industry on cost plus basis ;

(ii) Compulsory use of 100% new jute bags by cement industry ;

(iii) Improving the competitiveness of jute goods vis-a-vis synthetic substitutes through fiscal and R&D efforts ;

(iv) Providing higher cash compensatory support (CCS) on dynamic sectors of jute goods ;

(v) Involving STC in assisting export of Carpet Backing Cloth (CBC) by forming STC-Jute Industry Consortium on 50:50 loss sharing basis ;

(vi) Constituting a new Jute Manufactures Development Council to give boost to R&D efforts and export promotion etc;

- (vii) Introducing a Scheme of buffer stocking of raw jute so as to ensure availability of raw jute to mills at reasonable prices.

[English]

**Measures to ease pressure on India's balance of payment problem**

7682. SHRI K. PRADHANI : Will the Minister of COMMERCE be pleased to state :

(a) whether there is any plan under consideration of Government to ease pressure on the country's balance of payment by giving a positive thrust to exports and curbing bulk imports;

(b) if so, its broad outlines; and

(c) how the balance of payment problem is likely to emerge during the current financial year as a result of the incentive plan for export units ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) & (b). With a view to reducing trade deficit vigorous promotional measures have been taken during the recent past. These include increasing our exports, diversifying our productive base, modernising our productive apparatus, modification and periodic revision of our industrial and fiscal policies etc. 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.

(c) The Balance of Payments situation depends on several factors including the performance of imports and exports. It is too early to indicate the likely Balance of Payments position during the current financial year i.e. 1986-87.

[Translation]

**Closure of Bihar Cotton Mills**

7683. SHRI VIJOY KUMAR YADAV : Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that Bihar Cotton Mills Ltd. Phulwari Sharif has been closed since July, 1982;

(b) if so, whether it is a fact that due to its closure six hundred workers working there and thousands of their dependants are facing starvation in these days of extreme rise in price;

(c) if so, whether Government propose to reopen it; and

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

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) Yes, Sir.

(b) At the time of closure the mill had on its rolls around 500 workers.

(c) & (d). The State Government of Bihar has been requested to make efforts towards the revival of the unit by locating a suitable promoter to purchase the unit if possible. These efforts, however, have not borne fruits so far.

[English]

**Assistance to poor beneficiaries in rural areas by State Bank of India under IRDP**

7684. SHRI AMARSINH RATHAWA : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the poor beneficiaries in rural areas are being deprived of the benefits by bank officials;

(b) if so, the details of measures being taken by the State Bank of India and its subsidiaries to remove the various anomalies in the administration of the Integrated Rural Development Programme in the country and make the programme a success; and

(c) the steps being taken so that the poor beneficiaries are not deprived of the benefits by bank officials ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). According to information collected during the Sixth Five Year Plan a sum of Rs. 3101.61 crores of term credit and

Rs. 1661.17 crores of subsidy have been provided to 16.56 million beneficiaries under the Integrated Rural Development Programme (IRDP). Both the Department of Rural Development and Reserve Bank of India closely monitor the implementation of the programme and take steps wherever considered necessary for streamlining and simplifying procedure which stand in the way of smooth flow of credit to the beneficiaries. Instructions already exist that the bank should dispose of all pending applications under IRDP within a fortnight and the bank should not ask for any security excepting the hypothecation of the asset created for small loans upto Rs. 5,000/- under IRDP. Applications can be rejected only on valid grounds and rejections have to be verified by a higher level functionary. Instructions have also since been issued that each rural branch should disburse loans on two specific dates of the months. Instructions have also been issued to all banks that the Regional Manager/Division Manager should visit each rural branch at least once in three months with a check list so as to ensure that the branch level functionaries are implementing anti-poverty programmes of the Government both in letter and spirit.

#### **Staying abroad by EEPc men**

7685. DR. B.L. SHAILESH : Will the Minister of COMMERCE be pleased to state:

(a) whether his attention has been drawn to the news-item captioned 'EEPC men prefer to stay abroad' appearing in the 'Economic Times' of 20 March, 1986;

(b) if so, the facts of the case;

(c) what lessons have been learnt from the disinclination of Officers belonging to the Engineering Export Promotion Council (EEPC) to return home from foreign postings; and

(d) the steps taken or proposed to be taken to balk down refusal by such Officers to return to base when recalled or when their tenure is complete and their tendency to resign and to settle in the country of their posting ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) Yes, Sir.

(b) to (d). Postings of officers to foreign offices of the EEPc are made by the Council itself. Some officers of the EEPc who were posted abroad have resigned. The matter is under consideration of the Government.

#### **Raids undertaken by Government to detect violation of FERA**

7686. SHRI HUSSAIN DALWAI : Will the Minister of FINANCE be pleased to state :

(a) the number of raids undertaken by Government to detect violation of the provisions of the Foreign Exchange Regulation Act;

(b) whether these raids were undertaken after prima facie cases were established against big business houses;

(c) the number of cases where prosecutions have been launched after the raids were conducted;

(d) whether these raids are yielding good result;

(e) whether it is a fact that in some cases the courts have passed strictures against Government for not taking due precautions before launching prosecution against big business houses for violating FERA; and

(f) if so, steps now proposed to be contemplated to screen such cases by some highly qualified staff before launching prosecution in such cases ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The Directorate of Enforcement (FERA) conducted 4919 searches during the year 1985 for violation of the provisions of the F.E.R. Act, 1973.

(b) Yes, Sir.

(c) During the year, 1985 as many as 310 cases of prosecution were launched

for violation of the provisions of F.E.R. Act, 1973.

(d) Yes, Sir.

(e) No, Sir.

(f) The cases are screened at the level of Senior Officers before launching prosecution.

**Revision of credit authorisation scheme by RBI**

7688. SHRI MANIK REDDY : Will the Minister of FINANCE be pleased to state :

(a) whether Governor of Reserve Bank of India has decided to revise credit authorisation scheme for industrialists on the basis of advice of the World Bank;

(b) when this advice was received by the Governor of Reserve Bank of India or Union Government and when this decision was made by Government for implementation by the Reserve Bank of India; and

(c) whether Reserve Bank of India will extend similar terms to public sector units of the States and the Union Government also ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) No, Sir.

(b) Does not arise.

(c) The recent credit policy measures as announced by Reserve Bank of India on 3rd April, 1986 will apply uniformly to all the public sector units of both the Central Government and State Governments and also the private sector units.

**Policy for opening of branches of Foreign Banks in India vis a-vis Indian Banks abroad**

7689. SYED SHAHABUDDIN :

KUMARI PUSHPA DEVI :

Will the Minister of FINANCE be pleased to state :

(a) the names of foreign banks operating in India with the number of branches of each and their countries of incorporation;

(b) the names of Indian Bank operating in those countries with the number of branches of each; and

(c) the policy of Government regarding the opening of branches of foreign banks in India and the opening of branches of Indian banks abroad ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b) The information furnished by Reserve Bank of India (RBI) is set out in the Statement given below.

(c) Under the Banking Regulation Act, 1949, powers for granting a licence for opening a branch in India, including a branch of a foreign bank, and powers for granting a licence to an Indian bank to open an office abroad vest the RBI. RBI considers each request on merits. The policy adopted by RBI in regard to entry of foreign banks in India is selective. Permission is granted by the RBI on a case to case basis and generally on considerations of national interest, the international standing of the applicant bank, the benefit that would accrue to Indian economy, the economic and trade relationship between India and the country of origin of the applicant bank, whether the law of the country of origin of the foreign banks permits opening of a branch in that country by an Indian bank or discriminates it in any way etc.

The policy adopted by RBI in regard to grant of licences to Indian banks to open branches abroad is also selective. It takes into account the financial and managerial capacity of the applicant bank, the scope that exists for additional business, the need for the presence of an additional branch etc.

## Statement

Sr. No.	Name of the country	Names of the Foreign Banks	The No. of operating branches.	Names of Indian banks having branches in the countries listed in Col. 2	No. of operating branches
(1)	(2)	(3)	(4)	(5)	(6)
1.	United Kingdom (UK)	Grindlays Bank plc	56	Bank of Baroda	15
		Standard Chartered Bank	24	Bank of India	12
		British Bank of the Middle East	1	Central Bank of India	3
				Canara Bank	1
				Punjab National Bank	4
				Punjab & Sind Bank	1
				State Bank of India	5
				Syndicate Bank	1
				UCO Bank	2
				Union Bank of India	1
					45
					81
					45

2.	United States of America (USA)	Citi Bank N.A.	6	Bank of Baroda	1
		Bank of America NT and SA	4	Bank of India	2
		American Express Bank Ltd.	3	State Bank of India	4
			13		7
3.	France	Banque Nationale de Paris	5	Bank of India	1
		Banque Indo-Suez	1	State Bank of India	1
		Societe Generale	1		
			7		2
4.	Japan	Bank of Tokyo Ltd.	3	Bank of India	2
		Mitsui Bank	1	State Bank of India	2
			4		4
5.	Hongkong	Hongkong and Shanghai Banking Corporation	20	Bank of India	2
				Indian Overseas Bank	7
				State Bank of India	1
				UCO Bank	2
			20		12

(1)	(2)	(3)	(4)	(5)	(6)
6.	Netherlands	Algemene Bank Nederland N.V.	3	NIL	---
			---		
			3		
			---		
7.	Bangladesh	Sonali Bank	1	State Bank of India	1
			---		---
			1		1
			---		---
8.	United Arab Emirates (U.A.E.)	Bank of Oman Ltd.	1	Bank of Baroda	8
		Abu Dhabi Commercial Bank	1		
			---		---
			2		8
			---		---
9.	Oman	Oman International Bank SAO	1	Bank of Baroda	3
			---		---
			1		3
			---		---
10.	Cayman Islands	Bank of Credit and Commerce International (Overseas) Ltd.	1	Bank of India	1
			---	State Bank of India	1
			1		2
			---		---



11.	Canada	Bank of Nova Scotia	1	NIL
			<hr/>	
			1	
			<hr/>	
12.	Federal Republic of Germany (FRG)	European Asian Bank	1	State Bank of India
			<hr/>	
			1	<hr/>
			<hr/>	1
				<hr/>
		GRAND TOTAL :	135	85

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Note : These do not include Representative Offices, Joint Venture Banks, and subsidiaries of Indian banks operating in foreign countries have not been included in the above Statement.

### Import of Oilseeds in place of Edible Oil

7690. SHRI DINESH SINGH : Will the Minister of COMMERCE be pleased to state whether Government have examined the potential of the import of oil seeds in place of edible oil ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : Yes Sir. The proposal for importing oil seeds in place of edible oil has not been found economically viable.

[Translation]

### Exports to Switzerland

7691. SHRI BANWARI LAL BAIRWA : Will the Minister of COMMERCE be pleased to state :

(a) the names of the goods exported to Switzerland ;

(b) foreign exchange earned thereby during the last three years ; and

(c) the efforts made by Government to increase the items and quantity of goods for export to Switzerland ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) Hand knotted carpets, garments, travel goods, previous stones tea, coffee are some of the major items of export from India to Switzerland.

(b) India's exports to Switzerland during the last three years have been as follows :

*Value in Rs. (Crores)*

1982-83	100.23
1983-84	121.09
1984-85	(Provisional) 118.74
1985-86	30.72
(April-September)	

(c) Attempts are constantly made to identify areas of interest for Indian exports to Switzerland through exchange of dele-

gations, seminars, market surveys, and to increase exports through product development and follow up.

[English]

### Proposal for Establishment of Civil Supplies Corporation in Andaman and Nicobar Islands

7692. SHRI MANORANJAN BHAKTA : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether the Union Government are aware of the proposal for establishment of a Civil Supplies Corporation for Andaman and Nicobar Islands ;

(b) if so, the reaction of Government to the proposal ;

(c) whether the Food Corporation of India will increase its activities in the Bay Islands and keep stocks in Andaman and Nicobar Islands for release ; and

(d) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A.K. PANJA) : (a) & (b). Yes, Sir. A proposal for establishment of a Civil supplies Corporation in Andaman and Nicobar Islands is under examination.

(c) & (d). The Food Corporation of India proposes to construct a godown at Port Blair. The Corporation has already approached the Andaman and Nicobar Administration for allotment of suitable land for this purpose.

### Loss and Profit in National Textiles Corporation and National Jute Mills Corporation

7693. SHRI PRIYA RANJAN DAS MUNSI : Will the Minister of TEXTILES be pleased to state :

(a) the loss and profit and production report of all the mills under National Textile Corporation and National Jute

Mills Corporation during 1983-84, 1984-85 and 1985-86, respectively ;

(b) the manpower engaged in these units in those years ; and

(c) the steps Government propose to improve the condition ?

**THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) :** (a) Statement I showing the year-wise profit/loss position and production in respect of mills under National Textile Corporation and National Jute Manufacturers Corporation is given below.

(b) Statement II showing the total number of employees during the said period in mills under National Textile Corporation and National Jute Manufacturers Corporation is given below.

(c) The performance of National Textile Corporation and National Jute Manufacturers Corporation is under constant review.

Some of the important steps taken/being taken, within the limited resources, to improve the functioning 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 cash 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.

Steps taken to improve the functioning of National Jute Manufacturers Corporation are as under :

- (i) For improving the capacity utilisation, a scheme of modernisation/renovation involving an outlay of Rs. 28.34 crores has been taken up ;
- (ii) a Committee has been constituted with eminent experts to take an integrated view on modernisation ;
- (iii) a total ban for further recruitment has been imposed except for need-base requirements for maintaining the man-machine ratio ;
- (iv) detailed projections about improvement in capacity utilisation, production and productivity have been drawn up.

## Statement—I

NTC Mills :— Profit/loss position (Rs. in crores)

Year	Nationalised mills (103)	Managed mills (22)
1983-84	(—) 137.36	(—) 34.11
1984-85	(—) 172.36	(—) 50.10
1985-86 (upto Jan. 1986) (provisional)	(—) 105.68	(—) 44.43

Production of NTC mills as a whole

	Market yarn (million kgs.)	Cloth (million metres)
1983-84	69.90	902.00
1984-85	74.00	920.00
1985-86 (upto Dec. 1985)	60.70	749.00

NJMC Mills as a whole

	1983-84	1984-85	1985-86 (prov.)
Profit/loss position (Rs. in crores)	(—) 32.13	(—) 85.75	(—) 60.71
Production (in M. tonnes)	106147	131709	132686

## Statement—tII

	No. of workers in NTC mills	No. of workers in NJMC mills
1983-84	2,44,280	34,555
1984-85	2,35,183	32,745
1985-86 (upto Dec. 1985)	2,32,257	32,896

### Minimising Role of Excise Department

7694. **SHRI R.M. BHOYE** : Will the Minister of FINANCE be pleased to state :

(a) whether some concern has been expressed generally for the need to evolve a system which would minimise the role of the Excise Department ;

(b) whether payment of excise duties on a quarterly basis through cheques on nationalised banks would go a long way in solving the payment problem ; and

(c) if so, the suggestions put forward and reaction of Government thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (**SHRI JANARDHANA POOJARY**) : (a) The main role of Central Excise Department is collection of central excise duties. No concern has been expressed by any quarter about the need to evolve a system which would minimise this role.

(b) & (c). Central excise duties are paid at the time of removal of goods from a factory or warehouse. Advance deposits towards central excise duties can be paid through the public sector banks. It has not been found possible to accept the suggestion that manufacturers may be permitted to pay excise duties on a quarterly basis instead of at the time of clearance of the goods.

### Promotion of Tourism in Hill States During Seventh Plan Period

7695. **PROF. NARAIN CHAND PARASHAR** : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) whether any priority is proposed to be given to promotion of tourism in hill States/regions by making the district headquarters as the focal point with the provision of lodging and other facilities by constructing tourist bungalows/hotels/sarais/holiday homes during the Seventh Five Year Plan ;

(b) if so, the names of district headquarters in the hill States/regions recognised as such by the Planning Commission which do not have any tourist facilities in them as on date ; and

(c) the steps taken by the Department of Tourism/ITDC in consultation with the State Government/State Tourism Corporations for the provision of these facilities in the Seventh Five Year Plan ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (**SHRI H.K.L. BHAGAT**) : (a) to (c). The Department of Tourism has given consideration to the promotion of tourism in hill States/regions, in recognition of the tourist potential of each such area and not necessarily the district headquarters. Steps have been taken to create suitable infrastructure at several places located in hill States depending upon its tourism potential, inter-se priority and availability of funds during the Seventh Five Year Plan. In Jammu & Kashmir construction of Way-side facilities at Hemis Gonpa and Lamayaru has been taken up. In Himachal Pradesh the construction of a Sarai at Chamund Devi ; Trekkers Huts at Sarahan and Tourist Inn at Rewalsar have been sanctioned. In Sikkim Trekkers Huts and trekking equipment have been sanctioned. Bhartiya Yatri Avas Vikas Samiti, a registered Society has proposals to construct Yatrikas at the following places, subject to availability of funds and land from State Governments :

Nainadevi, Shimla and Kangra in Himachal Pradesh Srinagar, Chandanbari, Katra and Vaishno Devi in Jammu & Kashmir Badrinath, Rishikesh, Kedarnath and Gangotri in Uttar Pradesh.

A winter Sports Project Institute has been set up by the Department of Tourism at Gulmarg to provide facilities for the skiing and organising training courses during winter at an estimated cost of Rs. 175.30 lakhs. The Department has sanctioned skiing equipment for the resort at Narkanda (Himachal Pradesh) and Auli (Joshimath) in Uttar Pradesh.

**Proposal to Open Retail Shops of NTC  
in Andhra Pradesh**

7696. SHRI S. PALAKONDRA-YUDU : Will the Minister of TEXTILES be pleased to state :

(a) the total number of retail shops of National Textile Corporation in Andhra Pradesh ;

(b) whether there is any proposal to open retail shops at Rayachoti, Rajampet, Cuddapah, Madanpalle, and Kodur in Andhra Pradesh ;

(c) if so, when those retail shops will start functioning ; and

(d) if not, the reasons therefor ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) At present, there are 28 showrooms of National Textile Corporation in Andhra Pradesh

(b) At present, there is not proposal under the consideration of NTC to open retail shops at Rayachoti, Rajampet, Madanapalle and Kodur. One showroom is already operating at Cuddapah.

(c) Does not arise.

(d) Further opening of showrooms is considered only after assessing the demand and reviewing the performance of the showrooms already operating.

**Subsidy for Public Distribution of  
Foodgrains, Sugar, Edible Oils  
in Andhra Pradesh**

7697. SHI T. BALA GOUD : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state the Central subsidy for public distribution of foodgrains including sugar and edible oil in Andhra Pradesh during 1985-86 ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES

(SHRI A.K PANJA) : The Central Subsidy on wheat and rice issued for the public distribution system in Andhra Pradesh during 1985-86 is estimated at Rs. 102.75 crores. For edible oils and sugar no Central subsidy for Public Distribution has been given during 1985-86 to Andhra Pradesh.

**Promotion Policy in Banks**

7698. SHRI V. SOBHANADREESWARA RAO : Will the Minister of FINANCE be pleased to state :

(a) whether any uniform promotion policy is being followed by the 28 public sector banks in the country for their subordinate staff ;

(b) if so, the salient features thereof and how does it compare with the promotion policy followed in Reserve Bank of India ; and

(c) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Indian Banks' Association has advised that there is no uniform promotion policy in Public Sector Banks for Subordinate Staff.

(b) Does not arise.

(c) Promotion Policy from Subordinate Cadre to Clerical Cadre in the Public Sector Banks is normally governed by settlements entered into by respective bank managements with their employees unions and the terms of settlements vary from bank to bank.

**Pending Ex-Gratia Claims Reg. Enemy  
Property**

7699. SHRI BHOLA RAUT : Will the Minister of COMMERCE be pleased to state :

(a) the present position of ex-gratia payment against the claims lodged by the parties in respect of Enemy Property in Bangladesh ;

(b) the details of procedure for calculating the amount of ex-gratia payments against the claims lodged ; and

(c) the details of claims still pending for settlement and the action being taken ?

**THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) :** (a) 57,493 claims were registered with the Custodian of Enemy Property of which 18,798 claim cases have so far been settled and Rs. 58.32 crores have been disbursed.

(b) The claims are verified with documents and compensation is paid after calculations are made on the basis of a formula by the United Bank of India which has been adopted by the Government.

(c) 21,820 claimants have filed incomplete claim applications and in 2839 cases no documents had been submitted by the claimants. 14,036 claim cases remain to be processed.

Among the measures taken by Government are inter-alia transfer the work of disbursement of ex gratia for payment from Bombay to Calcutta since the majority of the claimants are from West Bengal, increase in scale of payment to the verification panels and increase in the number of verifications panels.

#### **Import Duty on Flexible packaging Material for Packing Agro-Based Products**

**7700. SHRI ANANDA PATHAK :** Will the Minister of FINANCE be pleased to state :

(a) the import duty on flexible packaging material for pouches for packing-agro-based products ; and

(b) whether there is a proposal to drastically reduce the import duty to twenty per cent to support agricultural produce and create gainful employment ?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :** (a) As flexible packaging material for pouches could be made of plastic, paper etc., the import duty cannot be indicated in the absence of details regarding composition of the goods.

(b) No proposal for reduction in import duty on "flexible packaging material for pouches" as such has been received. However, a proposal for exemption from customs duty on specialised paper called 'grape guard' for packaging of grapes was received and by issue of notifications No. 234—Cus and No. 235/Cus., both dated 3-4-86, 'grape guard' has been fully exempted from customs duty. These notifications have also been placed on the Table of the House.

Proposals have also been received for complete exemption from customs duty on kraft linear paper, fluting media and poly-propylene copolymer for manufacture of packages for horticulture produce and the matter has been taken up with the concerned administrative Ministries.

#### **Agreement with U.S.A. for Export of Pepper.**

**7701. SHRI T. BASHEER :** Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that India has entered into an agreement with the United States of America to export a large quantity of pepper during this year ; and

(b) if so, the details in this regard ?

**THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) :** (a) & (b). Pepper is exported from India to USA by individual exporters. According to preliminary estimates a quantity of 13,122 metric tonnes of pepper valued at Rs. 55.68 crores has been exported to USA during 1985-86.

**Setback to Tourist Industry due to Disturbances in J & K**

**7702. SHRI JANAK RAJ GUPTA :** Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) whether it is a fact that main source of income of most of the people in Jammu and Kashmir is tourism ;

(b) whether it is also a fact that because of disturbances in Punjab and Jammu and Kashmir there has been great setback to tourism industry in Jammu and Kashmir State ; and

(c) steps Government proposed to take to promote tourism in the State ?

**THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT):** (a) Tourism is one of the major sources of income for the people in J & K.

(b) Yes, Sir.

(c) The promotion and publicity of India including the State of J & K is a continuing activity of the Department of Tourism. In order to boost travel to this State, various steps were being taken by the Department in the past. Due to the deteriorating tourist traffic to the State of J & K, an inter Ministerial Meeting was taken by the Minister of Parliamentary Affairs and Tourism on 10th April, 1986 to draw up an action programme for promoting travel to this State. A number of short and long term measures were identified for execution by the Railways, Indian Airlines, the State Government and the Department of Tourism. Some of the important measures are :—

1. Special reservation facilities to Jammu from some selected points, and provision of additional coaches for passengers during the ensuing summer season. Restoration of hill travel concessions on Railway fares by the Ministry of Railways.
2. Provision of extra flights to J & K in case of need, and rescheduling

the flight timings to Srinagar. Reduction in prevailing air-fare.

3. The J & K Government is to adopt certain measures which would facilitate travel to this State by domestic as well as foreign tourists.
4. The Department to Tourism in conjunction with the Doordarshan, All India Radio and the India Tourism Development Corporation would launch a special Promotion-cum-Reassurance Campaign to dispel all fears and reiterate the image of Kashmir as a valley of peace and security.
5. Some other measures are also under consideration.

**Posting of husband and wife at one place**

**7703. SHRI LALA RAM KEN :** Will the Minister of FINANCE be pleased to State :

(a) whether attention of Government has been drawn to the news item captioned "Govt's posting rules to keep spouses together" appearing in the 'Indian Express' of the 9th April, 1986 ;

(b) if so, the details of the guidelines issued by the Government in this regard ;

(c) whether Government have received request from the wives of Intelligence Officers who were transferred outside Delhi in the Directorate of Anti-Evasion under his Ministry ; and

(d) if so, the steps Government propose to take on their requests under Government's posting rules to keep spouses together ?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY :** (a) News item captioned "Govt's posting rules to keep spouses together" had appeared in the Indian Express dated 9th April, 1986.

(b) A copy of the Department of Personnel & Training O.M. No. 28034/7



86-Est(A), dated 3rd April, 1986 containing the requisite guidelines is Laid on the Table of the House. [Placed in the Library See LT/2605/86].

(c) Representations have been received from the working wives of some Intelligence Officers of the Directorate of Anti-Evasion, who have been posted outside Delhi.

(d) Intelligence Officers in the Directorate of Anti-Evasion are liable to be posted to any of the field formations especially for giving them varied experience and to meet operational requirements of highly sensitive nature and other administrative exigencies. Reposting of these officers will be considered at an appropriate time subject to availability of vacancies and administrative requirements.

#### **Import of Sugar and Switch over to use of Beet-Roots by Sugar Industry**

7704. DR. T. KALPANA DEVI : Will the Minister of COMMERCE be pleased to state :

(a) whether India is to import sugar worth about Rs. 144 crores during 1986-87 as reported in the 'Economic Times' of 11 April, 1986 ;

(b) if so, whether this is despite success of the Green Revolution and increased use of inputs including imported fertilizers and pesticides ;

(c) whether Sugar Industry would slowly switch over to beet-roots specially in the north which is not well-suited to sugarcane ;

(d) whether any economic study of beet-root and sugarcane as a source of sugar has been carried out so far ; and

(e) if so, the results thereof including data from beet-root growing countries ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) Quantum and schedule of import of sugar is

decided after considering domestic stock, production and consumption of sugar, current price and expected trend of its movement in internal market and sugar price in international market. It will not be in public interest to disclose actual value a schedule of proposed imports of sugar.

(b) Though there has been increase in production of sugarcane due to increased use of inputs like fertilizers and pesticides, this has not significantly been reflected in production of sugar due to diversion of more sugarcane to gur and Khandsari units.

(c) No, Sir.

(d) Yes, Sir.

(e) The study carried out in Sri Ganga Nagar Sugar Mill from 1970-71 to 1978-79 indicated that it is not economically viable to grow sugarbeet even in Sri Ganga Nagar area, if economies of sugarcane versus sugarbeet is taken into consideration. However, some countries like Chile have found sugar-beet cultivation, profitable.

#### **IMF Loan to India**

7705. DR. G. VIJAYA RAMA RAO :  
SHRI AKHTAR HASAN :

Will the Minister of FINANCE be pleased to state :

(a) whether International Monetary Fund has created a \$ 3 billion fund for the poorest in the globe ;

(b) if so, the reasons why India despite being one of the poorest is declining to avail of this loan ;

(c) whether India is expecting to raise loans for its anti-poverty plan from International Commercial Banks, etc. ; and

(d) the position of India amongst poor nations in the World such as Pakistan, Sri Lanka, Zaire, Bangladesh, Zambia, Burma etc. ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). IMF has set up a new Facility called the Structural Adjustment Facility (SAF) for utilisation of resources, available following the repayment of loan from Trust Fund. These resources estimated at SDR 2.7 billion, which may be supplemented with Funds from other sources, will be used to provide additional balance of payment assistance on concessional terms to low income countries eligible for IDA resources and facing protracted balance of payment problems.

India has voluntarily opted not to avail itself of this Facility for a period of Five Years. The main consideration which led to this decision was that there were several low income countries in very difficult and dire economic situation and that everything possible needed to be done to help such countries. This decision was taken on the assurance that it would not adversely affect the availability of concessional development finance for other low income countries (like India) not utilising Trust Fund.

(c) Commercial borrowings from the International Capital Market is normally undertaken for specified productive projects/plans which are commercially viable and not directly for anti poverty programmes.

(d) A statement indicating position of India amongst the poor nations with per-capita income less than US Dollar 800 is given below.

#### Statement

*Table indicating Position of India amongst poor Nations of the World with reference to Per-Capita Income*

(Ranked by 1984 GNP Per Capita)  
(In U.S. Dollars)

Income Group & Country	1984 GNP Per Capita
1	2
<b>II (\$ 401-790)</b>	
Nigeria	770
Papua New Guinea	760

1	2
Zimbabwe	740
Egypt	720
El Salvador	710
Honduras	700
Morocco	670
Philippines	660
Ivory Coast	610
Guyana	580
Yemen, PDR	560
Indonesia	540
Lesotho	530
Yemen, AR	510
Liberia	470
Zambia	470
Mauritania	450
Bolivia	410
Djibouti	n.a.
Maldives	n.a.
Solomon Islands	n.a.
Western Samoa	n.a.
<b>I (\$ 400 or less)</b>	
Pakistan	380
Senegal	380
Sri Lanka	360
Ghana	350
Sudan	340
Cape Verde	320
Haiti	320
Sao Tome and Principe	320
China	310
Guinea	300
Kenya	300
Sierra Leone	300

1	2	Fixation of prices of Essential Commodities for five years
Benin	270	7706. SHRI GURUDAS KAMAT : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :
Central African Republic	270	(a) whether Government are contem- plating to have fixed prices of all essential commodities for a period of five years;
Madagascar	270	(b) if so, the details thereof; and
Rwanda	270	(c) when a final decision is likely to be taken by Government ?
Gambia	260	THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A.K. PANJA) : (a) No, Sir.
India	260	(b) & (c). Does not arise in view of answer to (a).
Somalia	260	Textile Mills run by National Textile Corporation in Maharashtra
Togo	250	7707. SHRI MURLIDHAR MANE : Will the Minister of TEXTILES be pleased to state :
Uganda	230	(a) the total number of textile mills that are being run by the National Textile Corporation in Maharashtra;
Burundi	220	(b) the number of these mills running into losses during the last three years;
Malawi	210	(c) the reasons for the losses and extent of loss; and
Tanzania	210	(d) the steps taken by Government to wipe out the loss and make these units economically viable ?
Niger	190	THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) At present, there are 22 nationalised textile mills and 13 managed textile mills run by the National Textile Corporation in Maharashtra.
Burma	180	
Guinea-Bissau	180	
Burkina	160	
Nepal	160	
Nmali	140	
Zaire	140	
Bangladesh	130	
Ethiopia	110	
Afghanistan	n.a.	
Bhutan	n.a.	
Chad	n.a.	
Comoros	n.a.	
Equatorial Guinea	n.a.	
Kampuchea	n.a.	
Laos	n.a.	
Mozambique	n.a.	
Vanuatu	n.a.	
Viet Nam	n.a.	

(b) The position in regard to number of mills running into losses during the last 3 years is given below :—

	1983-84	1984-85	1985-86
		(April 85-'Jan' 86)	
Nationalised	19	20	17
Managed	12	12	12
Total	31	32	29

(c) The major reasons for continued losses of these mills are as follows :—

- (i) old & obsolete machinery;
- (ii) abnormal increase in cotton prices particularly from the middle of 1980-81 to 1984-85;
- (iii) increase in cost of power, coal, dyes & chemicals, stores and spares etc;
- (iv) increase in wages/salaries due to increase in DA/Interim relief;
- (v) sluggish market conditions in the textile industry; and
- (vi) excess labour force.

The losses of nationalised mills during 1983-84, 1984-85 & 1985-86 (April '85-January '86) were about Rs. 31.98 crores, Rs. 42.91 crores and Rs. 23.68 crores respectively. The losses of managed mills during the said period were about Rs. 6.92 crores, Rs. 12.86 crores and Rs. 14.69 crores respectively.

(d) 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) working capital has been replenished to make up for cash losses;
- (ii) selective modernisation programme have been adopted for

result-oriented gains; for best utilisation of limited resources;

- (iii) cost control methods have been introduced for reduction in cost of production at all levels;
- (iv) efforts are being made for reducing the non-operational administrative expenses;
- (v) workers' participation scheme in the management is being encouraged to achieve higher productivity;
- (vi) the performance of NTC is being monitored closely to reduce costs, improve efficiency and quality.

#### Approval for new Cigarette brands

7708. CH. SUNDER SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware that many brands of cigarettes have been coming in the market without the approval of the Union Government;

(b) if so, the names of those brands;

(c) whether it is a fact that provisional approval was granted by concerned Collectors at Hyderabad, Meerut and Madras in collusion with the manufacturers; and

(d) if so, the action taken against such officers who have exceeded their powers ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) No instance has come to the notice of the Ministry to indicate that cigarette brands, the surface designs of which have not been approved by the Director (Audit) in the Directorate of Inspection and Audit (Customs and Central Excise), New Delhi, are being sold in the market.

(b) Does not arise.

(c) No, Sir.

(d) Does not arise.

**Reported malpractices by Punjab  
and Sind Bank**

7709. SHRI SUBHASH YADAV : Will the Minister of FINANCE be pleased to state :

(a) whether certain irregularities and malpractices were found in the opening of letters of credit in April, 1982 by the International Banking Division of the Punjab & Sind Bank at New Delhi for certain concerns of Ghaziabad (Uttar Pradesh) to the tune of several lakhs of rupees;

(b) if so, the particulars thereof;

(c) whether the matter has been enquired into and if so, the action taken against the officers found guilty; and

(d) what other action is being taken or contemplated ?

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

(b) to (d). Punjab & Sind Bank has reported that its International Banking Division at New Delhi had established 4 Letters of Credit relating to two firms for US 5,00,000 each with effect from 5th April, 1982. Two of the Letters of Credit were for import of Oxy Tetracycline HCL, whilst the other two Letters of Credit were for PVC Resin. As there were allegations that the LCs were opened after 19th April 1982 when the import of Oxy Tetracycline HCL was banned and records had also been manipulated, the Bank initially enquired into them its own and subsequently through its Statutory Auditors and a firm of Chartered Accountants. As the report of the Statutory Auditors indicated that certain procedural irregularities had been committed in opening of these LCs and also that there is enough documentary and circumstantial evidence to prove that the LCs

were ante-dated, the Bank has charge-sheeted the erring officials for the irregularities in opening of these LCs. CBI has also registered a regular case for investigation.

**Construction of Flats for Officers of Punjab  
and Sind Bank**

7710. SHRI P.A. ANTONY : Will the Minister of FINANCE be pleased to state :

(a) whether the Punjab and Sind Bank had entered into a deal with a private firm of Bombay for construction of flats for bank's officers ;

(b) whether the bank had paid Rs. 30 lakhs to the builders for construction of the flats ;

(c) whether one of the senior officials of the bank had purchased three of these flats in the name of his family members and whether any disciplinary proceedings are pending against him for that reasons or otherwise ; and

(d) whether any amount outstanding against the aforesaid builders has been declared as doubtful or bad debt ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). Yes, Sir. However, Punjab & Sind Bank has reported that the sum advanced is Rs. 25.60 lakhs.

(d) Punjab and Sind Bank has also reported that none of this amount is currently considered bad or doubtful of recovery.

**Statutory powers to Voluntary Consumer  
Protection Organisations**

7711. SHRI SHANTARAM NAIK : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) the number of voluntary consumer protection organisations known to the Union Government ;

(b) names thereof, State/Union Territory-wise ;

(c) whether there is any proposal to confer statutory powers on these organisations ; and

(d) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A.K. PANJA) : (a) & (b). One Hundred and Eighty One Voluntary Consumer Protection Organisations are known to the Union Government. A list of these Organisations State/Union Territory-wise is given in the Statement below.

(c) & (d). As an experiment, Delhi Administration has given certain statutory powers of inspection, receiving complaints etc. to the representatives of some voluntary consumer organisations. The other States/Union Territories have been advised to consider taking action on similar lines.

#### Statement

#### ANDAMAN & NICOBAR ISLANDS

1. Citizen's Alliance Council, for PM's 20-Point Programme, Rajendra Bhavan, P.O. Junglighat, Port Blair.
2. Pradesh Consumer Council, Andaman & Nicobar Islands, Port Blair.
3. The Youth Co-ordinator, Nehru Yuvak Kendra, Port Blair.

#### ANDHRA PRADESH

4. Visakha Consumers' Council, 16-3-5, Official Colony, Mahrani Peta, Visakhapatnam-530002.
5. The Vizianagram Consumer Council, 19-5-13, Kanukurty Street, Vizianagram-531202.

6. Consumer Protection Centre, 26-13-37, Sanyari Raya Road, Gandhinagar, Vijayawada-520003
7. Vijayawada Consumers Council, 27-18-62, Congress Office Road, Vijayawada-520002.
8. Andhra Pradesh Consumers' Council Exhibition Grounds, Hyderabad.
9. Akhil Bharatiya Grahak Panchayat, 5-1-563, Jambagh Road, Navrang Cinema Compound, Hyderabad-500001.
10. Federation of Andhra Pradesh Consumer Organisations, No. 4, Sheshavilas, 3-6-293, Hyderguda, Hyderabad-500029.
11. National Institute of Consumer Studies, Civil Supplies Bhavan, Somajiguda, Hyderabad-500004.
12. Consumer Education Centre, No. 3. Sheshavilas, 3-6-293, First floor, Hyderguda, Hyderabad-500029.
13. Consumer Guidance Society of India, Hyderabad Branch, 7-1-644/37, Sundra Nagar, Hyderabad-500001.
14. Consumer Protection Council, 607, 6th floor, Srinivasa Towers Begumpet, Hyderabad-500038.
15. Santhnagar Residents' Consumer Association, SRT 484, Santhnagar, Hyderabad-500018.
16. Consumer Guidance Society of India, (Hyderabad), D/9, Vikrampuri, Secunderabad-500003.
17. Consumer Forum, Lourdu Nivas, North Lalaguda, Secunderabad-500017.

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| <p>18. <b>Kakinada Consumer Council,</b><br/>59-19-17, Santi Sadan,<br/>Pasterpet,<br/>Kakinada-533002.</p> <p>19. <b>Rajahmundry Consumers Council,</b><br/>Vikrana Hall, Parade Ground,<br/>Rajahmundri-5330001.</p> <p>20. <b>Srikakulam Consumers Council,</b><br/>3-8-75, Ippili Street,<br/>Srikakulam-532001.</p> <p>21. <b>Consumers Association,</b><br/>Bhimavaram,<br/>Sri Muvullamma Temple Street,<br/>Bhimavaram-534201.</p> <p>22. <b>Consumer Council</b><br/>3rd line, Bharatpet,<br/>Guntur-522002.</p> <p>23. <b>Gunture Consumers Council,</b><br/>Near PLP Park, Old Guntur,<br/>Guntur-522010.</p> <p>24. <b>Warangal Consumer Council,</b><br/>2-6-44, 'Asslesha' Nakkalagntta,<br/>Hanam Konda,<br/>Warangal-506010.</p> <p>25. <b>Consumers Council,</b><br/>Nidadavole,<br/>West Godavari District,<br/>Andhra Pradesh.</p> <p>26. <b>City Consumer Council,</b><br/>Ist Lane, Maruthi Nagar,<br/>Vijayawada-520004.</p> | <p>30. <b>National Consumers' Union for</b><br/><b>Legal Assistance,</b><br/>Laxmi Mansion, Bistupur,<br/>Jamshedpur-831001.</p> <p>31. <b>Bihar Pradesh Upbhokta Seva</b><br/><b>Sangh, Thrilling Trishul Temple</b><br/><b>Lane, Purance Bazar,</b><br/><b>Muzaffarpur-842001.</b></p> <p>32. <b>Bihar State Consumer Federation,</b><br/><b>Chhather Bhavan,</b><br/><b>South Mandivi, Patna-800001.</b></p> <p>33. <b>Bihar Rajya Upbhokta Sangh,</b><br/><b>241C, Kakar Bagh Colony,</b><br/><b>Patna-800020.</b></p> <p>34. <b>Akhil Bharatiya Grahak Panchayat</b><br/><b>Bihar, New Area, Kadam Kuan,</b><br/><b>Patna-800003.</b></p> <p>35. <b>Akhil Bharatiya Grahak Panchayat,</b><br/><b>III A-716, Bokaro Steel City,</b><br/><b>Dhanbad-827003.</b></p> <p>36. <b>National Consumers' Union</b><br/><b>for Legal Assistance,</b><br/><b>Bimala Bhavan, West Lohanipur,</b><br/><b>Patna-800003.</b></p> <p>37. <b>Akhil Bhartiya Grahak Panchayat,</b><br/><b>Distt. Singhbhum,</b><br/><b>F/10, Tayo Colony, P.O. Gambaria,</b><br/><b>Singhbhum, Bihar.</b></p> <p>38. <b>Akhil Bhartiya Grahak Panchayat,</b><br/><b>Moubhandar, NF-3/6, Moubandhar,</b><br/><b>Singhbhum (Bihar)-832303.</b></p> |
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#### **BIHAR**

27. **Consumer Guidance Society of**  
**Jamshedpur, Avtar Building,**  
**Pistupur, Jamshedpur-831001.**
28. **Akhil Bharatiya Grahak Panchayat,**  
**Jamshedpur, M/31/5, Telco Colony,**  
**Jamshedpur 831002.**
29. **Akhil Bhartiya Grahak Panchayat,**  
**Singhbhum Zilla, Road No. I,**  
**Quarter No. 14/2, Farm Area,**  
**Kadma, Jamshedpur-831005.**

#### **CHANDIGARH**

39. **Consumers' Forum, Kothi**  
**No. 99, Sector 8-A,**  
**Chandigarh-160008.**
40. **Consumers Counter Chandigarh,**  
**721, Sector 7,**  
**Chandigarh-160007.**

#### **DELHI**

41. **Citizen's Action (Regd.)**  
**5 Odeon Building,**  
**Connaught Place,**  
**New Delhi-110001.**

42. Consumer Service, Society,  
231, Jor Bagh,  
New Delhi-110003.
43. Mahila Dakshate Samiti,  
2, Telegraph Lane,  
New Delhi-110001.
44. National Consumers' Front,  
D-II/345, Pandara Road,  
New Delhi-110011.
45. Consumers' Forum (Regd.)  
B-24, Maharani Bagh,  
New Delhi-110065.
46. Indian Federation of Consumer  
Organisations, 231, Jor Bagh,  
New Delhi-110003.
47. Common Cause,  
32, Anand Lok,  
New Delhi-110049.
48. Consumer Protection Organisation,  
A-16, Naraina Indl. Area,  
New Delhi.
49. Voluntary Organisation in the  
Interest of Consumer Education  
(VOICE),  
108, Golf Link,  
New Delhi-110003.
50. National Consumers' Union for  
Legal Assistance,  
803, National Park, Lajpat Nagar IV,  
New Delhi-110024.
51. Society for Civic Rights,  
J-13, Prasad Nagar,  
New Delhi-110005.
52. All India Consumers Forum,  
151, Office Complex, Cycle Market,  
Phase-I, Swami Ram Tirth Nagar,  
New Delhi-110055.
53. Central Consumers' Council,  
C-2/35 Model Town,  
Delhi-110009.

**GOA, DAMAN & DIU**

54. Housewives Consumer Organisation,  
Vasco-de-Gama, Goa.

**GUJARAT**

55. Jyotisangh Grahak Suraksha  
Mandal,  
Sri Kivkeraben Mafatlal Mahila  
Mandir,  
Relief Road, Ahmedabad-380001.
56. Manekchowk Grahak Suraksha  
Mandal,  
Mandavini Pole Seva Sangh,  
Mandvini Pole,  
Ahmedabad-380001.
57. Consumer Education and Research  
Centre,  
Thakerabhai Desai Smarak Bhavan,  
Near Law College, Ellisbridge,  
Ahmedabad-380006.
58. Women Equal Right Group,  
3, Aakashdeep Apartment,  
Near Telephone Exchange,  
Navaranghpura,  
Ahmedabad-380001.
59. Amadevad Yuvak Samaj,  
Bhind Satkar Hotel,  
Jamshahebni Gali,  
Relief Road, Laldarvaja,  
Ahmedabad-380001.
60. Bharat Sevak Samaj Grahak Surak-  
sha Mandal,  
C/o Bharat Sevak Samaj,  
Nagresheth's Vanda,  
Pankornaka, Ahmedabad-380001.
61. Shaher Madhyashtha Grahak  
Suraksha Mandal,  
9/A, Parmatam Society,  
Narangpura, Near Post Office,  
Ahmedabad-380018.
62. Shriji Seva Samaj,  
149, Gajendra Society,  
Gujaraj-V-2, Chandlodiya,  
Ahmedabad.
63. Consumers' Protection Council,  
31, Surabh Society, Navrangpura,  
Ahmedabad-380001.
64. Consumer Protection Council,  
'Ashish' 25, Vaundhara Colony,  
Gulbai Tekra, Ahmedabad-380006.



65. Vadodara Saher Grahak Suraksha Mandal, Opposite Police Ground, Shramsudhana, Raopura, Vadodara-390001.
66. Ahmedabad Women's Action Group, 5, Professors Colony, Navarangpura, Ahmedabad-380009.
67. Rajkot Saher Grahak Suraksha Mandal, 'Shivkrupa' 7 Bhaktinagar Society, Rajkot-360002.
68. Rajkot Saher Grahak Suraksha Samithi, 20, New Jayanth Plot, Rajkot-360002.
69. Dhoraji Saher & Taluka Grahak, Suraksha Mandal, Near Darabargadh, Dhoraji District, Rajkot.
70. Rajkot City Consumer Asscn., 11, Ramnik House, 2nd floor, Jubilee Chowk, Rajkot-360001.
71. Grahak Hit Suraksha Mandal, Zarola Vago, Patvani Khadki, Jabhoi District, Vadodara.
72. Surat Grahak Mandal, Dalal Sadan, Ghee Kanta, Haripura, Surat-395001.
73. Bhavnagar Grahak Suraksha Mandal, C/o Jayotish Sanghvi, Near Aagdish Mandir, Kargate, Bhavnagar-364001.
74. Consumer protection Education and Research Centre, 16, Devubhag, Bhavnagar-364002.
75. Jamnagar Grahak Suraksha Mandal, New Central Bank Building, Sardar Patel Road, Jamnagar.
76. Gandhinagar Saher Grahak, Suraksha Mandal, 314/B 'Anunt', Sector-20, Gandhinagar
77. Consumer protection Association, P.N. Institute of Medical Science, Compound, Himetnagar-383001 . Distt. Sabarkantha (Gujarat).

78. Bharuch Saher Grahak Suraksha Mandal, Dandiya Bazar, Bharuch.
79. Palanpur Saher Grahak Suraksha Mandal, Palanpur Nagar Palika, Palanpur, Distt. B.K.
80. Navodit Grahak Suraksha Mandal, Nagarvada, Nadiad, Distt. Kheda.
81. Anand Taluka Yuvak Mandal Asscn, Grahak Suraksha Mandal, Laxmi V Nivas, 25, Ajanta Society, Anand, Distt. Kheda.
82. Bhuj Saher Grahak Suraksha Mandal, Santhosh Society, Bhuj, Distt. Kutch.
83. Aajar Grahak Suraksha Mandal, Anjar, Distt. Kutch.
84. Gandhidham Consumers Protection Council, DBZ-168/A Arya Samaj Road, Gandhidham-370201, Distt. Kutch
85. Amreli Grahak Suraksha Mandal, Dr. Jivraj Mehta Road, Amreli.
86. Grahak Hit Suraksha Mandal, Near Kacheri Darvaja, Kodinar, Distt. Amreli.
87. Grahak Hit Suraksha Mandal, Pani Darwaja, Kodinar, Distt. Amreli.
88. Jagraj Grahak Suraksha Mandal, Amin Building, Gondi Gate, Baroda-390017.
89. Mehsana Grahak Suraksha Mandal, C/o Mahila Mandal Mehsana, Near T.J. High School, Mehsana.
90. Surendranagr Grahak Suraksha Samiti, 40, Nutunagar Society, Surendranagar.
91. Godhara Saher Grahak Suraksha Mandal, Godhara Madhyasatha Sahakari Bhandar, Godhara, Distt. Pançamahal,

92. Valsad Grahak Suraksha Mandal, Kamala Nivals Bhutiya Meta Sheri, Valsad
93. Shree Grahak Suraksha Mandal, Vapi, District-Valsad.
94. Junagadh Grahak Suraksha Mandal, 3, Solanki Chamber, Opp. Bhehaning College, Junagadh.
95. Bilimora Grahak Suraksha Mandal, Bilimora, Distt. Valsad.
96. Dangs Jilla Grahak Suraksha Mandal, Ahava, Distt. Dangs.
97. Bhachau Grahak Suraksha Mandal, Bhachau, Distt. Kutch.
98. Morabi Vihhagiy Grahak Suraksha Samiti, Dr. Ambedkar Road, Opp. Petrol Pump, Near Janana Hospital, Morabi.
99. Grahak Suraksha Mandal, Station Road, Keshod, Distt. Junagarh-362220.

**HIMACHAL PRADESH**

100. Himachal Pradesh Upbhogta Samiti, Simla.

**KARNATAKA**

101. Karnataka Consumers' Forum, No. 9, Karnic Street, Bangalore-560075.
102. Karnataka Consumer Service Society, 32-A, Benson Cross, Benson Town, Bangalore-560046.
103. Grahak Jagrathi, 20, Market Road, Basavangudi, Bangalore-560004.
104. Jagrath Mandeli, 947, 12th Cross, J.P. Nagar, 1st Stage, Bangalore-560078.
105. Consumer Education Trust of Mangalore, Microwave Station Road, Mangalore-575006.

106. The Citizens Forum, 'Nayan', No. 2, Ashokanagar Road, Hubli-589029.
107. Consumer Guidance Society of India (Dandeli Branch), H Type 10/56, Bangurnagar, Dandeli-581362.
108. Consumers' Forum, Upendrabaug, Near Kalpana Talkies, Udipi-576101.
109. Citizens' Forum, Near Marathi Vidyalaya, Bijapur-586101.
110. Citizens' Forum, Near S.T.V. Temple, Basreror-576211.
111. Consumers' Forum, Naina Building, Shirya-574116.
112. Gulburga Distt. Consumers Forum, E-I-1534, Shahakari Pant's House, Venkatesh Nagar, Gulbarga-585102.
113. Consumers, Forum, Balthagdi, C/o. Dr. D.C. Devdhar, S.D.M. College, Ujare, Karnataka.
114. Consumers' Forum C/o Gayatri Nursing Home, Sullia-574239.
115. Jana Jagarithi Trust, Near C.A. Bank, Sullia-574239.
116. Nagarikarara Vedika, Kotta Post, Udupi, Karnataka.
117. Balakedarava Vedika, Anartha Shayan Road, Karkala, South Kanara-574014.
118. Balakedara Belaga, C/o Mahila Kendra Souratkal, Souratkal, Karnataka.
119. Balakedarara Vedika, Puttur, South Kanara, Karnataka.
120. Balakedarara Vedika, Surathkal, Mangalore Taluka, Karnataka.

121. Balakedarara Vedika,  
Jain Temple Road,  
Mudubidare, South Kanara,  
Karnataka.
122. Nagarika Samithi, Parkala,  
Udupi, Karnataka.
123. Praja Jagrithi Sangh, Ballery,  
Karnataka.
124. Consumer Welfare Council,  
Door No. 7/471 C, South Extn.  
Kollegal-571440.
125. Jagrathi Balakedrara Vedika,  
Sanjivayya Compound, Varthur,  
Bangalore.
126. The Citizen Forum,  
Hotel Dharwad,  
Dharwad (Karnataka).

**KERALA**

127. Consumer Guidance Centre,  
Cochin.
128. Consumer Protection Wing,  
Centre for Legal Research,  
Consumer Protection and  
Non-formal Legal Education,  
47/20 S.R.M. Road,  
Cochin-682018.
129. Kerala State Consumer Council,  
Chirakkal P.O. Cannore-670011.
130. Consumers' Guidance Forum,  
Menanthavady, Wynad-670645.
131. Consumer Guidance Society of India  
(Trichur Branch)  
Municipal Stadium, R. No. 63,  
Palace Road, Trichur-680020.
132. Consumer Guidance Society of India  
(Kerala Branch) Poonithra  
Puthanangady, Kottayam-686001.
133. Cochin Mahila Consumer Vigyan  
Kendra, Prathibha, 47/855,  
Ashoka Road, Cochin-682017.
134. Kerala Consumer Service Society,  
47/855, Prathibha, Ashoka Road,  
Cochin-682017.
135. Centre for Legal Research,  
Consumer Protection and Non-  
formal Legal Education,  
NIMMI Cottage,  
Mullossery Canal Road,  
Cochin-682011.

**MADHYA PRADESH**

136. Consumer Council of Madhya  
Pradesh, D-23/74 Bangla,  
T.T. Nagar, Bhopal.
137. Madhya Pradesh Consumers Council,  
8, Gorakund, Indore-452001.

**MAHARASHTRA**

138. Consumer Guidance Society of India,  
Hutment-J, Mahapalika Marg,  
Opp. Cama Hospital,  
Bombay-400001.
139. Citizens' Action Group,  
Chikal House, 1st floor,  
453/57, Kalbadevi Road,  
Bombay-400002.
140. Council for Fair Business Practices,  
Great Western Building, 130/133,  
Apollo Street, Fort,  
Bombay-400023.
141. Loss Prevention Asscn. of India  
Warden House, Sir Pherozshah  
Mehta Road, Bombay-400001.
142. Mumbai Grahak Panchayat,  
42, Kokan Nagar, Lt. Kotnis Marg,  
Mahim, Bombay-400016.
143. Consumer Council of India  
C/o Smt. Kamla Raman,  
307, Nevketan Central Avenue Rd.,  
Chembur, Bombay-400071.
144. Mumbai Grahak Sanstha,  
12, Sahawas Kashinath Dharu Road,  
Dadar. Bombay-400028.
145. Consumer Protection Council,  
14, Pratap Nagar, Zilla Peth,  
Jalgaon-425001.
146. Akhil Bharatiya Grahak Panchayat,  
Grahak Bhavan, Tilak Marg,  
Pune-411030.

147. Consumer Guidance Society of India (Poona Branch), C/o. Mrs. Vimla Murthy, 1, Pallavy, Society, Senapathi Bapat Marg, Pune-411015.
148. Mahila Audhogik Sahakari Society Ltd., Karad, Distt. Satara, Maharashtra.
149. Akhil Bharatiya Grahak Panchayat, Vidarbha Pradesh, C/o. S.V. Padhye, Advocate, Ruikar Road, Mahal, Nagpur-440002.
150. Akhil Bhartiya Grahak Panchyat, Maharashtra Pradesh, C/o. Sh. Raje Bhau Pophali, Journalist, Garud Khamb Road, Near Bhonsala Veda Shastra Mahavidyalaya, Mahal, Nagpur-440002

**PUNJAB**

151. Sirhind Consumers Protection Forum, C/o. Mr. Narinder Modi, Mohalla Modiau, Sirhind City-140407.

**RAJASTHAN**

152. Rajasthan State Consumer Council Brij Nikunj, Civil lines, Jaipur-302006.
153. Consumer Unity and Trust Society, 8, Mahavir Marg, Jaipur-302001.

**TAMILNADU**

154. Consumers Council of India (Regd.) Madras City Central Unit, Meenakeshi Kala Nilayam, 34(27) Third Street, Royapettah, Madras-600014.
155. Institute of Consumer Protection Studies, 4, Venkatesa Naicken Street, Madras-600001.
156. Madras Provincial Consumers' Association, 89, Big Street, Madras-600005.

157. The Council of Public Affairs, 2B, First Main Road, Sastri Nagar, Madras-600020.

158. Consumer Council of India, 98, Lake View Road, West Mambalam, Madras.

159. Consumer Council of India, 14, Chandrabagh Avenue, Dr. Bedhakrishnan Salai, Madras-6.

160. Consumer Council, C/o, International School, L.B. Road, Madras-600041.

161. Consumer Council of India, No. 1 Natesan Colony, C.V. Raman Road, Madras-600018.

162. Consumer Council of India, 8, Azhagappa Chettiar Road, Madras-600010.

163. Working Womens Forum of Tamil Nadu, 55, Bhimasena Garden Road, Mylapore, Madras-600004.

164. Trichy Distt. Consumers Council, No. 4, Srinivasa Nagar, Vayalur Road, Trichy-620017.

165. Consumers Protection Council, B-11, Sastry Road, Thillainagar, Tiruchirappally-620018.

166. Golden Rock Consumers Council, Post Box No. 876, Tiruchirappally-620020.

167. Padanthurai Consumers Association, Thevala, Gudalur (Tamil Nadu).

168. Muranai Consumers Association, Thevala, Gudalur (Tamil Nadu).

169. Consumers Association, 9/155, Thevala Bazar Street, Gudalur (Tamil Nadu).

170. Citizens' Forum, 6-A, Bashyakaralu Road East, R.S. Puram, Coimbatore-641002.

171. Consumer Awareness of Unfair Trade, Industries and Organisation (CAUTION) 5, Nehru Stadium, Coimbatore-641018.

172. Consumers Council,  
2, Sheshapuram, Tennure,  
Tiruchirappally.

#### TRIPURA

173. Consumers Protection Asscn.,  
29, Central Road,  
Agartala-799001.

#### UTTAR PRADESH

174. Consumer Education and Protection Centre, 326-Patel Puri, Sadar Bazar, Meerut-250001.

175. Dakshinachal Consumer Council,  
Robatoganj,  
Mirzapur-231216.

176. Akhil Bhartiya Grahak Panchayat,  
87 B/5, Sarvodaya Nagar,  
Allahabad.

#### WEST BENGAL

177. Consumers' Action Forum,  
5/1, Red Cross Place,  
Calcutta-700001.

178. Consumers Forum,  
31-A Bhuban Banerjee Lane,  
Calcutta-700007.

179. Consumer Protection Centre,  
24-B, Dr. Rajendra Road,  
Calcutta-700020.

#### PONDICHERRY

180. All India Consumer Council,  
81-Eswaran Koil Street,  
Pondicherry-605001.

#### Sending Retired Officials Abroad By TFAI

7712. SHRI Y.S. MAHAJAN : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that some retired officials of the Trade Fair Autho-

rity of India are being sent on deputation to two Trade Fairs abroad ;

(b) whether any norms have been laid down for drafting the officials of the Trade Fair Authority for such deputation ;

(c) whether such opportunity is afforded normally to serving officials only ; and

(d) if so, the reasons and considerations which have necessitated the Trade Fair Authority to depute the retired officials in preference to the serving officials?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) The Trade Fair Authority of India has sent one official on deputation abroad in whose case the matter regarding continuance of services, beyond superannuation, on 're-employment basis' is under consideration of the Government.

(b) Yes, Sir.

(c) Yes, Sir.

(d) The deputation of the official was in the public interest.

#### Malpractices in Export of Pepper to USA

7713. SHRI GEORGE JOSEPH MUNDACKAL : Will the Minister of COMMERCE be pleased to state :

(a) whether Government are aware that last year the USA rejected Indian pepper as it was found having mineral oil sprayed before export ;

(b) if so, the steps taken by Government to stop this malpractice ;

(c) the reasons for not getting the pepper tested by machines imported by them for detection of particles of mineral oil and making obligatory on pepper exporters to submit a certificate of such test ; and

(d) what steps are being taken or have been taken by Government in the

matter so that pepper export does not suffer on this account ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) Some complaints were received about traces of mineral oil in pepper consignments exported to USA during 1984 and 1985.

(b) to (d). Some of the steps taken to prevent recurrence of complaints of this nature and to ensure that pepper exports not suffer are :—

- (i) Thin Layer Chromatography test has been prescribed for disputed samples.
- (ii) Authorised packers are required to give a written undertaking that the black-pepper consignments are only water-washed.

[Translation]

**Sugar Mills in Basti, Gorakhpur and Jaunpur Districts of Uttar Pradesh**

7714. DR. CHANDRA SHEKHAR TRIPATHI : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) the total number of sugar mills in Basti, Gorakhpur, Gonda and Jaunpur Districts of Uttar Pradesh ;

(b) the total quantity of sugarcane crushed during the last three years ;

(c) the number of days for which the sugar mills remained in operation during the above period ; and

(d) the quantity of sugar produced ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A.K. PANJA) : (a), (b), (c) & (d). The information is as under :—

Sugar Year	1982-83	1983-84	1984-85
(i) No. of factories worked in Basti, Gorakhpur, Gonda & Jaunpur Districts of Uttar Pradesh	14	13	13
(ii) Quantity of sugarcane crushed by above mills (Lakh tonnes)	22.95	16.07	8.05
(iii) No. of days for which above factories worked.	96-191	81-131	41-76
(iv) Quantity of sugar produced by above factories (Lakh tonnes)	2.11	1.57	0.77

[English]

### Proposal to Establish Raw Silk Banks

7715. SHRI V.S. KRISHNA IYER : Will the Minister of TEXTILES be pleased to state :

(a) whether there is any proposal to establish Raw Silk Banks in the country to stabilise silk prices and to store raw silk ;

(b) the names of the places where the above raw silk banks will be established ; and

(c) whether the Central Silk Board has agreed for the establishment of these banks ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) to (c). The Central Silk Board proposes to establish raw silk banks in the major consuming (weaving) areas of the country in a phased manner. One such raw silk bank has already started functioning at Varanasi from 4-2-1986. The other places where such silk banks will be established, are yet to be decided by the Board.

### Abolition of Stamp Duty

7716. SHRIMATI PRABHAWATI GUPTA : Will the Minister of FINANCE be pleased to state :

(a) whether there is any proposal to abolish stamp duty ; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). Under Article 246 of the Constitution read with Entry 91 of the Union List in the Seventh Schedule of the Constitution, rates of stamp duty in respect of the ten instruments viz. bills of exchange, cheques, promissory notes, bills of lading, letters of credit, policies of insurance, transfer of shares, debentures, proxies and receipts are Union subjects. Presently, no stamp duty is being levied on cheques. In so far as the other nine instruments are concer-

ned, there is no proposal for the abolition of stamp duty thereon.

### Setting up of Sugar Mills in Punjab

7717. SHRI CHARANJIT SINGH WALIA :

SHRI BALWANT SINGH RAMMOOWALIA :

Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) the number of sugar mills in the country ;

(b) the number out of those in the co-operative sector ;

(c) the number of licences (Plan-wise) for sugar mills given to Punjab ;

(d) whether a study conducted recently has revealed that there is a great scope for setting up of sugar mills in Punjab ; and

(e) the number of licences for Sugar Mills proposed to be given in the country and how many in Punjab in the Seventh Five Year Plan ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A.K. PANJA) : (a) & (b). There are 366 installed sugar mills in the country ; out of which 193 are in co-operative sector.

(c) A statement giving the number of licences/letters of intent granted for setting up new sugar mills in Punjab, Plan-wise, is given below. However, one sugar factory was established prior to the First Five Year Plan.

(d) It is for the Government of Punjab to examine the scope to set up more sugar mills in the State ; considering the availability of adequate sugarcane and other relevant factors.

(e) The Central Government does not propose areas or States for setting up

of sugar mills. The applications for grant of new licences submitted by parties through the State Governments with the latter's recommendations are considered subject to favourable agro-climatic conditions and techno-economic feasibility. No application for grant of licence for setting up a new sugar factory in Punjab has been received since October, 1985.

#### Statement

*Statement giving the number of licences/ letters of intent granted for sugar mills Plan-wise in Punjab*

Plan	Number
First Plan (1951-56)	2
Second Plan (1956-61)	2
Third Plan (1961-66)	1
Fourth Plan (1969-74)	Nil
Fifth Plan (1974-79)	2
Sixth Plan (1980-85)	6

[Translation]

#### Shortfall in foreign exchange reserves

7718. SHRI KALI PRASAD PANDEY : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that our foreign exchange reserves, are likely to register a fall of Rs. 200 crores during the Seventh Five Year Plan;

(b) if so, whether Government are negotiating or have reached an agreement with international development organisations for securing loans and grants at low rates of interest from them in order to make up this shortfall; and

(c) the efforts made in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI

JANARDHANA POOJARY) : (a) No, Sir. In the Seventh Five Year Plan period the foreign exchange reserves are expected to increase by Rs. 200 crores.

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

[English]

#### Insufficient funds for States to meet natural calamities

7719. SHRI B.K. GADHVI : Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that funds given by Planning Commission to the States to tackle the natural calamities like cyclone, floods and droughts are operating as constraints over the regular balances of the States;

(b) whether any steps are being contemplated to ease out the situation to find out a way to enable States to have resources for regular planning;

(c) whether Government propose to create additional funds so that grants and advances could be given to the States to meet such natural calamities like drought, famine, floods, cyclones, etc. so that it may not operate as a constraint on regular resource mobilisation for regular planning of the States; and

(d) if so, the modalities and direction contemplated in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) As regards drought, the 8th Finance Commission recommended that the State concerned should contribute from its Plan upto 5 per cent of the Annual Plan outlay, and, is to be treated as an addition to the Plan outlay of the State in that year. To enable the State to make this contribution, the Centre provides assistance which is treated as advance plan assistance. If, however, the expenditure requirement can not be contained within 5 per cent of the plan outlay, the extra expenditure would be provided as Central assistance, half as grant and half as loan, and, is not adjustable against the Plan assistance of the State.



For expenditure on relief, and, on repairs and restoration of public works following floods, cyclones and other calamities of a sudden nature, the Eighth Finance Commission has recommended that the assistance should be given as a non-Plan grant to the extent of 75 per cent of the total expenditure in excess of the margin. The remaining 25 per cent is to be borne by the State. The Central assistance for these is not adjustable against the Plan of the State or against the Central assistance for the Plan.

From this arrangement, it would be seen that the advance Plan assistance provided does not act as a constraint over the States finances

(b) At the time of the formulation of the Annual Plan, while funding the Plan outlay, adjustments are made for such advances given for drought relief and the Plan is fully funded.

(c) & (d). The subject matter of the setting up of separate funds has been considered earlier by the Sixth Finance Commission and it has been found that setting up of such a fund is neither feasible nor desirable. However, the Finance Commission have been recommending setting apart of certain amount of money in each State as 'margin money' for meeting immediate needs of relief in the case of natural calamities. The 8th Finance Commission has recommended that the States together should provide Rs. 120.375 crore in their Budget as their share of the margin money and the Centre should provide an equal amount.

**Working group to consider problem of drug trafficking**

7720. DR. G.S. RAJHANS :

SHRI BANWARI LAL PUROHIT :

Will the Minister of FINANCE be pleased to state :

(a) whether there is a proposal under the consideration of Government to set up a working group jointly with the United States to fight the menace of drug trafficking in the country as reported in "The Indian Express" of 25 March, 1986;

(b) if so, when the proposed working group is likely to be set up and will start functioning in the country; and

(c) to what extent the menace of drug trafficking in the country particularly among the youths will be rooted out ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) In February, 1986, the Governments of India and U.S.A. agreed to establish a Narcotics Working Group as part of the Indo-U.S. Joint Commission to promote closer co-operation in the area of narcotics control.

(b) The Narcotics Working Group would be set up after finalisation of its composition, modalities and exact terms of reference.

(c) It is expected that the Group will lead to increased co-operation between the two countries in effectively fighting the menace of drug trafficking.

**Construction of civil supplies godowns**

7721. SHRI A.J.V.B. MAHESWARA RAO : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether there is any proposal by Central Warehousing Corporation to construct civil supplies godowns in Konsem area in East Godavari and West Godavari districts in Andhra Pradesh; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A.K. PANJA) : (a) & (b). The Central Warehousing Corporation proposes to construct additional storage capacity of 5,000 tonnes each at Rajamundry and Amlapuram in East Godavari district and 3,500 tonnes at Tadepalligudem in West Godavari district in Andhra Pradesh. This capacity is intended for storage of foodgrains and other commodities.

**Destruction of foodgrains due to increase in population of rodents**

7722. SHRI P.R. KUMARAMAN-GALAM :

SHRIMATI D. K. BHAN-DARI :

Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether it is a fact that rodent population continues to increase causing heavy losses in the fields, homes and storage of foodgrains and other edible crops and packaging; and

(b) the estimated rodent population at the end of 1984, 1985 and 1986 and the estimated loss caused by them and corrective steps proposed during the Seventh Five Year Plan ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A.K. PANJA) : (a) & (b). No systematic/comprehensive studies have been carried out to estimate the number of rats and the loss caused by them.

In order to keep a check on the number of rats and to minimise the losses caused by them to stored foodgrains, the Indian Grain Storage Institute of the Ministry has been testing different rodenticides and bait preferences for their efficacy. The Institute has also developed certain rodenticide mixtures. Besides, the 17 Central Save Grain teams of the Ministry organise demonstrations and training in selected villages in different States so as to propagate rat control measures like trapping, destruction of rat harbourages and use of rodenticides and fumigants. The Food Corporation of India and Central Warehousing Corporation also use rat control measures, wherever necessary. These measures would be continued during the Seventh Plan period.

**Supply of boiled rice instead of Soiled rice under Integrated Tribal Development Programme in Kerala**

7723. PROF. K.V. THOMAS : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether there is a complaint that the rice supplied for the Integrated Tribal Development Programme in Kerala is "Iron rice" and soiled rice; and

(b) if so, whether Government propose to supply boiled rice in Kerala ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A.K. PANJA) : (a) No, Sir.

(b) Does not arise.

**Export of sea food**

7724. KUMARI D.K. THARA DEVI : Will the Minister of COMMERCE be pleased to state :

(a) the quantity of sea food exported during the last three years, year-wise; and

(b) the steps being taken to increase exports of sea food ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) The quantity of Sea food exported during the last three years was :

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1983-84	—	92691	Tonnes
1984-85	—	86187	Tonnes
1985-86	—	65409	Tonnes

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(April '85 to January '86)

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Source : Marine Products Export Development Authority)

(b) Steps taken to increase exports of sea food include production of cultured shrimps, modernisation of shrimps processing plants, encouragement of production of value-added items like IOF, improvement in quality of products and measures for exploitation of deep sea fishery resources.

**Monitoring and evaluation of foreign aided schemes**

7725. DR. G. VIJAYA RAMA RAO : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that for foreign aided and World Bank aided schemes involving foreign exchange, certain amount of monitoring and evaluation for mid-course corrections operated by public sector units, is done by representations of his Ministry including Comptroller and Auditor General; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The officials of the Finance Ministry monitor the expenditure on foreign aided and World Bank aided projects.

(b) The primary responsibility for monitoring and evaluating externally aided projects, with a view to undertaking mid-course corrections, rests with the administrative Ministries/State Governments. The Ministry of Finance is also associated in the meetings held to review the progress of the projects. The Office of the Comptroller and Auditor General undertakes the audit function.

**Ajam Jahi Mills at Warrangal incurring Losses**

7726. SHRI C. JANGA REDDY : Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that the Ajam Jahi Mills of Notional Textile Corporation at Warrangal is incurring losses; and

(b) if so, the measures proposed to be taken by Government to save the mill from being closed ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) Yes Sir. The accumulated losses of Azam Jahi Mills from 1974-75 to January, 1986 amounted to about Rs. 17.47 crores.

(b) The Textile Policy envisages that selective modernisation would be undertaken where units can become viable. However, the continued operation of units, which are incapable of becoming viable, would mean a continued drain on scarce resources and such units or parts thereof may have to be closed down to prevent any further losses. However, no final decision has been taken regarding the closure of any mills so far.

**Ceiling on total Spindlage Capacity**

7727. SHRI V. S. VIJAYARAGHAVAN :

PROF. P.J. KURIEN :

Will the Minister of TEXTILES be pleased to state :

(a) whether the Planning Commission has fixed a ceiling on the total spindlage capacity in the country for the Seventh Five Year Plan ;

(b) if so, the total capacity which exists at present ;

(c) the basis on which the ceiling has been fixed ;

(d) whether Planning Commission assumes that the entire capacity will be utilised ; and

(e) if not, the reason for fixing the ceiling ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) It has been estimated that a total of 24 36 million cotton spindles and 1 04 million woollen spindles including the existing ones would be required up to the end of the 7th plan period (1985-90).

(b) Number of installed spindles in the cotton textile mills including an-  
the cotton textile mills including an-

units as on '31-3-1985 was 29.42 million spindles. Number of woollen spindles installed as on 31-3-1986 was .32 million worsted and '21 million non-million spindles.

(c) to (e). In working out total requirement of spindles for the 7th Plan period, factors like capacity utilisation, average count of cotton yarn, manufacture of blended yarn, modernisation of spinning mills, requirement of spun yarn, etc. have been taken into consideration and 100% utilisation of the existing capacity has not been assumed.

#### **Export of Onion to U.S.S.R.**

7728. SHRI P.M. SAYEED : Will the Minister of COMMERCE be pleased to state :

(a) whether the National Agricultural Cooperative Marketing Federation (NAFED) has signed a contract with a firm in U.S.S.R. for export of fresh Indian onions ;

(b) if so, the quantity and value of the onions to be exported ;

(c) whether the export contract is time-bound ; and

(d) the names of other fresh agricultural items being exported from India to foreign countries ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) Yes, Sir.

(b) NAFED and its associate shippers have signed a contract for export of 25,000 MTs onions at rate of Rs 3250/PMT, CIF Black Sea Port.

(c) Yes, Sir. The shipment period envisaged in the contract is April-May, 1986.

(d) Other fresh agricultural items being exported from India include fresh fruits like mango, chickoo, pineapple, guava, vegetables like okra (Bhindi), french beans, karela, aubergines, tinda and potato.

#### **Audit of Accounts of Public Sector Units by Comptroller and Auditor General**

7729. SHRI D.N. REDDY : Will the Minister of FINANCE be pleased to state :

(a) whether it is obligatory for the Comptroller and Auditor General to audit the accounts of all public sector units within specified time-limit ;

(b) whether there are any instance where Comptroller and Auditor General has for any reason not undertaken the audit of such accounts involving expenditure of funds out of the Consolidated Fund of India ;

(c) whether it is obligatory for Comptroller and Auditor General to report non-auditing to the Parliament ; and

(d) if so, whether this has not been done in respect of any public sector units for two years in succession ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) It is not obligatory for the Comptroller and Auditor General to audit the accounts of all public sector units within a specified time-limit, except in the case of a few statutory Corporations where, by a provision in the statute, he is required to submit an Audit Report on the accounts within a specified time.

(b) to (d). No, Sir.

#### **Impact of Rise on Wholesale Price Index on Consumers**

7730. SHRI RAMASHRAY PRASAD SINGH :

SHRI C. SAMBU :

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that wholesale price index registered an increase for the second successive week ending March 8, 1986 ;

(b) if so, whether the index for all commodities (Base 1970-71=100) stood at 359.6 during the week as against 358.2 in the previous week a rise of 0.4 per cent ;

(c) if so, whether during 49 weeks of the financial year 1985-86, the rise has been 3.8 per cent as against 5.9 per cent during the corresponding period last year ;

(d) if so, whether the wholesale price index had affected the consumers in the country during the same period ;

(e) if so, the extent thereof ;

(f) the steps Government propose to take to give relief to the consumers in this regard in the current financial year ; and

(g) if not, the reasons therefor ?

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

(d) & (e). The increase in wholesale prices has an impact on consumers. However, this depends on the changes in prices of individual commodities during the given period and their relative importance to the consumers.

(f) & (g). The Government accords high priority to the control of inflation and has been taking remedial measures in the light of emerging trends. The thrust of Government's anti-inflationary policy continues to be on effective supply and demand management including strengthening of the Public Distribution System, enforcement of fiscal discipline and keeping the aggregate liquidity in the system under control.

#### **Low Investment by Commercial Banks in Orissa**

7731. SHRI SRIBALLAV PANIGRAHI : Will the Minister of FINANCE be pleased to state :

(a) whether Government of Orissa have approached the Union Government bringing to notice that the low investment

by commercial banks is adversely affecting the State's major development projects pertaining to electricity, irrigation, agriculture, industry, transport and communications ; and

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

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) & (b). As at the end of March 1985, credit deposit ratio of Scheduled Commercial Banks in Orissa was as high as 89.6 per cent as compared to 69.7 per cent for the country as a whole. Besides providing loans in the State, Banks also invest in loans floated by the Orissa State Government and/or by State Government Agencies. Reserve Bank of India have reported that Commercial Banks have subscribed on an average during 1983-84 to 1985-86 about 83 per cent of the total amount of loans floated by the Government of Orissa and the Orissa State Electricity Board.

#### **RBI Enquiry about Purchase of Shares by CAPARO Group of Companies**

7732. SHRI AMAR ROYPRADHAN: Will the Minister of FINANCE be pleased to state :

(a) whether the Reserve Bank of India has completed its enquiry about the remittance made for the purchase of Escorts shares by the London-based CAPARO Group of Companies ;

(b) if so, the details thereof ;

(c) the findings of the enquiry ; and

(d) the action Government propose to take thereafter in the matter ?

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

(b) & (c). The RBI is satisfied that the shares in question were validly purchased by the CAPARO Group of Companies out of funds remitted from abroad

and as such they (RBI) do not see any reason to modify the approval granted by them earlier.

(d) Government do not have to take any action in the matter at this stage.

**Export of Cotton Lint by Cotton Corporation of India**

7733. SHRIMATI BASAVARAJESWARI : Will the Minister of TEXTILES be pleased to state :

(a) the total quantity of Cotton DCH 32 and cotton purchased by Cotton Corporation of India till date in Karnataka during this year ;

(b) the total quantity of lint fixed for purchase by the Cotton Corporation of India in Karnataka ;

(c) the details of purchase in each centre ;

(d) the total quantity of lint exported by the Cotton Corporation of India till date ; and

(e) the names of the countries to which exported ?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN): (a) The Cotton Corporation of India has purchased total quantity of 527598 quintals of kapas (approximately 88500 bales of cotton) in Karnataka during this seasons till 12-4-1986. Of this DCH.32 variety is 97946 bales.

(b) No limit has been prescribed by the Cotton Corporation of India for purchase of lint in Karnataka.

(c) Details of centre-wise purchases of the Cotton Corporation of India in Karnataka are as under :

Centre	Purchases in quintals
Haveri	3531
Renebennur	21407
Davangere	18960
Chitradurga	30673
Kottur	848
Hubli	28521
Dharwar	11448
Bailhongal	16949
Dadag	5486
Saundatti	34115
Nirgung	29280
Navalgund	5130
Hirekerur	2001
Annigeri	1289
Raichrui	131656
Ballary	127750
Sindnur	54840
Bijapur	70

(d) A total quantity of 1,71,818 bales of Cotton has been contracted for export by Cotton Corporation of India during this season till 12-4-1986.

(e) The names of the countries to which cotton is being exported by the Cotton Corporation of India are given below :—

Japan, North Korea, South Korea, Taiwan, Thailand, Hong Kong, Indonesia, Nepal, Sri Lanka, Bangla Desh, Switzerland, Bulgaria, England, Poland and Romania.

**Foodgrains Buffer Stocks**

7734. SHRI M. SUBBA REDDY :  
Will the Minister of FOOD AND CIVIL  
SUPPLIES be pleased to state :

(a) the quantity of foodgrains available in the buffer stocks ; and

(b) the quantity of foodgrains released for each State and Union Territory every month ?

THE MINISTER OF STATE IN THE  
MINISTRY OF PLANNING AND

MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A.K. PANJA) : (a) Total quantity of foodgrains available with the public agencies as on 1st April, 1986 was estimated at 21.22 million tonnes.

(b). A Statement indicating State-wise monthly allocations of foodgrains from Central Pool for the past six months is given below.

## Statement

Statement indicating Month-wise allocations of foodgrains from Central Pool to each State and Union Territory for Public Distribution\* during October 1985 to March 1986.

(In '100 Tonnes)

State/Union Territory	October, 1985		November, 1985		December, 1985		January, 1986		February, 1986		March, 1986	
	Rice	Wheat	Rice	Wheat	Rice	Wheat	Rice	Wheat	Rice	Wheat	Rice	Wheat
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Andhra Pradesh	120.00	60.00	115.00	68.40	60.00	69.14	45.00	69.15	50.00	93.08	50.00	93.08
Assam	40.00	72.60	40.00	80.00	40.00	80.00	40.00	80.75	40.00	95.43	40.00	95.43
Bihar	25.00	125.68	25.00	125.68	25.00	126.43	25.00	126.43	25.00	153.65	25.00	153.65
Gujarat	20.00	61.14	20.00	71.14	20.00	71.14	20.00	71.14	20.00	77.36	20.00	77.36
Haryana	3.50	52.23	3.50	52.23	3.50	57.23	3.50	57.23	3.50	72.85	3.50	70.85
Himachal Pradesh	6.50	7.44	6.50	7.44	6.50	7.44	6.50	7.44	6.50	9.05	6.50	9.05
J & K	16.00	36.60	16.00	36.60	16.00	36.60	16.00	36.60	16.00	48.90	16.00	48.90
Karnataka	35.00	61.29	70.00	61.29	45.00	62.79	45.00	72.79	45.00	96.69	45.00	96.69
Kerala	125.00	48.77	150.00	48.77	125.00	48.77	125.00	48.77	125.00	55.66	125.00	55.66
Madhya Pradesh	25.00	48.07	30.00	48.07	25.00	48.07	25.00	63.07	25.00	69.61	25.00	69.61
Maharashtra	40.00	131.82	40.00	131.82	40.00	131.82	40.00	129.80	40.00	164.71	40.00	164.71





(8)	(8)	(5)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Pondicherry	2 00	1.16	2.00	2.10	2.50	2.10	3 00	2.10	2.50	2.47	2.50	2.47
Lakshdweep	5.50	0.43	—	—	—	—	—	—	—	—	—	—
Total	780 65	1445.05	883.25	1492.02	770.15	1507.01	734 05	1532.80	698.55	1858.365	698.55	1861.235

\* Includes allocation of wheat for roller flour mills also.

**Imports and Exports of Marine Products**

[Translation]

7735. SHRI S.G. GHOLAP : Will the Minister of COMMERCE be pleased to state :

(a) the principal marine products which are exported ;

(b) the principal marine products which are imported ;

(c) the quantity and the value of both export and import from 1984-85 and 1985-86 and

(d) the position about the deep sea fishing in the country and whether there is any difficulty in getting vessels from deep sea fishing ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) The principal marine products, which are exported are frozen items of shrimp, lobster tails, cuttle fish/fillets, squids, fish and frog legs, dried fish, canned shrimp, dried shrimp and shark fins/fish maws.

(b) Marine products are not imported into India except small quantities allowed against foreign exchange under Actual users licences.

(c) Export of Marine products during 1983-84, 1984-85 and 1985-86 (April '85 to January '86) was 92691 Tonnes (valued at Rs. 373.02 crores), 85187 Tonnes (valued at Rs. 384.29 crores) and 65409 Tonnes (valued at Rs. 314.63 crores) respectively. Source : Marine Products Export Development Authority, Cochin)

(d) Presently, deep sea fishing in the country is being done by mechanised boats, larger vessels and deep sea fishing vessels operating on charter. Government plan to expand substantially the exploitation for exports of deep sea fishing. No difficulty is anticipated in procuring vessels for export oriented units.

**Reported Acceptance of Donations by Officers of State Bank of India in Southern Region**

7736. SHRI BALWANT SINGH RAMOOWALIA :

SHRI TEJA SING DARDI :

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that allegations of taking large donations by officers of the State Bank of India in Southern region have come to the notice of Government ;

(b) if so, the details in this regard ; and

(c) the action taken by Government against them ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). According to the information made available by State Bank of India, the office bearers of the Madras Circle Officers' Association had been collecting donation from the banks constituents and members of public for an educational trust formed by the Association. Investigations by the Madras Circle authorities of the Bank revealed that besides collecting donations, some of the officers were also running lotteries and selling tickets to bank's constituents and members of public. The Officers involved in donation collection activity were warned in writing as per Government directive in this regard to desist from use of their officials position and stop collecting donation. When the matter did not improve and association was found adopting re-calcitrant attitude, the Madras Circle authorities of State Bank of India have suspended one officer and charge sheeted 5 office bearers involved in the donation collecting activity.

[English]

**Decline in Foreign Tourists to Khajuraho in M.P.**

7737. SHRI PRATAP BHANU SHARMA : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) whether it is a fact that the number of tourists visiting the famous tourist centre Khajuraho in Madhya Pradesh is decreasing every year due to non-availability of convenient means of transport from New Delhi and Bombay ;

(b) if so, the details thereof ; and

(c) the steps Government propose to take to provide better transport and lodging facilities there especially for foreign tourists ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT) : (a) and (b). According to the information available from the State Government, there has not been any decline in tourist traffic to Khajuraho during the last 3 years.

(c) Adequate accommodation facilities of various categories are now available in Khajuraho. As regards transport facilities, Khajuraho is directly connected with Delhi, Agra and Varanasi by air. Surface transport is also available from Satna the railway station close to Khajuraho. Improvement of infrastructural facilities in tourist centres such as Khajuraho is a continuous process. During 1985-86, the Central Government have sanctioned the following projects for tourists visiting Khajuraho :

(i) Wayside facilities on national highway No. 3 at an approximate cost of Rs. 13.71 lakhs. An Amount of Rs. 2 lakhs has been released in favour of the State Govt. who are responsible for implementing the project.

(ii) Provision of toilet and drinking water facility at Khajuraho at an approximate cost of Rs. 1.5 lakhs.

Necessary advance has been released in favour of Archaeological Survey of India who have been asked to complete the working within this year.

(iii) Construction of Chandela Cultural Centre at Kkajuraho at an approximate cost of Rs. 22 lakhs. This project is also being implemented through Archaeological Survey of India who have been given an advance of Rs. 5 lakhs for this purpose.

**Adopting Measures Prevalent in U.S.A. for Dealing with Drug Trafficking**

7738. SHRI N. TOMBI SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that recently a U.S. team dealing with narcotics control in the U.S.A. visited New Delhi ;

(b) whether during the course of discussions, it was found profitable to adopt some of the measures now prevalent in the U.S.A. in dealing with the drug trafficking in our country which has become a centre of passage for narcotics and trafficking has increased manifold ; and

(c) if so, the new methods that are proposed to be introduced ?

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

(b) and (c). Since the talks were of a general nature, no specific measures as such, prevalent in the U.S.A., were identified for adoption in our country to deal with drug trafficking.

**Plan to Promote Travel and Tourism in South Asian Countries**

7739. SHRI C. MADHAV REDDI : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) whether any plan has been prepared to encourage and promote travel

and tourism in the South Asian countries ;

(b) if so, the details thereof ;

(c) whether any incentives are proposed for domestic tourists in regard to travel and stay ; and

(d) if so, details thereof ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT) : (a) to (d). Under the auspices of Pacific Area Travel Association the South Asian countries in the PATA viz. India, Nepal, Sri Lanka, Pakistan and Bangladesh have formulated a collaborative marketing programme to be jointly financed by all the countries as also by PATA HEADQUARTERS for promoting this region as a tourist destination in U.K. and for promoting incentive travel from Federal Republic of Germany to the South Asian countries. The details of this collaborative marketing effort are now being worked out. Also, some time ago, the Government of India entered into a tourism protocol with the Government of Pakistan for exchange of tourist groups between the two countries. The scheme is to be operated by India Tourism Development Corporation on the Indian side and the Pakistan Tourism Development Corporation on the Pakistani side. Airlines of South Asian countries are also understood to be working on a scheme for reducing the air fare to the South Asian countries from any where in the world provided a visitor visits more than one country.

In order to facilitate travel by domestic tourists, the Department of Tourism in close collaboration with State Governments is trying to develop infrastructural facilities like economic accommodation for budget tourists, inexpensive accommodation for pilgrim travellers etc. at places of interest to both domestic as well as international tourists. A number of package tours are being offered by ITDC, Vayudoot as well as the State Tourism Development Corporations to domestic tourists including couples, students and young people below the age of 30 years.

### Seizure of Fake Currency

7740. SHRI P. KOLANDAIVELU : Will the Minister of FINANCE be pleased to state :

(a) the total amount of fake Indian currency seized ;

(b) the number of criminal cases pending in that regard and how many persons have been sentenced ;

(c) whether printing of fake notes has increased as compared to 1984-85 ; and

(d) if so, the steps being taken by Government to prevent such crimes further ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The total amount of Indian fake currency seized during the last three years as reported by the Central Bureau of investigation is as follows :-

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1984	—Rs. 8,00,792/-
1985	—Rs. 15,10,389/-
1986 (upto March)	—Rs. 5,55,711/-

---

(b) It has been reported by the CBI that during 1984, as many as 201 cases were pending in connection with seizure of fake currency and out of these, 16 cases ended in conviction. During 1985, 13 cases were pending and out these no case has ended in conviction.

(c) The following is the comparative picture of the fake notes detected during the last two years :-

---

Year	No. of notes
1984-85	12,877
1985-86	31,607

---

(d) In order to prevent counterfeiting, the Indian currency and bank notes are printed on special mould paper with special security inks and incorporate the following security features :

- (1) Water-mark of Ashoka Pillar design.
- (2) Multi-colour off-set printing.
- (3) Security thread in the case of notes of Rs. 5/- denomination and above.
- (4) Intaglio printing on notes of Rs. 20/-, Rs. 50/- and Rs. 100/-. (The notes of Rs. 10/- Rs. 5/- Rs. 2/- and Re. 1/- do not have any intaglio printing).

The Central Bureau of Investigation also consolidates and circulates to all States Governments and Union Territories information relating to counterfeit currencies to facilitate detection of forged currency notes.

#### Proposal to Modify Agents Rules, 1972

7741. SHRI BRAJAMOHAN MOHANTY : Will the Minister of FINANCE be pleased to state :

(a) whether any study has been undertaken by Life Insurance Corporation of India to minimise lapsing of policies and to improve the quality and the production of new business and also to improve the quality of Agents appointed ;

(b) if so, the details thereof ;

(c) whether the training and passing the test examination by the Agents has been discontinued which results in erosion of efficiency of Agents and resulting consequences ;

(d) if so, the reaction of Government thereto ;

(e) whether Government propose to modify the Agents Rules, 1972, for improving the process of recruitment and the efficient functioning of the Agents, their training and test examinations ; and

(f) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Yes, Sir. Life Insurance Corporation of India analyses its lapse experience from time to time.

(b) According to a recent study made by LIC, lapsation of business may be attributed to the following factors :-

- (1) Increasing percentage of rural business ;
- (2) Large recruitment of new agents ;
- (3) Quick turnover of Agents ; and
- (4) Increasing growth of new business.

The LIC is trying to minimise lapsation of business through professionalisation of agency force and improvement of the quality of new business.

(c) No, Sir. The LIC has not discontinued the training and passing of the test by Agents before confirmation as envisaged under the Agents Rules, 1972.

(d) Does not arise.

(e) Government has no such proposal at present.

(f) Does not arise.

#### IDBI Assistance to Karnataka

7742. SHRI SRIKANTA DATTA NARASIMHARAJA WADIYAR : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that there was a perceptible fall in the disbursement of assistance by the Industrial Development Bank of India to backward areas in Karnataka in 1984-85 as compared to the previous year ;

(b) if so, the reasons therefor ;

(c) the amount of IDBI assistance disbursed in Karnataka during 1985-86 ; and

(d) the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (d). The assistance disbursed by Industrial Development Bank of India (IDBI) to backward areas in Karnataka in 1984-85 was Rs. 71.05 crores as compared to Rs. 71.67 crores in 1983-84. As such there has been only a marginal fall in the assistance.

According to available information the total assistance disbursed by the IDBI in Karnataka during the period July-December, 1985 was Rs. 93.16 crores.

[Translation]

**Development of Tourist Spots in U.P.  
During Seventh Plan**

7743. SHRI HARISH RAWAT : Will the Minister of PARLIAMENTARY

AFFAIRS AND TOURISM be pleased to state :

(a) the names of the tourist spots in Uttar Pradesh which have been brought on the international tourism map ;

(b) whether some arrangements have been made to increase tourism facility and for development of these places during the present plan period ; and

(c) if so, the details thereof ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT) : (a) The Department of Tourism produces the map entitled 'The Right place tourist map of India' in which the names of well known tourist spots in Uttar Pradesh have been included. These are given in the Statement below.

(b) and (c). During the Seventh Plan the Department of Tourism has taken up the following schemes for development of Tourism in Uttar Pradesh.

	Sanctioned Amount	Released Amount
	(Rs. in lacs)	
i. Water Sports at Gomti, Lucknow	3.10	1.55
ii. Construction of stage for open air theatre and way side amenities at Ayodhya.	26.80	13.40
iii. Purchase of 150 swiss cottages for Kumbh Mela at Haridwar	17.48	15.73
iv. Construction of a tourist bungalow at Mathura.	27.64	5.00
v. Tourist complex at Sravasti.	63.00	20.00

The following schemes/projects are continuing schemes from the 6th Plan :

i. Boring of tubewells at Fatehpur Sikri	10.15	9.07
ii. Fatehpur Sikri Tourist complex	69.17	20.00
iii. Construction of a Raslila stage (Mathura).	1.16	1.00
iv. Development/Improvement of Varanasi ghats.	64.50	43.00

**Statement****Tourist Spots in Uttar Pradesh**

1. Kedarnath
2. Badrinath
3. Mussorie
4. Dehra Dun
5. Rishikesh
6. Haridwar
7. Almora
8. Ranikhet
9. Corbett National Park
10. Nainital
11. Dudhwa National Park
12. Srawasti
13. Sarnath
14. Varanasi
15. Allahabad
16. Ayodhya
17. Lucknow
18. Fatehgarh
19. Agra
20. Mathura

**[English]****Rehabilitation of Weak Banks**

7744. SHRI ANANTA PRASAD SETHI : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the Reserve Bank of India has listed some weak banks for the purpose of rehabilitation;

(b) if so, whether any review has been made to delete banks from rehabilitation list in view of their improvement in performance by these banks; and

(c) if so, the result of such a review ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). Presumably, the Hon'ble Member is referring to the banks in the Private Sector. Under section 35 of the Banking Regulation Act, 1949, Reserve Bank of India (RBI) has the powers to conduct statutory inspection of all commercial banks, including the banks in the private sector. In addition, RBI also conducts periodically a special scrutiny of the position of some banks wherever considered necessary. While RBI has not listed any private sector banks for rehabilitation, as such, it keeps a close watch over the operations of those banks which, in its opinion, show unsatisfactory features.

RBI have taken steps to strengthen the management of some of these banks. They have had the boards strengthened by induction of one or more directors from retired bankers, economists, chartered accountants, etc. The banks have also been advised to increase their capital base.

**Decline in export of hand-picked groundnut**

7745. PROF. RAMKRISHNA MORE :  
SHRI SRIKANTA DATTA

NARASIMHARAJA WADIYAR :

Will the Minister of COMMERCE be pleased to state :

(a) whether there has been steady decline in the export of hand-picked and selected groundnut and whether its exports which stood at 2 lakh tonnes a decade ago, have come down to only 10,000 tonnes in 1985-86;

(b) if so, the reasons therefor; and

(c) the steps taken by Government to assist the exporters to reverse the



declining trend in the exports of this item ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) Exports of HPS groundnut from India have been fluctuating since 1975-76. A Statement indicating the quantity and value of exports is given below.

(b) The main factors influencing exports of HPS groundnuts are recession in the global market, upward trends in prices of oilseeds including groundnuts in the domestic market, problem of aflatoxin in the domestic groundnut crop which is unacceptable in the highly demanding quality conscious European markets, and also easy trends in the global oilseeds markets resulting in low international prices in comparison with prevailing domestic prices.

(c) Efforts are being made to include HPS groundnuts in the list of items eligible for C.C.S. on exports in the new C.C.S. regime which will take effect from 1st July, 1986.

#### Statement

Year	Quantity : In MTs Value : In Rs. Lakhs.	
	Quantity	Value
1975-76	107096	4772
1976-77	122806	5940
1977-78	—	—
1978-79	4400	281
1979-80	22422	1374
1980-81	58880	6282
1981-82	23966	2768
1982-83	28343	2709
1983-84	24702	2208
1984-85	36869	3153
1985-86	8891	759.5

#### Assistance by IDBI to State Financial Corporations

7746. SHRI DHARAM PAL SINGH MALIK : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that Industrial Development Bank of India (IDBI) is not allowing adequate assistance to State Financial Corporations thereby reducing their capacity to spend on follow-up activities; and

(b) if so, the reasons why IDBI is not falling in line with other financial agencies and reducing its rate of interest on its loans given to the State Financial Corporations ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) & (b). No, Sir. Industrial Development Bank of India (IDBI) provides substantial assistance to State Financial Corporations (SFCs) through its refinance scheme and by way of contribution to share capital of SFCs on matching basis with respective State Governments. IDBI also arranges for allocation of bond quota for SFCs. IDBI's rate of interest on loans given to SFCs is commensurate with the cost of mobilisation of funds by IDBI. However, in certain cases, such as lendings of SFCs to weaker sections of society granted under the composite loan scheme and loans to SC/ST and physically handicapped persons, the refinance rates of IDBI are below the cost of funds to IDBI. Margins provided to SFCs are adequate to meet the cost of administering loans effectively.

#### Developing infrastructure facilities in tourist centres of Kerala

7747. SHRI SURESH KURUP : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) the amount spent by the Union Government during the past three years in developing the infrastructure facilities in tourist centres of Kerala; and

(b) the area-wise details thereof ?

THE MINISTER OF PARLIAMEN-  
TARY AFFAIRS AND TOURISM (SHRI  
H.K.L. BHAGAT) : (a) & (b). The  
Central Department of Tourism has

sanctioned the following projects to  
Kerala Government for creating infrastruc-  
ture facilities during the past three years :

Scheme	(Rupees in lakhs)	
	Amount Sanctioned	Amount released
1. Way-side amenitties with accommodation at Alleppey	10.28	4.00
2. Way-side amenities with accommodation at Kottarakkara	10.28	4.00
3. Way-side amenities with accommodation at Cannanore	10.28	4.00
4. Way-side amenities with accommodation at Palghat	10.28	4.00
5. Way-side amenities with accommodation at Wynad	10.28	4.00
6. Provision of boats for Cochin, Kumarakom, Quilon and Thekkady	50.78	25.00
7. Premotion of fairs and festivals in Kerala	2.56	2.56
	<hr/> 104.74	<hr/> 47.56

The India Tourism Development Corporation has also spent Rs. 17.06 lakhs for  
the renovation of Kovalam Hotel and the Duty Free Shop at Trivandrum.

**Share of small scale industrial units  
in import licences**

7748. SHRI K.P. UNNIKRISHNAN :  
Will the Minister of COMMERCE be  
pleased to state :

(a) the total number and value of  
import licences issued in 1983-84, 1984-85  
and 1985-86;

(b) the number and value of licences  
issued to small scale industrial units during  
the above years and the percentage of  
increase or decrease over the preceding  
years;

(c) the percentage of small scale  
sector to the total in terms of number and  
value and ?

(d) the state-wise distribution of  
licences so issued both in terms of number  
and value ?

THE MINISTER OF COMMERCE  
AND FOOD AND CIVIL SUPPLIES  
(SHRI P. SHIV SHANKER) : (a) to (d).  
Information for 1983-84, 1984-85 and  
1985-86 (up to June, 85) is furnished in  
Statements I and II given below.

## Statement I

Year	Total Import Licences		Import Licences issued to Small Scale Industrial Units		Percentage Increase (+) Decrease (—) of S.S.I. licensing over preceding year		Percentage of Small Scale Industrial Licensing to the total Import licensing	
	No.	Value (Rs. Crores)	No.	Value (Rs. Crores)	No.	Value	No.	Value
1983-84	81496	7030.27	404909	215.69	(—) 21.8	(—) 14.4	6.0	3.1
1984-85	83222	8255.47	5980	457.98	(+) 21.8	(+) 112.3	7.2	5.5
1985-86 (upto June, 85)	13784	1634.93	685	29.48	@	@	5.0	1.8
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@ Figures beyond June, 85 are not available.

## Statement II

## State-wise Distribution of Number and Value of Import Licences Issued to Small Scale Industrial Units

	1983-84		1984-85		Value : Rs. Crores	
	No.	Value	No.	Value	No. Actual 1985-86 (upto June, 85)	Value
1	2	3	4	5	6	7
<b>'A' States</b>						
Andhra Pradesh	190	9.30	222	16.73	22	0.61
Arunachal Pradesh	—	—	3	0.47	—	—
Assam	26	2.78	52	3.54	—	—
Bihar	19	0.39	26	0.73	3	0.05
Gujarat	814	31.20	760	53.27	16	0.57
Haryana	117	6.15	82	7.27	32	3.98
Himachal Pradesh	—	—	27	1.57	13	0.43
Jammu & Kashmir	17	0.48	24	1.63	—	—
Karnataka	313	11.98	408	43.94	6	0.10
Kerala	30	0.87	69	1.99	10	0.07

Madhya Pradesh	76	4.46	126	5.39	6	0.31
Maharashtra	1458	65.33	1879	175.29	163	5.59
Nagaland	—	—	2	0.13	—	—
Orissa	67	4.48	23	2.91	4	0.11
Punjab	131	5.54	209	8.18	14	0.24
Rajasthan	108	4.21	128	5.55	13	0.47
Tamil Nadu	325	11.15	541	21.50	7	0.20
Uttar Pradesh	185	7.61	193	21.62	80	3.91
West Bengal	267	7.88	304	15.10	61	2.57
Others	5	0.39	5	0.30	—	—
Total 'A'	4148	174.20	5083	387.11	450	19.21
<b>'B' Union Territories</b>						
Chandigarh	18	3.73	22	1.97	—	—
Delhi	694	35.52	812	63.77	231	10.13
Goa, Daman & Diu	42	1.97	41	4.40	3	0.10
Pondicherry	7	0.27	21	0.68	1	0.04

1	2	3	4	5	6	7
Tripura	—	—	1	0.05	—	—
Others	—	—	—	—	—	—
Total 'B'	761	41.49	897	70.87	235	10.27
Grand Total (A + B)	4909	215.69	5980	457.98	685	29.48

### Boosting of Exports

7749. SHRI RAMSWAROOP RAM : Will the Minister of COMMERCE be pleased to state :

(a) the targeted growth rate of exports for the year 1985-86 ;

(b) whether that rate is being achieved ;

(c) if not, whether the reasons for the same have been ascertained ;

(d) whether the States are also being asked to co-operate fully in the export promotion drive ; and

(e) whether it is also proposed to set up a high-power committee on foreign trade to co-ordinate the implementation of the export promotion activities of the different agencies in the country ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) & (b). The Government had only fixed a gross export target of Rs. 11736 crores for the year 1985-86 and the present indications suggest that it may be difficult to achieve this target.

(c) The international environment of trade continues to be precarious for many of our commodities and manufactures in the face of slow down in some of the major economies and increasing protectionist actions by the developed countries. Besides, for many of our commodities although physical targets have been achieved, the unit value realisation has declined.

(d) Yes, Sir.

(e) No, Sir.

### Export of Cashew-Kernels

7750. SHRI VIJAY N. PATIL : Will the Minister of COMMERCE be pleased to state :

(a) the export of cashew-kernels during the calenddr year 1985, and the

amount earned thereby during the same period ;

(b) the difficulties being faced by exporters of cashew-kernels ; and

(c) the steps Government propose to take to improve the production and export potentialities of cashew-kernels ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) Export of cashew kernels during the calendar year 1985 was 38,123 metric tonnes valued at Rs. 223.76 crores.

(b) The main difficulty presently facing exporters of cashew kernels is the shortage of raw cashewnuts.

(c) To assist cashew producers to obtain sufficient quantities of raw cashewnuts, import of rawnuts has been freely allowed. A centrally sponsored scheme on development of cashew is also being implemented in the cashew growing States. Besides a multi-State cashew project with World Bank assistance is under implementation in Kerala, Karnataka, Andhra Pradesh and Orissa for area expansion as well as improvement of existing area under cashew crop. The Cashew Export Promotion Council also assists exporters by way of publicity and propaganda and participation in fairs to popularise Indian cashew kernels in international market.

### [Translation]

### Working of three Star/Five Star Hotels

7751. SHRI M.L. JHIKRAM : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) the names of the places where three-star and five-star hotels are being run by Department of Tourism at present ;

(b) the details of the income earned from that and the expenditure incurred on that during 1985-86 ; and

(c) the names of the places where such hotels are proposed to be opened during the Seventh Five Year Plan ?

THE MINISTER OF PARLIAMEN-  
TARY AFFAIRS AND TOURISM (SHRI  
H.K.L. BHAGAT) : (a) & (b). The  
information is given on the Statement  
given below.

(c) During the Seventh Five Year  
Plan ITDC propose to commission 3-Star

Joint Venture Hotels in collaboration with  
the State Governments at Guwahati, Puri,  
Ranchi and Bhopal which are presently  
under construction.

In addition, the existing Travellers  
Lodge at Bodhgaya is being expanded  
and will be converted into a 5-Star Hotel.

### Statement

*Statement showing the names and location of 5-Star and 3-Star Hotels Operated  
by ITDC in the Country and the details of income and expenditure  
in respect of these Hotels During 1985-86 (Estimated)  
(Rs. in lakhs)*

S. No.	Name of the Hotel and location	Financial Results for 1985-86 (Estimated)	
		Income	Expenditure
A. 5-STAR HOTELS			
1.	Ashok Hotel, New Delhi	1197.52	1123.11
2.	Akbar Hotel, New Delhi*	303.30	346.60
3.	Hotel Samrat, New Delhi	435.37	479.21
4.	Qutab Hotel, New Delhi	156.00	141.94
5.	Hotel Ashok, Bangalore	280.47	330.26
6.	Hotel Airport Ashok, Calcutta	399.85	353.46
7.	Kovalan Ashok Beach Resort, Kovalam, Trivandrum	165.93	161.39
8.	Lalitha Mahal Palace Hotel, Mysore	64.82	58.97
B. 3-STAR HOTELS			
1.	Ranjit Hotel, New Delhi	117.00	133.71
2.	Lodhi Hotel, New Delhi	200.26	176.25
3.	Hotel Pataliputra Ashok, Patna	37.69	42.34
4.	Hotel Jammu Ashok, Jammu	34.21	35.60
5.	Hotel Khajuraho Ashok, Khajuraho	19.37	23.85
6.	Temple Bay Ashok Beach Resort, Mamallapuram	21.03	22.09
7.	Hotel Madurai Ashok, Madurai	34.28	37.85

\*Akbar Hotel closed down w.e.f. 7.4.1986.



[English]

**Investment by State Bank of India for  
Development of Industries in Orissa**

**7752. SHRI RADHAKANTA DIGAL :**  
Will the Minister of FINANCE be  
pleased to state :

(a) the amount of investment made  
by the State Bank of India for the deve-  
lopment of small-scale, medium and large  
industries in Orissa in the last three  
years ;

(b) whether Government have a pro-  
posal to raise the bank finances for the  
development of industries in 1986-87 ;

(c) if so, the amount of investment  
proposed to be made by the State Bank of  
India in this regard in 1986-87 ; and

(d) the details thereof ?

THE MINISTER OF STATE IN THE  
MINISTRY OF FINANCE (SHRI  
JANARDHANA POOJARY) : (a) to  
(d). In Orissa, a number of commercial  
banks are in operation including State  
Bank of India (SBI). The total financial  
assistance granted by SBI to small scale,  
medium scale and large scale units in the  
State of Orissa stood at Rs. 51.60 crores  
for 1983, Rs. 68.19 crores for 1984 and  
Rs. 95.66 crores for 1985. The SBI has  
made a tentative provision of Rs. 42 crores  
for providing financial assistance to indus-  
tries in 1986 of which Rs. 12 crores would  
be for small scale industries and Rs. 30  
crores for medium and large scale indus-  
tries. Banks consider grant of financial  
assistance to industrial units on merits  
and the provisions made for this purpose  
are subject to review from time to time  
depending on receipt of proposals.

**Performance of Corporate Sector in 1985**

**7753. SHRIMATI KISHORI SINHA :**  
Will the Minister of FINANCE be pleas-  
ed to state :

(a) whether private corporate sector  
has fared well in 1985 as reported in the  
Economic Times of April 1, 1986;

(b) if so, the comparative operating  
results of representative companies in  
the large and medium sector ; and

(c) whether these operating results  
are the result of merely tax concessions  
pushing up profits or improvements in  
overall performance ?

THE MINISTER OF STATE IN THE  
MINISTRY OF FINANCE (SHRI  
JANARDHANA POOJARY) : (a) to (c).  
The Hon'ble Member is presumably refer-  
ring to an article published in the *Econo-  
mic Times* dated 1st April, 1986. This is  
based on a very small sample of 51  
medium and large scale industries in the  
private sector. It is not possible to speci-  
fically identify the contribution of various  
factors to the operating results of these  
companies on the basis of this report.

**Realisation of Revenue from  
Small Scale Industries**

**7754. SHRI SOMNATH CHATTER-  
JEE :** Will the Minister of FINANCE be  
pleased to state the amount of revenue  
realised by Government from small scale  
industries since 1st March, 1986 on the  
basis of the latest Budget proposals and  
what was the amount of revenue realised  
from small scale industries in the month  
of March, 1985 ?

THE MINISTER OF STATE IN THE  
MINISTRY OF FINANCE (SHRI  
JANARDHANA POOJARY) : No sepa-  
rate compilation of revenue realised from  
the small scale industries during the  
month of March, 1985 and since 1st  
March, 1986 is available with the  
Ministry.

**Rate of Exchange in Awarding Contracts  
Involving Foreign Exchange**

**7755. SHRI SATYENDRA NARA-  
YAN SINHA :** Will the Minister of  
FINANCE be pleased to state :

(a) whether various wings of Govern-  
ment have sought his Ministry's clarifica-  
tion regarding the rate of exchange and  
the date from which this is to be reckoned  
in awarding contracts involving foreign  
exchange ;

(b) if so, whether any clarification has been issued ; and

(c) the international practice in this regard and whether India is following it ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). According to the clarification issued by Ministry of Finance, the Govt. organisations/agencies are normally to adopt the selling exchange rate published by the State Bank of India for the day bids are opened for the purpose of evaluation of bids. However, any variation in the rate of exchange upto the date of actual award of contract could also be taken into account.

In terms of the International Competitive Bidding (ICB) Procedure notified by the World Bank for IBRD loans and IDA Credits, conversion of various currencies, in which the bids are received, into the designated currency is required to be made by using the selling exchange rates for those currencies on the date of decision to award the contract or on the original date prescribed in the bidding documents for the expiry of period of bid validity whichever is earlier or any other date specified in the bidding documents provided such date is not earlier than thirty days prior to the bid opening date. Thus in substance, the procedure followed by the Govt. is generally in line with the practice under I.C.B. procedure of World Bank.

#### **Printing of Brochures on Tourist Places in Ladakh**

7756. SHRI P. NAMGYAL : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) whether it is a fact that the India Tourism Development Corporation has printed and published brochures on important tourist places of all the states ;

(b) whether it is also a fact that no such brochures have been published about important tourist places of Ladakh in J & K State which has lately become an important foreign tourist attraction ;

(c) if so, whether Government propose to produce and print brochures of important tourist places of Ladakh ; and

(d) if not, the reasons therefor ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT) : (a) Yes, Sir. The ITDC has printed and published brochures of important tourist places covering all States for both the Central Department of Tourism and the State Governments.

(b) to (d). No Sir. An exclusive brochure on Ladakh has been produced by the ITDC and a new one is currently under production. Ladakh also features in brochures folder on J & K State.

#### **New items for Export to Malaysia**

7757. SHRI CHIRANJI LAL SHARMA : Will the Minister of COMMERCE be pleased to state :

(a) whether Malaysia has agreed to identify new items for import from India to bridge the trade gap ; and

(b) if so, nature and details of items suggested for import ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) Yes, Sir.

(b) The items suggested for imports from India are iron ore pellets, lumpy ore, coal, chemicals, wheat (maize, soyabean), agricultural machinery, commercial vehicles, leather goods, sports goods, salt, precious stones and engineering items. Project imports in the areas relating to power generation, railways development of small scale industries and building of roads and bridges, were also suggested.

#### **Suggestion for an All India Tourism Service**

7758. SHRI K.V. SHANKARA GOWDA : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) whether formulation of an All India Tourism Service to bring in profes-

sionalism and continuity in tourism policies is one of the schemes recommended by the Travel Agents Association of India ;

(b) if so, the other recommendations that have been made ; and

(c) the reaction of Government to the recommendations ?

**THE MINISTER OF PARLIAMEN-  
TARY AFFAIRS AND TOURISM (SHRI  
H.K.L. BHAGAT) :** (a) & (b). A large number of recommendations on various subjects made by the 35th Annual Convention of the Travel Agents Association of India held in New Delhi in the last week of March, have been received in the Department including one suggesting the setting up of an All India Tourism Service.

(c) Such a proposal was considered by the Government in 1982 in consultation with the U.P.S.C. and the D.P.&.A.R. and was not found feasible.

**Regularisation of Services of Temporary  
Ex-Naval Personnel Employed in Customs  
Marine Department**

7759. **DR. A.K. PATEL :** Will the Minister of FINANCE be pleased to state :

(a) whether Customs Marine Department was started in about 1974 to check the smuggling activity at the West Coast of India and experienced ex-Naval persons were recruited in it to operate the sophisticated boats so employed ;

(b) whether such persons are still temporary and are afraid of losing their retirement benefits, if not made permanent ;

(c) whether Kerala High Court has passed some orders regarding the above ; and

(d) if so, the details thereof and how Government propose to implement them ?

**THE MINISTER OF STATE IN THE  
MINISTRY OF FINANCE (SHRI  
JANARDHANA POOJARY) :** (a) The Customs Marine Organisation was formed in 1974 and the posts were mainly filled by ex-service personnel.

(b) In the year 1977, Government took a decision to merge the Custom Marine Organisation with the Coast Guard Organisation. However, the staff in the Customs Marine set up filed writ petitions in different High Courts against the merger and the Courts have not yet given any decision. In these circumstances, the posts were continued on a temporary basis.

(c) & (d) The Kerala High Court have in their judgement dated 31.10.85 in O.P. No. 7960 of 1983-L filed by 34 officers in the Customs Marine Department, ordered that the Union of India should pass an appropriate order on the representation made by the Customs Marine Officers Association, Cochin Collectorate for regularisation of their appointments. Action for considering the confirmation of the staff of the Customs Marine Organisation in order to make them eligible for pensionary benefits has been initiated.

**Incentive Scheme for high cost Sugar units  
in Cooperative Sector**

7760. **SHRI YASHWANTRAO  
GADAKH PATIL :** Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether the revised ratio of levy to free sale sugar at 55:45 has adversely affected the viability of the high cost new and expansion units in the cooperative sector ;

(b) whether Government have constituted a high level Committee to go into the incentive scheme for high cost units and suggested its revision ;

(c) if so, the terms of reference of the committee ; and

(d) when its report is expected ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A.K. PANJA) : (a) No., Sir.

(b) Yes, Sir. An Inter-Ministerial Group has been constituted.

(c) The Inter-Ministerial Group will review the present incentive scheme in the light of changes in basic parameters considered for incentives.

(d) The report is expected to be ready within a period of 6 months.

#### **Full Capacity Utilisation of Textile Production**

7762. PROF. P.J. KURIEN : Will the Minister of TEXTILES be pleased to state :

(a) whether the projection of textile production is 69.5 per cent in 1985-86 ;

(b) if so, the total capacity added during this period ;

(c) the total capacity being added during each year of the remaining period of Seventh Five Year Plan ; and

(d) the other measures being taken to achieve the full capacity utilisation ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) Capacity utilisation in the spinning and weaving sectors of the cotton textile industry during the period April-Sept., 1985 was 73 per cent and 62 per cent respectively.

(b) The installed capacity in the 2 sectors was as under :

	Spinning (Million Spindles)	Weaving (Looms in '000)
1984-85	24.42	210
1985-86 (Apr-Sept.)	29.73	210

(c) For Seventh Five Year Plan period (1985-90), it has been estimated that an additional 0.934 million spindles and 3681 additional shuttleless looms will be required.

(d) Textile policy announced in June 1985 has taken an integrated view of the textile industry and has suggested several measures for improving the capacity utilisation of the industry. These measures include fuller fibre flexibility, rationalization of fiscal levies/on man-made fibre, modernisation of textile industry and providing sophisticated textile machinery having no indigenous angle at or near international prices.

#### **Financial Allocation to Kerala Handloom Development Corporation**

7763. SHRI MULLAPPALLY RAMACHANDRAN : Will the Minister of TEXTILES be pleased to state :

(a) whether the Union Government have extended any financial aid to the Kerala Handloom Development Corporation during 1986-87 ;

(b) if so, the details thereof ;

(c) whether the amount thus allocated is higher than the amount allocated for 1985-86 ; and

(d) if so, by what amount ?

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

(b) to (d). Do not arise.

#### **Streamlining of Production and Purchase System of Cardamom in Sikkim**

7764. SHRIMATI D.K. BHANDARI : Will the Minister of COMMERCE be pleased to state :

(a) whether cardamom production plans and purchase system have been streamlined ;

(b) whether adequate returns are being secured to the farmers specially in

Sikkim by the Cardamom Board which has a monopoly over the supply of cardamom ;

(c) whether cardamom production in Sikkim would be diversified by introducing the small varieties of cardamom in addition to the large variety ; and

(d) whether suitable attractive consumer packaging plant would be set up for export and internal consumption along with recipes for cardamom use ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) & (b). Cardamom Board is continuously attempting to improve and streamline production and marketing of cardamom. A no. of development schemes for improving production and productivity have been introduced. Regulation of marketing & opening of an auction centre at Gangtok have reduced exploitation of growers by exporters and traders, thus enabling them

to get better prices. However, scope for further improvement exists.

(c) Initial trials in small cardamom in Sikkim have not yielded encouraging results.

(d) There is no proposal at present for a consumer packaging plant. However, Cardamom Board is evolving a suitable consumer packing with recipes for the domestic market.

#### Foreign Visits of Officials of Rubber Board

7765. SHRI K. RAMAMURTHY : Will the Minister of COMMERCE be pleased to state the number of foreign visits undertaken by the officials of the Rubber Board during the past three years indicating their designation, purpose of visit and the countries visited by them ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : A Statement is given below.

#### Statement

*Details of the Officials of the Rubber Board who visited foreign countries during the last three years.*

S. No.	Name & Designation	Purpose of visit	Countries Visited
1	2	3	4
1.	Shri P.J. Thomas, Chairman.	IRRDB Meeting	China
	—do—	95th Meeting of IRSG	London
	—do—	RRIM Planters Conference	Kualalumpur
	—do—	10th Assembly of ANRPC	Jakarta
	—do—	IRSG Meeting	London
	—do—	International Rubber Conference and IRRDB Meeting.	Colombo, Indonesia, Singapore, Malaysia.
	—do—	9th Meeting of ANRPC	Thailand

1	2	3	4
2.	Shri P.C. Cyriac, Chairman.	Assembly of IRSG	Abidjan
3.	Shri S.R. Sethuraj, Director of Research.	IRRDB and Scientific Symposium and Study Tour.	China
	—do—	IRRDB Meeting	Paris, Malaysia.
	—do—	International Rubber Con- ference.	Colombo
	—do—	Meeting in connection with the coop. between India and China in Rubber Research.	Colombo China
	—do—	International Rubber Con- ference, 1985 and Meeting of Directors and Chief Executives of the Board of the International Rubber Research.	Kualalumpur Malaysia Medan Indonesia.
4.	Shri P. Mukundan Menon, Rubber Production Com- missioner.	Study Rubber Plantation Development.	Thailand, Indonesia, Malaysia, Singapore.
	—do—	Research & Study of Devt. activities undertaken in China.	China
5.	Shri A.O.N. Panicker, Deputy Director, (Botany).	Meeting of IRRDB	Paris and Malaysia.
6.	Shri Radha Raman Sinha, Plan Breeder.	Meeting in connection with coop. between India and China in Rubber Research.	China.
7.	Shri Thomson T. Edathil, Pathologist.	6th ANRPC Meeting.	Colombo.
8.	Shri M.J. George, Envi- ronmental Physiologist.	International Rubber Con- ference.	Colombo.
9.	Shri M.G. Kumaran, Rubber Specialist.	31st Meeting of ISO TC 45	Italy Milan

1	2	3	4
10.	Shri A.S. Raghavendra, Deputy Director (Plant Physiology).	International Conference on Photosynthesis and Post Congress Meeting on Photo- synthetic structure.	Belgium.
11.	Shri S.N. Potty, Deputy Director, (Agrenomy).	International Rubber Con- ference.	Colombo.
12.	Shri Baby Kuria8ose Specification Officer	Workshop on Liquid Rubber.	Abidjan.

## [Translation]

**Malpractices in Kota (Rajasthan) Branch  
of United Commercial Bank**

7766. SHRI SHANTI DHARIWAL :  
Will the Minister of FINANCE be pleased  
to state :

(a) whether a team of the Central  
Bureau of Investigation found substance  
in certain malpractices alleged to have  
been committed in the Kota (Rajasthan)  
Branch of the United Commercial Bank;  
and

(b) if so, who are involved in the  
matter and action proposed against them ?

THE MINISTER OF STATE IN THE  
MINISTRY OF FINANCE (SHRI  
JANARDHANA POOJARY) : (a) & (b).  
Central Bureau of Investigation has  
reported that on 14.3.86 it had caught  
the Branch Manager, UCO Bank,  
Shopping Centre Branch, Kota, red handed  
while demanding and accepting bribe.  
The CBI has further reported that it has  
registered a regular case for investigation.  
UCO Bank has reported that it has issued  
orders for the suspension of the concerned  
Branch Manager. Further action, as  
appropriate, will be taken by the bank on  
receipt of CBI's report.

## [English]

**Report of World Bank on India's  
Seventh Plan**

7767. SHRI NARAYAN CHAU-  
BEY : Will the Minister of FINANCE be  
pleased to state :

(a) whether it is a fact that the World  
Bank has submitted a comprehensive  
review report on India's Seventh Five  
Year Plan programmes and projections  
to his Ministry; and

(b) if so, the salient features thereof  
and Government's reaction thereto ?

THE MINISTER OF STATE IN THE  
MINISTRY OF FINANCE (SHRI  
JANARDHANA POOJARY) : (a) & (b).  
The Report referred to by the Hon'ble  
Member is prepared and circulated by the  
World Bank to the donor countries/  
agencies each year prior to the annual  
India Consortium meeting in order to  
focus on salient aspects of the Indian  
economy and to serve as a background  
paper during the discussions.

It is, however, an internal document  
of the World Bank. The report is not  
published. The views and suggestions  
expressed in the report are those of the  
World Bank. The distribution of this report  
by the Bank is restricted. The recipients  
of the report are not authorised to  
disclose its contents.

**Charging of bank guarantee commission  
by RBI**

7768. SHRI K. MOHANDAS : Will the Minister of FINANCE be pleased to state :

(a) whether the bank guarantee commission being charged by the Reserve Bank of India for giving guarantee to the Housing Board is very high;

(b) if so, the details thereof;

(c) whether any complaint has been received in this regard from Kerala Housing Board; and

(d) if so, the steps taken in the matter ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). Reserve Bank of India have advised that they do not issue any guarantee to Housing Boards. As such, the question of Reserve Bank of India charging guarantee commission does not arise. Commercial Banks, however, furnish guarantees on behalf of Housing Boards favouring HUDCO in respect of loans availed of by them from HUDCO.

(c) Reserve Bank of India has reported that they have not received any complaint in this regard.

(d) Does not arise.

**Proposal to levy fee for issue of fresh  
licence to dealers in gold**

7769. SHRI C.K. KUPPUSWAMY : Will the Minister of FINANCE be pleased to state :

(a) whether Government propose to levy a licence fee for issue of fresh licence to the dealers in gold;

(b) if so, the minimum licence fee proposed;

(c) whether Government also propose to fix a renewal fee once in three years; and

(d) if so, the renewal fee fixed ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (d). In terms of Rule 5(2) of the Gold Control (Forms, Fee and Miscellaneous Matters) Rules, 1968 a fee of Rs. 100/- is charged for issue of a fresh licence for dealing in gold and a fee of Rs. 25/- is levied for renewal of such a licence. The dealer's licence so issued or renewed is valid for a period not exceeding 3 years and expires on the 31st day of December of the block year in which its validity expires.

Since a fee for issue of a fresh licence as also for renewal of a licence already exists, no question now arises of a proposal by Government to fix a fee either for issue of a licence or for its renewal.

**Scheme to develop/improve ghats of religious  
tourist importance**

7770. SHRI ANADI CHARAN DAS : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) the details of the scheme to develop/improve the ghats of religious/Tourist importance in the country;

(b) the number of projects undertaken in addition to Uttar Pradesh in different States in the past and proposed for the future;

(c) whether Government have received proposals and/or contemplate to the already identified tourist spot Jajpur in Cuttack District, Orissa which is also a place of Hindu pilgrimage offering religious periodical baths attracting lakhs of pilgrims from different parts of the country to finance the improvement/development of the Baruni (Jajpur) Ghat (Dashahwamedh Ghat); and

(d) if not, the reasons therefor ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT) : (a) & (b). The Department of Tourism has taken up two schemes for development/improvement, Varanasi Ghats in Uttar Pradesh and



Pushkar Ghats in Rajasthan at an estimated cost of Rs. 64.50 lakhs and Rs. 13.14 lakhs respectively.

(c) & (d). The Department has not received any proposal for development of Ghats at Jajpur (Cuttack Distt.) Orissa. The Department of Tourism examines proposals/schemes sent by the State Governments on the basis of the potential of the place, the tourist traffic, inter-se priorities and availability of funds.

**Assistance to States by Indian Institute of Foreign Trade**

7771. SHRI D.B. PATIL : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that some States and Union Territories have asked

for assistance from Indian Institute of Foreign Trade for implementation of the recommendation made in the Indian Institute of Foreign Trade's State-Export potential surveys;

(b) if so, which State and Union Territories have sought such assistance and when; and

(c) the type of assistance given by the Indian Institute of Foreign Trade ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) Yes, Sir.

(b) The details of the assistance sought by certain States from the Indian Institute of Foreign Trade are given below :

Name of State	Year	Project
Madhya Pradesh	1974	Export Development of Madhya Pradesh during the Fifth Plan period.
Orissa	1976	Export Development Programme of Orissa.
	1983	Study on Establishment of Export Development Corporation of Orissa.
Bihar	1976	Report on Export Development Programme of Bihar.
Maharashtra	1980	Study on Establishment of Export Corporation in Maharashtra.
	1981	Export potential Survey of Selected Products in Maharashtra.
Andhra Pradesh	1983	A case of Free Trade Zone at Vishakhapatnam.

(c) Broadly the assistance given by the Institute is as follows :

(i) Formulation of State Export Corporations—their composition/objectives, areas of work etc,

(ii) Effective functioning of Task Forces Constituted by individual States in their export development.

(iii) Preparation of export development/marketing plans in respect of specified products/product groups for individual States.

(iv) Training programmes in the areas of techniques of export promotion, procedures & documentation, costing and pricing for export and overseas marketing research for the benefit of State Government Officers and executives connected with export promotion and operation.

**Complaints regarding implementation of anti-poverty programmes in Kerala**

7772. SHRI K. KUNJAMBU : Will the Minister of FINANCE be pleased to state:

(a) whether any complaints against bank officials from Kerala have been received to the effect that adequate co-operation is not forthcoming from their side for the effective implementation of the anti-poverty programme;

(b) if so, the number of such complaints; and

(c) the action taken on such complaints ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). Reserve Bank of India has reported that complaints are occasionally received regarding difficulties faced by borrowers in the matter of obtaining of loans from banks. Such complaints are promptly taken up with the concerned banks and other agencies with a view to redress the grievances. Since such complaints are addressed to various authorities information regarding number of complaints received and action taken thereon is not maintained.

**Lapses in Issue of Foreign Exchange by Bombay Mercantiles Cooperative Bank**

7773. SHRI M. RAGHUMA REDDY: Will the Minister of FINANCE be pleased to state :

(a) whether Government have noticed great lapses on the part of the Bombay

Mercantile Co-operative Bank under his Ministry in the matter of issue of foreign exchange ;

(b) whether any responsibility has been fixed for such lapses ; and

(c) the action taken/proposed to be taken in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). Reserve Bank of India has reported that the functioning of the Bombay Mercantile Cooperative Bank Ltd, Bombay is considered satisfactory on the basis of audit reports. Reserve Bank of India has, however, reported that certain export bills have been outstanding for more than two years and it would be looking into this matter.

**Persons Arrested for Violation of Foreign Exchange, Income Tax, Central Excise and Customs Laws**

7774. SHRI HAROOBHAI MEHTA : Will the Minister of FINANCE be pleased to state :

(a) the number of persons arrested from 1 April, 1985 in connection with violation of laws relating to Foreign Exchange, Income tax, Central Excise and Customs ;

(b) the number of persons bailed out, out of the number mentioned in part (a) ; and

(c) the action Government propose to take in order to make the provisions of tax laws more strict and deterrent ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) & (b). Number of persons arrested and bailed out for the violation of laws relating to Foreign Exchange, Income tax, Central Excise and Customs are given below :

	No. of persons arrested	No. of persons bailed out
FERA (1-4-1985 to 31-3-1986)	333	333
Central Excise (1-4-1985 to 31-3-1986)	38	38
Customs (1-4-1985 to 28-2-1986)	2718	No such figure is maintained separa- tely.
Income-tax	There is no provision of arrest under Income Tax Act, 1961. During 1-4-1985 to 27-3-1986, prosecutions were launched against 3625 Assesseees for viola- tion of various Acts of Direct Taxes.	

(c) The existing provisions of FERA Customs, Income Tax Act and Central Excise are quite strict and deterrant.

#### Recommendations of Indian Council of Food Scientists and Technologists

7775. DR. K.G. ADIYODI : Will the Minister of COMMERCE be pleased to state :

(a) the recommendations of the Indian Council of Food Scientists and Technologists made in 1985 ; and

(b) how far Government propose to link these recommendations for a better export-oriented programme ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) & (b). According to the information available with the Government, the Association of Food Scientists and Technologists did not make any recommendation in 1985 specifically on exports of processed foods. However, Government have taken a number of measures to increase the exports of processed foods. These include, cash compensatory support, import replenishment to registered exports,

facility of duty draw-back, assistance for market development. In addition, the Agricultural & Processed Food Products Export Development Authority (APEDA) has been set up with a view to giving a fillip to such exports.

#### Import of Cotton

7776 KUMARI PUSHPA DEVI : Will the Minister of TEXTILES be pleased to state :

(a) the stock position of short-staple, medium staple, long and extra-long-staple varieties of cotton in the country at present ;

(b) the total bales of short staple variety of cotton imported from Pakistan during 1985-86 ;

(c) the total bales of medium, long and extra long staple varieties of cotton imported or exported in the above year ; and

(d) the details thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) The opening

stock at the beginning of the current cotton year was 24.40 lakh bales. The crop during the current cotton season is estimated at .07 lakh bales.

(b) No short staple cotton has been imported from Pakistan during 1985-86/ cotton year so far.

(c) & (d). A quantity of 75000 bales of medium staple cotton valued at about Rs. 13.57 crores was contracted for import from Pakistan in July, 1985. No long stable or extra-long staple cotton has been imported. On the other hand, quantities of 10.00 lakh bales of long and extra long staple cotton, 52000 bales of Bengal Deshi, and 25000 bales of Yellow pickings have been released for export during the current cotton year i.e 1985-86. Out of these, quantities of 1,30,793 bales of staple cotton, 29,497 bales of Bengal Deshi and 10,961 bales of yellow pickings were registered for export upto the first week of April, 1986.

**Looting of Bank of India, Navarangpura Branch, Ahmedabad**

**7777. SHRI RANJIT SINGH GAEKWAD :** Will the Minister of FINANCE pleased to state :

(a) whether Government are aware of a recent day light dacoity at Bank of India, Navarangpura Branch, Ahmedabad, when a sum of over rupees one and a half lakhs was looted at gunpoint ;

(b) whether the dacoits involved in the dacoity were apprehended ;

(c) whether this decoity has a link with a similar dacoity that took place at Indian Overseas Bank, Vatva Branch near Ahmedabad, two months ago ; and

(d) the steps taken or proposed to be taken to ensure safety of bank personnel as well as public money keeping in view recurrence of bank dacoities ?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :** (a) Reserve Bank of India has reported that a decoity had occurred in the Navarangpura (Ahmedabad) branch of Bank of India

at about 1.45 PM on 19-2-86 in which a sum of Rs. 1,30,594/- was taken away by 4/5 persons who were armed with pistols/ revolvers.

(b). Bank of India has reported that although none of the dacoits have been arrested in connection with the incident which had occurred at its Navarangpura branch, the taxi driver connected with the incident has been arrested by the police.

(c) Indian Overseas Bank has reported that it has no branch at Vatva (Ahmedabad).

(d) The State Governments are primarily responsible for the 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. The Government had also 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.

**Strike call by truck owners bringing essential commodities into Delhi**

**7778. PROF. NIRMALA KUMARI SHAKTAWAT :** Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state:ed

(a) whether Government are aware of the strike call given by all the truck owners bring essential commodities into Delhi ;

(b) if so, the reasons thereof ;

(c) whether this will affect the essential commodities for the common people ; and

(d) whether any agreement has been reached between Government and the truck owners ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A.K. PANJA) : (a) Yes, Sir.

(b). The truck operators of Delhi suspended their operations from mid-night of 31st March, 1986 in support of their demands for abolition of Octroi in all the States, reduction of diesel prices by 30%, uniform price of diesel throughout the country, improvement of the road surface of all the existing highways, reduction of excise duty on bodies of trucks and buses etc. They resumed their operations from the morning of 3rd April, 1986.

(c) This did not affect the supply of essential commodities to the common people in Delhi.

(d) No, Sir.

**Decision to de-list Private Selling Agents of National Textile Corporation in Eastern Region**

7779. SHRI INDRAJIT GUPTA : Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that the National Textile Corporation (WBABO) has decided to de-list all private selling agents in the eastern region ;

(b) if so, the reasons therefor ; and

(c) the measures being taken to increase the marketing of N.T.C. mills products ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) & (b). No, Sir. NTC (WBABO) sells cloth through

indenting agents and yarn locally through dealers. No final decision has been taken to sell cloth directly. However, in case of accumulation of stock, direct sale has been resorted to in past on few occasions. Recently, a decision was taken by the subsidiary corporation to liquidate the accumulated stock by supplementing the efforts of the agents and dealers with those of direct buyers at price not below the floor price fixed by the Subsidiary Sales Committee, from time to time.

(c) The following measures have been taken to improve the marketing of NTC mills products :—

(i) active marketing in local/up-country and considered target/incentive scheme wholesalers/semi-wholesalers ;

(ii) Opening of yarn depots in the consuming centres ;

(iii) diversification of markets by increasing institutional sales to DGS&D, Defence and Public Sector Enterprises and increased export efforts ;

(iv) concentrated product publicity ; and

(v) improving decor/display and up-keep of retail showrooms etc.

[Translation]

**Gold in Government Treasury**

7780. SHRI MOHD. MAHFOOZ ALI KHAN : Will the Minister of FINANCE be pleased to state the total quantum of gold in Government treasury as on 1 April, 1977, 1 January, 1980, 1 January, 1985 and 1 March, 1986 ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : The total quantity of gold held as reserves against notes issue by RBI, and in safe custody on behalf of Government by the RBI and SBI and in the Mints inclusive of the

gold held against National Defence Gold Bonds is as indicated below :—

As on	In fine Kgs.
1-4 1977	304688
1-1-1980	344323
1-1-1985	343535
1-3-1986	346541

[English]

**Tax Liability on Additional Dearness Allowance and City Compensatory Allowance**

7781. SHRI KAMLA PRASAD SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether both the Additional Dearness Allowance and City Compensatory Allowance are neither assessable under the head "Salary" nor under the head "Other Sources" ;

(b) If so, the reasons why Additional Dearness Allowance and City Compensatory Allowance are still being taxed ;

(c) whether there is any proposal to clarify the position and issue necessary instructions in the matter ; and

(d) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) to (d). The Additional Dearness Allowance and City Compensatory Allowance are taxable under the existing provisions of the Income-tax Act, 1961. Since the relevant provisions of the Act are clear in this regard, it is not proposed to issue any instructions in the matter.

**Roller Flour Mills set up During Ban Period**

7782. SHRI HARIHAR SOREN : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether it is a fact that the Union Government have imposed a complete ban on the setting up of roller flour mills in the country ;

(b) if so, the reasons therefor ;

(c) whether roller flour mills set up during the ban period in illegal ways have been regularised in some States ;

(d) if so, the number of such roller flour mills/oil mills set up in Keonjhar district in Orissa during the ban period ; and

(e) the action taken against the persons who set up such mills during the ban period ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A K. PANJA): (a) & (b). Keeping in view the under utilisation of capacity in the roller flour milling industry and the then position regarding production and procurement of wheat, it was decided that w.e.f. 24.5.1980 no new roller flour mills will be permitted. Considering the present easy availability of wheat in the country, it has been decided to permit a limited number of new units of capacity upto 30 MTs per day to be set up in various States/Union Territories. The State Governments/Union Territories have been advised to obtain applications from entrepreneurs for grant of permission and forward them to Central Government before 30th April, 1986, for further consideration.

(c) No unit set up after 24.5.1980 without prior permission of the State Government or Central Government has been regularised during this period.

(d) & (e). The Central Government is not aware of any such unit having been set up in Keonjhar District in Orissa.

**Seizure of Forged Currency Notes in Delhi**

7783. SHRI KAMAL NATH :

SHRI MULIAPPALLY RAMA-  
CHANDRAN :

Will the Minister of FINANCE be pleased to state :

(a) whether forged currency notes worth Rs. 25 lakhs were seized in Delhi last month ;

(b) if so, the ramifications thereof ; and

(c) the steps taken to educate the public in detection of forged currency notes ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) & (b). It has been reported by the Delhi Police that they have seized forged notes of Rs. 100/- and Rs. 50/- denominations worth more than Rs. 25.00 lakhs during the month of March, 1986. Some arrests have also been made by them in this connection and the inquiry is on.

(c) In most of the cases of forgery the public is able to detect forged notes on the basis of absence of water mark or substitution of water mark by embossing poor quality of paper, poor quality of printing, absence/imitation of security thread etc. No special steps have been taken to educate the public in this regard as it may prove counter-productive and counterfeiters may derive more benefit from it than the members of public.

**Statutory Commission for Safeguarding  
Interests of Investing Public**

7784. SHRI N. DENNIS :

SHRI P.R. KUMARAMAN-  
GALAM :

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that a Statutory Commission on the lines of Securities and Exchange Commission of the US, to

safeguard the interests of the investing public has been recommended by the high power Narasimhan Committee on change over from physical to fiscal controls ; and

(b) if so, the details in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The Committee to examine the principles of a possible shift from physical to financial controls under the Chairmanship of Shri M. Narasimham had recommended that it would be desirable to set up an independent statutory, regulatory body, clothed with adequate powers and similar in broad scope to the Securities and Exchange Commission of USA to safeguard the interests of the investing public.

(b) According to the Committee, the main function of the proposed Commission would be regulation of Stock Exchanges, mergers and take-overs and share registration and the Commission would be a quasi judicial Body to regulate the functioning of the capital market in these areas.

**Demand for Formulation of Three Zones of  
Co-operative Sugar Factories in Maha-  
rashtra**

7785. SHRI R.S. MANE : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether it is a fact that Government of Maharashtra and people at large are demanding formulation of three zones of co-operative sugar factories in Maharashtra ;

(b) if so, the views of the Union Government in this regard ;

(c) when a final decision is likely to be taken in this regard ; and

(d) the reasons for the delay ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES

(SHRI A.K. PANJA) : (a) Government of Maharashtra have represented for dividing the State into three zones for the purpose of levy price fixation.

(b) & (c). The zoning proposals submitted by the Bureau of Industrial Costs and Prices, which included some recommendations pertaining to the existing Maharashtra zone, were examined after obtaining clarifications from the Bureau and it has been decided to continue the present zoning pattern till 1986-87.

(d) Does not arise.

#### Production of Diamonds

7786, SHRI CHINTAMANI JENA : Will the Minister of COMMERCE be pleased to state :

(a) whether there is a considerable demand for Indian diamonds in many foreign countries ;

(b) the value of diamonds produced in the country annually and during the last three years and the area which is famous for diamond production ;

(c) whether there is any proposal under Government's consideration to boost the production of diamonds in the country to meet the increasing demand of diamonds in foreign countries and to earn foreign exchange, if so, the details thereof ; and

(d) the steps taken by Government in this respect ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) Yes, Sir.

(b) The value of diamonds produced in Panna mines in Madhya Pradesh during the last years was :

Year	Value
1983	Rs. 1,42,96, 000
1984	Rs. 2,08,53, 000
1985	Rs. 2,26,56, 000

(c) & (d). With a view to developing new mines for diamond production, Government has undertaken a national diamond exploration Scheme with Geological Survey of India as the lead agency and National Mineral Development Corporation and Minerals Exploration Corporation as collaborators to locate new diamond sources.

#### Payment of Bonus to Employees of ITDC Hotels

7787. SHRI LAKSHMAN MALLICK : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) the details of the formula framed for the payment of bonus or ex-gratia payment to the employees of hotels under the India Tourism Development Corporation ;

(b) since when bonus is being paid and the quantum of payment each year till date in the ITDC ;

(c) the names of the ITDC Hotels in the Capital that are paying bonus to their employees and since when ; and

(d) whether Government propose to pay bonus to the employees of Kanishka hotel during the current financial year in view of their work as well as the annual increased income ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT) : (a) & (b). The payment of bonus to the employees of each unit/Hotel of ITDC is made in accordance with the provisions of the Payment of Bonus Act 1965. Total bonus sanctioned to the employees of the ITDC during the last 5 years is as under :

Year	Rs. in lakhs
1980-81	58.64
1981-82	69.02
1982-83	79.41
1983-84	85.63
1984-85	76.13



(c) The requisite information is given below :—

Name of the ITDC hotel in the capital paying bonus to its employees	Since Account- ing year
Ashok Hotel	1970-71 *
Janpath Hotel	1970-71 *
Lodhi Hotel	1970-71 *
Ranjit Hotel	1970-71 *
Akbar Hotel	1974-75
Qutab Hotel	1979-80

(\*These units were merged in ITDC w.e.f. 28.3.1970).

(d) Payment of bonus to the employees of Kanishka Hotel will be regulated in accordance with the provisions of payment of Bonus Act, 1965.

#### World Bank Loan to India

7788. SHRI LAKSHMAN MALLICK : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the world Bank has recently sanctioned two loans totalling \$ 331 million to India with soft lending terms ; and

(b) if so, the details regarding its allocation along with its terms ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). A statement giving the details of projects approved and terms so far by the World Bank Group in their current fiscal year (1st July 1985 to 30th June 1986) is given below.

#### Statement

*The World Bank Group (International Bank for Reconstruction and Development and International Development Association) have approved so far loans/credits for the following projects in their fiscal year 1986 (1st July 1985 to 30th June, 1986).*

Sl. No.	Name of the Project	Amount of loan/credit in US dollar million	
		IRBD	IDA
1.	Population Project IV	..	51
2.	Kerala Water Supply	..	41
3.	West Bengal Minor Irrigation	..	99
4.	Maharashtra Irrigation III	..	160
5.	National Agricultural Research Project II	..	72.1
6.	Industrial Exports (Engineering)	250*	..
7.	Gujarat Urban Development	..	62
8.	National Bank for Agriculture and Rural Development-I	375	..

1	2	3	4
9. Cement Energy Saving		200	..
10. Andhra Pradesh Irrigation		131	140
11. Combined Cycle Power Project		485	..
Total		1441	625.1

\*US dollar 90 million to Government of India US \$ 160 million to Industrial Coedit and Investment Corporation of India (ICICI) with GOI guarantee.

The IBRD loans are repayable in 20 years, including a grace period of 5 years. These loans carry interest revised every 6 months on pool-based variable lending rate system. The rate applicable from 1-1-1986 is 8.50%. A commitment charge of 0.75% is also levied on the undisbursed portion of the loans. The IDA credits carry no interest charge. However a service charge of 0.75% on the disbursed portion of the credit and a commitment fee of 0.5% on the undisbursed portion are payable. The credits are repayable over 50 years, including a grace period of ten years

**Making of profits by jute mills for supplies to DGS&D**

7789. SHRI K. PRADHANI : Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that some jute mills are presently making a tidy profit by buying jute goods from the open market at "much cheaper rates" and supplying them to the authorities against the Jute Commissioner's compulsory manufacturing order for meeting the needs of the Directorate General of Supplies and Disposals (DGS&D);

(b) if so, the details thereof;

(c) whether any cash subsidy on exports is given in such cases;

(d) if so, the modus operandi thereof and the steps being taken to prevent its misuse by the traders; and

(e) the steps being taken to check such unhealthy practices in the jute mills making profits on such supplies to DGS&D ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) to (e). As per available information, majority of jute mills are supplying B-T-will bags on DGS&D account after manufacturing them in their own mills. However, in a few cases, mills supplied these bags after covering a part of supplies from the open market instead of producing in their own mills either due to special manufacturing problems or pressing sale commitments at home and abroad or to liquidate previous backlog of supplies within the extended delivery schedule. The notified prices payable for supplies on DGS&D account are being fixed on cost plus basis as per Palckar formula. Even though the notified prices are presently higher than prevailing market rates due to marked imbalance between demand and supply it has been found that over the years, the loss and profit largely counterbalance each other. There had also been cases when mills bought goods from the open market at higher rates than notified prices in order to clear accumulated backlog. This arrangement has been permitted mainly for getting assured supply of goods in time.

No linkage has been established between payment of Cash Compensatory Support (CCS) amount for export of jute goods and supply of B. Twill bags on

DGS&D account by some mills after buying goods from the open market. Criterion for grant of CCS is to compensate inputs and to neutralise other disabilities.

In order to prevent scope for earning undue trading profits on supplies of jute bags on DGS&D account, order placed by Jute Commissioner on jute mills is cancelled immediately after the Mills' functioning is immobilised either due to strike or lockout and that quantity is generally reallocated to National Jute Manufacturing Corporation (NJMC) Units for supply.

#### **Apprehended depression in Tea Industry**

7790. SHRI K. PRADHANI : Will the Minister of COMMERCE be pleased to state :

(a) whether our Tea industry is heading for a depression of the magnitude of one experienced between 1979 and 1981;

(b) if so, the reasons therefor; and

(c) the steps being taken to rejuvenate it ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) No, Sir.

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

#### **Review of functioning of Trade Development Authority, Indian Institute of Foreign Trade and Trade Fair Authority of India**

7791. SHRI K. PRADHANI : Will the Minister of COMMERCE be pleased to state :

(a) whether Government have undertaken a review of the functioning of the Trade Development Authority, Indian Institute of Foreign Trade and the Trade Fair Authority of India with a view to examine their present organisational structure and to find economies and achieve cost effectiveness;

(b) if so, the outcome thereof; and

(c) if not the progress made so far in this behalf ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) In February, 1986, the Government set up a Group to undertake an indepth study of the role, activities and performance of the Trade Development Authority, Indian Institute of Foreign Trade and Trade Fair Authority of India.

(b) & (c). The Group has yet to submit its report.

#### **Purchases made by DGS&D and set up of its Supply Missions abroad**

7792. SHRI K. PRADHANI : Will the Minister of COMMERCE be pleased to state :

(a) the approximate value of the purchases and disposals handled by the DGS&D annually at present; and

(b) the set-up of the Supply Mission abroad under DGS&D's control ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) The value of purchases and disposals handled during three years from 1982-83 to 1984-85 is as under :

Year	Value of Purchase Orders Placed	Book Value of Surplus Stores Disposed
(Rs. in Crores.)		
1982-83	1,872	83.92
1983-84	2,294	70.43
1984-85	2,497	61.53

(b) There are only two Supply Missions abroad : Supply Wing, High Commission of India, London and Supply Wing, Embassy of India, Washington. These are under the control the Ministry of External Affairs and not the Department of Supply.

[Translation]

#### Allotment of essential commodities to States

7793. SHRI VIJOY KUMAR YADAV : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether it is a fact that Government allots wheat, rice, sugar, edible oil, kerosene, Dalda, etc. to each State every month;

(b) if so, the details of the monthly demand of various States in regard to the said commodities; and

(c) the details of the said items supplied by Government to various States since January 1985 to March 1986, month wise ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A.K. PANJA) : (a) The Government has taken the responsibility for supply of seven essential commodities, viz. wheat, rice, edible oils, levy sugar, kerosene apart from soft coke and controlled cloth to States/Union Territories under the scheme of Public Distribution System. Dalda is not supplied by the Central Government for distribution through fair price shops.

(b) & (c). Details about demand and allotment of wheat, rice, levy sugar, imported edible oils and kerosene oil are given in Statements-I, II, III, IV and V, respectively laid on the Table of the House. [Placed in the Library. See No LT/2606/86].

[English]

#### Visits of Indian Trade Delegations abroad in 1985

7794. SHRI AMARSINH RATHAWA : Will the Minister of COMMERCE be pleased to state :

(a) the number of Government and business community delegations which visited foreign countries during 1985;

(b) the names of the countries visited by these delegations; and

(c) how far it has helped to increase the trade with those countries ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) & (b). In addition to visits abroad by Indian exporters in normal course of business, delegations representing Government/business community have visited, among other, U.S.A., U.K., France, Canada, Federal Republic of Germany, Italy, Belgium, Switzerland, Spain, Finland, Sweden, Denmark, Norway, Turkey, Netherlands, Panama, Trinidad & Tobago, Ethiopia, Egypt, Kuwait, Saudi Arabia, U.A.E., Algeria, Tanzania, Morocco, Sierra Leone, Zimbabwe, Zaire, Kenya, Cameroon, Ivory Coast, Liberia, Senegal, Mauritius, Seychelles, Bahrain, Muscat, Qatar, Oman; Nepal, Iran, Afghanistan, Maldives, Sri Lanka, Australia, R.D. Korea, Philippines, P.R. China, Vietnam, Malaysia, Singapore, Hong Kong, Japan, South Korea, G.D.R. Hungary, Bulgaria, USSR, Czechoslovakia, Poland and Romania, during 1985, for exploring possibilities of increasing trade with them.

(c) Possibilities of increasing bilateral trade between India and these countries, identification of areas of mutual cooperations in joint ventures, multilateral issues and matters relating to transfer of technology were discussed. These meetings have been of value in terms of exchange of information and views on trade possibilities and removal of constraints which is necessary for furthering trade and commerce.

**Plan to promote marketability  
of non-conventional oils**

7795. DR. B.L. SHAIKESH : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether Government have any plan to promote the marketability of non-conventional oils for direct human consumption ;

(b) if so, the details thereof ; and

(c) the steps being taken to improve consumer acceptances of such oil blends ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A.K. PANJA) : (a) The Government have taken different measures for use of non-conventional oils for direct human consumption.

(b) Among the non-conventional oils, apart from that of tree and forest origin, soyabean oil and rice bran oil are now being accepted and gaining popularity for direct human consumption. Latest technology for refining the soyabean oil improves the keeping quality of soyabean oil. The technology for stabilisation of rice bran is being utilised to promote the availability of edible grade rice bran oil. The marketability of non-conventional oils will also be promoted through blending with other preferred oils.

(c) Studies are being conducted for consumer acceptance of the blended oils. Soyabean-Groundnut oil blend has already been permitted by the Government. Blended oils will be sold in packaged form after displaying the contents of the blend.

**Closure of Textile Mills in  
Bombay due to strike**

7796. PROF. MADHU DANDAVATE : Will the Minister of TEXTILES be pleased to state :

(a) how many textile mills were closed following the recent prolonged strike of the textile workers in Bombay ;

(b) how many of those have been taken over by the National Textile Corporation ; and

(c) the steps taken by Government to prevent hardships and sufferings of workers from other mills already closed ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) All the 60 cotton textile mills in Bombay were effected by the said Textile Strike in Bombay.

(b) The management of 13 textile undertakings have been taken over by the Government on 18th October, 1983.

(c) A Nodal Agency has been set up to evolve and manage a suitable financial package for rehabilitating potentially viable units out of these closed mills.

**Setting up of Indo-Yugoslav Joint  
Business Council**

7797. SHRI N. DENNIS : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that Indo-Yugoslav Joint Business Council has been set up and that they have fixed trade target of Rs. 200 crores for 1986 and to double it by 1990 ; and

(b) if so, the details regarding the 'Memorandum of Understanding' which has been signed between the two countries ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) & (b). There is an Indo-Yugoslav Joint Business Council which was set up between the Federation of Indian Chambers of Commerce and Industry (FICCI) and the Yugoslav Chamber of Economy, Belgrade in September, 1977. The Council, a non-Governmental body, meets periodically to discuss Cooperation between the two countries at the business level and the last meeting was held in New Delhi on 31-3-1986 and 1-4-1986. FICCI have

informed that the Joint Business Council, at the end of the Meeting, issued a Joint Statement which referred to business possibilities and suggested that a trade turnover of US \$ 200 million should be aimed at in 1986-87 and that this target should be enhanced further.

#### **Introduction of New System for Disbursement of Loans to small Borrowers**

7798. SHRI N. DENNIS : Will the Minister of FINANCE be pleased to state :

(a) whether Government propose to introduce a new system to disburse loans to small borrowers ; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) & (b). The Government have introduced a scheme, on an experimental basis, in certain selected blocks of the country for the payment of loan and subsidy in cash to the borrowers under the Integrated Rural Development Programme with effect from 1-4-1986. The cash disbursement is to be made in the following types of cases :—

- (i) When the asset is of a standard type or marketed by reputed suppliers ;
- (ii) Under ISB (Industry, Service and Business) Sector when a number of sundry items are bought and required disbursement is upto Rs. 3000/- ; and
- (iii) Under Animal Husbandry programmes.

Banks have also been advised to disburse loans to farmers and other priority sector borrowers in their rural and semi urban branches on two fixed days in a month.

#### **Visit of Foreign Trade Delegations to India during 1985**

7799. SHRI MOHANBHAI PATEL : Will the Minister of COMMERCE be pleased to state :

(a) the details of Government and Business community delegations of foreign countries which visited India in regard to increase in trade between them and India ;

(b) the names of the countries from which trade delegations visited India ; and

(c) how far their visit was helpful in increasing the trade and the details of agreements made during the year 1985 ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) (b). In addition to visits by foreign traders in the normal course of business, foreign delegations representing Govt./Business community are reported to have come from, among others, U.S.A., Canada, United Kingdom, France, Federal Republic of Germany, Italy, Sweden, Norway, Finland, Turkey, Ethiopia, Algeria, Tunisia, Mauritius, Ivory coast, Nigeria, Qatar, Madagascar, Bahrain, Argentina, Mexico, Cuba, Trinidad and Tobago, Peru, Mongolia, Thailand, Australia, Vietnam, P.R. China, Malaysia, Singapore, R.O. Korea, Japan, Laos, DPR Korea, Iran, Pakistan, Bangladesh, Afghanistan, Nepal, Sri Lanka, USSR, Romania, Bulgaria, Hungary, Czechoslovakia, GDR, Poland and Yugoslavia, to India during 1985 for exploring possibilities of increasing trade.

(c) Possibilities of increasing bilateral trade between India and these countries, identification of areas of mutual cooperation in joint ventures, multilateral issues and matters relating to transfer of technology were discussed. These meetings have been of value in terms of exchange of information and views on trade possibilities and removal of constraints which is necessary for furthering trade and Commerce. India has renewed the Trade Agreements with USSR, Poland, GDR and Romania during 1985-86.

## [Translation]

**Jute Export**

7800. SHRI KAMLA PRASAD RAWAT : Will the Minister of TEXTILES be pleased to state :

(a) the quantity of jute products in lakh tonnes, exported in 1966-67 and 1983-84, separately ;

(b) whether export made during the year 1983-84 was less than the export made during 1966-67 ;

(c) if so, the reasons therefor and whether there are some major shortcomings in our efforts ;

(d) whether efforts are being made to remove these shortcomings and if so, the details thereof ; and

(e) if not, the reasons therefor ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) The quantity of export of jute goods during 1966-67 and 1983-84 is given below :—

Year	Qty. (in lakh tonnes)
1966-67	7 34
1983-84	2 34

(b) Yes, Sir,

(c) Exports of jute goods during 1983-84 was less than export of jute goods in 1966-67 due to following reasons :—

(i) stiff competition from synthetic substitutes and other producing/exporting countries.

(ii) 84 day long strike by jute mills in West Bengal.

(d) The Government have taken the following steps to boost export of jute goods :—

(i) Formation of a STC jute industry consortium on 50:50 loss-sharing basis for export of carpet backing cloth to North America ;

(ii) Encouraging development of exportable products through R & D efforts ;

(iii) Participation in specialised trade fairs and exhibitions and sending of Government industry delegations so identified markets abroad for promoting jute goods exports ; and

(iv) Constituting a new Jute Manufactures Development Council and jute fund out of proceeds of jute cess to give boost to R & D export promotion.

(e) Does not arise.

## [English]

**Measures to Prevent Diversion of Wheat to Flour Mills in Adjoining Areas**

7802. SHRI BALASAHED VIKHE PATIL : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether it is a fact that Government's decision to increase the price of wheat flour mills will ease the position of Food Corporation of India or holding stock for them and incur losses on storage and locking up of huge amounts of money in the process ;

(b) if so, whether the mills' off-take from open market is likely to increase and if so, to what extent ; and

(c) the measures Government propose to take to ensure that wheat for tribals which is now being given at Rs. 1.75 per kg does not get diverted to flour mills in the adjoining areas ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A.K. PANJA) : (a) & (b). The quantity of wheat that will be procured

under price support during the current year will depend on the size of the crop, the market prices, and the quantities offered for sale at the support price by farmers at the appointed purchase centres. If the market prices of wheat rule below the central issue price of wheat for roller flour mills, the mills can be expected to purchase their requirements from the open market. No forecast can be made of the quantity of wheat that the mills may buy in the open market or that the F.C.I. may procure.

(c) Wheat is being supplied to consumers in the I.T D.P. areas at Rs. 1.50 a kg.

Distribution of Central Pool wheat is the responsibility of the State Governments and Union Territory Administrations and it is for them to ensure that no misuse takes place.

#### Surprise Inspections of Banks

7803. SHRI R.S. MANE : Will the Minister of FINANCE be pleased to state:

(a) whether any monitoring body has been set up to conduct surprise inspections of various banks to check whether customer facilities are being given ;

(b) whether Government are aware that many of the suggestions in this regard have not been implemented by the nationalised banks ;

(c) the action taken to tone up the functioning of banks ;

(d) whether more periodic inspections have been ordered by senior officers during banking hours ; and

(e) if not, the existing methods of checking up the implementation of customer service improvement scheme ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (e). While there is no separate monitoring body to conduct surprise inspections of various banks to check whether customer facilities are being given, the Senior Exec-

utives of the banks have been asked to make regular and surprise checks and inspections of the branches to assess the quality of service rendered by them to the customers and also to ensure proper supervision and control at all levels. The Chief Executives and field level functionaries of banks have been asked to meet customers on the 15th of every month with a view to get better appreciation of the shortcomings of banks' services to the people.

A survey on improvement in customer service in banks at selected centres—Ahmedabad, Jaipur, Patna, Bangalore, Gauhati and Lucknow—was recently undertaken by the National Council of Applied Economic Research (NCAER). The survey reveals that majority of the banks have implemented the measure like display of time norms for disposal of routine business, introduction of 'May I help you' desks in large branches, organisation of grievances redressal machinery, etc. laid down by Government/ Reserve Bank of India.

#### Import and Export of Iron and Import of Scarp

7804. SHRI CHINTAMANI JENA : Will the Minister of COMMERCE be pleased to state :

(a) the details of iron and steel items which are being exported and the value of the same during the last three years ; year-wise ;

(b) the details of iron and steel items being imported and the value of the same during the last three years, year-wise ;

(c) the quantity of scrap imported during the last three years, year-wise, and from which countries ;

(d) whether Government have taken a decision to increase the import of scrap during 1986-87 ; and

(e) if so, the quantity likely to be imported and the foreign exchange involved therein ?



**THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) :** (a) to (c). Statistics relating to country-wise quantity and value of export/import of various items have been compiled upto 1982-83. Data relating to export/import of iron and steel items and scrap during 1983-84 to 1985-86 is not available.

(d) and (e). The Import Plan for 1986-87 is being finalised.

**Raids by Enforcement Agencies  
for Economic Offences**

**7805. SHRI CHINTAMANI JENA :** Will the Minister of FINANCE be pleased to state :

(a) the total number of raids conducted by various enforcement agencies for economic offences during 1983, 1984 and 1985 and the amount yielded during the said period in the country ;

(b) the item-wise goods seized during the said period ;

(c) the number of persons arrested ; and

(d) the number of Government Officials involved and arrested and the action taken against them ?

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

**Smuggling on Coastal Areas**

**7806. SHRI CHINTAMANI JENA :** Will the Minister of FINANCE be pleased to state the measures being taken to check the smuggling in the country and particularly on the coastal areas ?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :** The anti-smuggling drive throughout the country, including coastal areas, has been intensified. The preventive and intelligence machinery of the Custom department has

been re-inforced in the vulnerable areas in terms of manpower and equipment. The scheme of rewards to informers and Government servants has been liberalised.

A new Act, namely, "Narcotic Drugs and Psychotropic Substances Act, 1985" has been brought into force with effect from 14th November, 1985, which inter alia, provides for stringent punishment for drug trafficking offences.

The preventive and intelligence machinery of the Customs department remain vigilant with respect to the areas vulnerable to smuggling and commodities sensitive to smuggling. Appropriate anti-smuggling measures, both short-term and long-term, are taken in close co-ordination with the concerned Central and State Government authorities. The trends in smuggling and seizures made are kept under constant review for taking appropriate remedial measures.

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

The value of goods seized during the last three years is given below :—

Year	Value of goods seized (Rs. in crores)
1983	89.92
1984	101.09
1985	186.47 + 365 Kgs. of heroin.

**Setting up of Banking Service Commission**

**7807. SHRI G.S. BASAVARAJU :** Will the Minister of FINANCE be pleased to refer to the reply given to the Unstarred Question No. 3770 on the 19th April, 1985 regarding setting up of Banking Service Commission and state :

(a) whether the modalities of the Commission including identification of

person or persons for Chairman and Members of the Commission respectively have been worked out ;

(b) if not, the reasons for the delay ;

(c) whether the Commission is to work on the pattern of other higher Service Commissions at the national level for recruitment of top personnel in the nationalised banks ;

(d) if so, whether experienced persons having both administrative and recruitment experience have been tipped for Chairmans etc position ; and

(e) if not, the reasons for the same and reasons for the delay when the Act for setting up of Commission was passed during the middle of 1984 ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (e). The modalities of setting up the Banking Service Commission, identification of suitable persons with appropriate stature, experience, outlook, etc as envisaged under section 4(2) of the Banking Service Commission Act, 1984, are under process. The Commission, as soon as it is set up will undertake work in accordance with the provisions of section 10 of the Banking Service Commission Act, 1984.

**Need for Keeping Adequate Stock of Essential Commodities in Hill Areas and Eastern Region**

7808. SHRIMATI JAYANTI PATNAIK : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether Government have recognised the need for keeping adequate stock of essential commodities within the States and particularly in the Eastern Region ;

(b) if so, whether co-ordinated efforts have been made between the State Governments ; concerned Ministries, Railways and other organisations for the building up of adequate stocks of essential commodities in inaccessible and hill areas and Eastern Region in particular before the monsoon season ; and

(c) if not, the specific steps proposed to be taken to build up adequate stocks of essential commodities in those areas ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A.K. PANJA) : (a) to (c). Government has recognised the need for keeping adequate stocks of essential commodities under the Public Distribution System within the States and particularly in the Eastern Region. The movement plans are drawn every month for movement of essential commodities in consultation with the Railways, keeping in view the requirements of deficit areas. Special attention is given to build up stocks of essential commodities in inaccessible and hilly areas of Eastern Region before the on-set of monsoon. Close liaison is maintained with the Railways and the concerned Government agencies for movement of essential commodities.

**Export of Silver Filigree of Cuttack (Orissa)**

7809. SHRIMATI JAYANTI PATNAIK : Will the Minister of COMMERCE be pleased to state :

(a) whether there is vast scope for export of silver filigree made in Cuttack in Orissa ; and

(b) if so, the steps being taken to explore the possibility of increasing export of silver filigree ornaments made in Cuttack ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) It is realised that silver jewellery including silver filigree made in Cuttack offers a good scope for export.

(b) Export of silver filigree is already allowed with the stipulation that the f.o.b. value of the product is at least 33.1/3% more than the Indian price or international price of silver content in the product, whichever is higher.

**Construction of Yatrika at Sri Naina Devi in H.P.**

**7810. PROF. NARAIN CHAND PARASHAR :** Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) the latest progress in the construction of Yatrika at Sri Naina Devi in Bilaspur District of Himachal Pradesh by the Bharatiya Yatri Awas Vikas Samiti ;

(b) the likely dates by which the construction work would be taken in hand and completed alongwith estimated cost ; and

(c) the dates on which the project was sanctioned, the initial estimated cost and the reasons for delay ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT) : (a) to (c). For construction of a Yatrika at Naina Devi, the response to the tenders invited by the Bharatiya Yatri Awas Vikas Samiti 2-3 times was poor. On a subsequent examination of the land by the engineers it was noticed that land was subject to landslides and was, therefore, unsuitable. On subsequent examination jointly by the representatives of the Samiti and the State Government another piece of land was selected. This land has so far not been allotted to the Samiti by the State Govt. The construction work of a Yatrika is normally completed within 1½-2 years. The estimated cost of the project is Rs. 10.00 lakhs.

**Denotified Sugar Mills**

**7811. PROF. NARAIN CHAND PARASHAR :** Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to refer to the reply given to Unstarred Question No. 2755 on 14th March, 1986 regarding recovery of loans granted to denotified sugar factories and state :

(a) whether the denotified sugar mills have continued to crush sugarcane after denotification ; and

(b) if so, whether Government will ensure that the payment of salaries to workers and cane price to the farmers are fully made in the case of the mills whose possession has not been taken over by the owners ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A.K. PANJA) : (a) Yes, Sir.

(b) The realisations out of the sales of sugar etc. are used to make payments of cane price and salaries. It is the responsibility of the State Government to ensure that cane prices to the farmers and salaries to the workers, are paid.

**Cane Price Dues of Denotified Sugar Factories**

**7812. PROF. NARAIN CHAND PARASHAR :** Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to refer to the reply given to Unstarred Question No. 2844 on 14 March, 1986 regarding cane price dues to sugar factories takenover under Sugar Undertakings Act, 1978 and state the circumstances in which the cane price dues was higher at the time of denotification as compared to what these were at the time of take-over in the case of following mills : (i) Deoria Sugar Mills ; (ii) Shri Sita Ram Sugar Mills, Baitalpur and (iii) Sakseria Sugar Mills, Babhnan (Uttar Pradesh) ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A.K. PANJA) : As already mentioned in reply to Unstarred Question No. 2844 answered in the Lok Sabha on 14.3.1986, the cane arrears on or near the date of denotification represented the position of the peak of the crushing season when cane dues tend to be on higher side, but get cleared as the season tapers off.

In the case of Seksaria Sugar Mills, besides the above, the quantity of cane purchased during the season in which it

was taken over was much less than that in the season it has been denotified. Moreover, this mill had recently been facing problems of cash credit limit.

**Report of Working Group on Benefits and Incentives to Tourism Industry**

7813. PROF. NARAIN CHAND PARASHAR : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) whether consequent upon the meeting of the Tourism Secretaries of the State Governments and the Managing Directors of State Tourism Development Corporations a working group was set up to explore the promotion of tourism on its recognition as an Industry ;

(b) if so, the recommendations of the working group as also the specific benefits incentives and concessions to the tourism Industry ; and

(c) the names of the State Governments which have declared tourism as an Industry and whether efforts are being made to persuade other States to fall in line ?

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

(b) and (c). The recommendations of the Working Group identifying incentives and concessions that could accrue to tourism related activities are given in the Statement below. The States of Uttar Pradesh, Himachal Pradesh, Meghalaya and Union Territory of Arunachal Pradesh have declared Tourism as an Industry while the States of Orissa, Rajasthan and West Bengal have declared Hotels as Industry. The remaining States/Union Territories have also been requested to take similar action.

**Statement**

The Working Group identified following concessions/incentives that could accrue to tourism related activities :—

**I. Central Sector**

- (a) The concessions under section 80-HHC of the Income Tax Act should be available in respect of foreign exchange earnings by hotels, restaurants, tour operators and other tourism related industries.
- (b) Lowering of customs duty for imports of capital goods and equipment of tourism related activities and bringing it on par with other industries.
- (c) Foreign technicians and chiefs engaged by hotels and tour operators should be exempted from payment of income-tax as in the case of foreign technicians employed by other industrial undertakings.
- (d) As hotels function all the 24 hours, they should be allowed extra depreciation allowance equal to normal allowance on Plant and machinery as is done in the case of a manufacturing concern which works triple shift. At present, approved hotels are entitled to extra depreciation allowance equal to one-half of the normal depreciation allowance in respect of machinery and plant.
- (e) Section 80 CC of the Income-tax Act, 1961 grants a deduction in respect of investment in certain new shares in companies engaged in certain priority sectors or carrying on what Governments considers socially desirable activities. The concession should be extended to shares issued by hotel companies.
- (f) Additional tax on undistributed profits of closely-held companies is leviable under section 104 of the Income-tax Act. Companies owning and running hotels should be excluded from the scope of the provisions of section 104 of the Income-tax Act.

- (g) The tax concessions which are available at present and which would be made available in future should be allowable even to other segments of tourism industry such as restaurants, travel agents, tour operators, etc.
- (h) Availability of finances at interest rate not exceeding 12% with easy re-payment period and a moratorium on re-payment of principal for the first 3 to 5 years.
- (i) A higher debt equity ratio of 3:1 as against 2:1 as at present (particularly for hotels).
- (j) Increase the present quantum of loan assistance from 2/3rd to 80% of the total cost of fixed assets.
- (k) Inclusion of Hotels among industries to be granted exemption under the MRTP Act.
- (l) Liberal import policy in favour of State Tourism Development Corporations, who though not major earners of foreign exchange, contribute significantly to provision of tourism infrastructure.
- (m) In order to encourage investment by non-resident Indians in tourism related activities, the import of capital goods by NRI's for these sectors should be covered by section 47 and 48 of the Import Policy announced by the Government of India in April this year. It was felt that such a relaxation would go a long way towards attracting NRI investment in these sectors and thereby substantially improve the quality of infrastructure available within the country.

## II. *State Sector*

- (i) Subsidy on preparation of feasibility/project report.
- (ii) Incentive for training local manpower.

- (iii) Augmenting availability of funds from State Financial Corporations.
- (iv) Relief from Sales tax/citroi at least for a period of five years.
- (v) Relief in excise duty on liquor and other alcoholic/drinks. The present duty structure makes these items exorbitantly expensive.
- (vi) Waiving of stamp duty on legal documents involving legal mortgage of property as security and also to accept collateral security on equitable mortgage.
- (vii) Participation by the State Governments in Projects relating to tourism as joint ventures or assisted industries.
- (viii) The State Tourism Corporations should set up restaurants and shops at selected places where selected foreign goods and liquor are on sale. These items could be sold against foreign exchange as is done in most East European countries. Also the Customs Department should offer the custom seized goods to the State Tourism Corporations for sale through their outlets.

### [Translation]

#### Amount spent by State Bank of India and Bank of India for construction of houses

7814. SHRI JAGDISH AWASTHI : Will the Minister of FINANCE be pleased to state :

(a) the State-wise amount spent by the State Bank of India and the Bank of India for construction of houses in rural areas during the last three years; and

(b) the amount proposed to be spent thereon during 1986-87 ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) & (b).

Information is being collected and will be laid on the Table of the House to the extent possible.

[English]

**US step to solve problems facing global economy**

7815. **SHRI N. VENKATARATNAM :**

**DR. G. VIJAYA RAMA RAO :**

Will the Minister of FINANCE be pleased to state :

(a) whether Mr. De Laroseire, Managing Director of International Monetary Fund, stated recently before the Bankers Club, London that the U.S. took a major step to solve the complex problems facing the globaleconomy;

(b) the details of the step referred to and its effect on the global economic problems; and

(c) the effect on Indian Economy and India's International debt position of Rs. 3,000 crores ?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :** (a) to (c). Mr. J. de Larosiere, Managing Director of the International Monetary Fund (IMF), is reported to have said, in his speech before the Overseas Bankers Club in London on 3 February 1986, that the Baker initiative was intended to restore the momentum of growth in developing countries and to set the stage for the return of normal debtor-creditor relationships.

Among the important elements in the Baker Plan are :

(i) Adoption by principal debtor countries of comprehensive macro-economic and structural policies to promote growth and balance of payments and to reduce inflation.

(ii) A continued central role for the IMF in conjunction with increased and more effective lending by

multilateral development banks, primarily the IMF, World Bank and the Inter-American Development Bank.

(iii) Increased lending by private commercial banks in support of comprehensive adjustment programmes.

The Baker Plan is primarily meant to bail out the highly indebted countries from debt crises and does not have any significant impact on the Indian economy or on India's International debt position.

**Grant of special allowance and compensatory allowance to bank employees in Andaman and Nicobar Islands**

7816. **SHRI MANORANJAN BHAKTA :** Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact in the Union Territory of Andaman and Nicobar Islands the employees of U.T. Administration, Central Government and Central Government Undertakings are getting Andaman special allowance and compensatory allowance;

(b) if so, whether his Ministry has imposed some restriction for the said allowance to the employees of the State Bank of India and other nationalised banks and Life Insurance Corporation of India; and

(c) if so, the reasons for not granting these allowances to these categories of employees ?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :** (a) to (c). Employees of UT Administration and Central Government are getting Special allowance and Compensatory allowance in A & N Islands. In case of those who had opted for Andaman Special Pay in lieu of Compensatory allowance and Special Allowance, the total of Compensatory allowance and Special allowance shall be reduced by the amount of Andaman Special pay/Personal pay which they are already getting. The Award staff (i.e. clerical and subordinate staff) and officers of the Public Sector Banks

posted in Anaman and Nicobar Islands are paid Special Area allowance. Class I officers of Life Insurance Corporation of India are paid Compensatory and Special allowance. Compensatory allowance is paid to all class III and IV employees including local recruits of LIC. Special allowance is paid to class III and IV employees of LIC recruited in Mainland and posted at Port Blair.

A far as Ministry of Industry (Bureau of Public Enterprises) is concerned there is only one Public Enterprise viz. Andaman and Nicobar Forests and Plantation Development Corporation, in Port Blair. B.P.E. had not agreed to the grant of Special Allowance and Compensatory Allowance to the employees of this or any other organisation who have offices in Andaman and Nicobar Islands. The Govt. has been of the view that the allowances and Compensatory Allowance sanctioned to Central Govt. employees do not suo-motto apply to the employees of the public enterprises. Since the public sector enterprises are to switch over to the industrial D.A. pattern and related scales of pay, specific decision about the admissibility or otherwise of an allowance is required taking into account the totality of the pay packet. A Presidential Directive has also been issued to the public enterprises which follow the Central D.A. pattern stating that they would not extend any allowance or perquisites or revise their scales of pay unless the same have been approved by the Govt. Revision is possible only if the employees accept industrial D.A. pattern. B.P.E. had advised Andaman and Nicobar Forest and Plantation Development Corporation who had been following Central Govt. scales of pay and D.A. pattern, to switch over to the industrial D.A. pattern and related scales of pay. The employees of the Company filed a writ petition for maintenance of status quo and for being treated at par with the Central Govt. employees. The Supreme Court in their orders dated 14th March, 1986 have directed the Government to appoint a High Power Committee to look into these matters relating to revision of scales of pay, allowances and other service matters. Accordingly, the Central Government have appointed a pay Committee by their

resolution dated 7th April, 1986. The Committee would make its recommendations within a period of 4 months from the date of assumption of its office.

#### **Applications for licences for expansion of sugar factories in Maharashtra**

7817. SHRI R.S. MANE : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) the number of applications received from Maharashtra particularly Kolhapur for the issue of licences for expansion of sugar factories, lying pending with Union Government;

(b) when a final decision is likely to be taken in this regard; and

(c) the reasons for the delay ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A.K. PANJA) : (a) One application for expansion of an existing cooperative sugar factory in Pune District of Maharashtra has been received on 24.3.1986.

(b) & (c). The Licensing Policy indicating the guidelines to be followed for licensing additional capacity during the Seventh Five Year Plan is being evolved. This application can be decided only after the guidelines are concretised and announced and the applicant applies afresh.

#### **Raising of finances by State Governments**

7818. SHRI SHARAD DIGHE : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that 1986-87 budgets presented so far in the States suggest that despite a big step up in Plan allocation, there is not such serious determination on their part to raise necessary finance;

(b) if so, the details thereof, State-wise; and

(c) the steps Union Government propose to take in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Sixteen States out of Twenty States for which the Government of India received Budgets for 1986-87 have presented deficit budgets.

(b) A Statement showing the surplus/deficit as in the State Budgets is given below.

(c) Government of India would be taking up this issue with the concerned State Governments shortly.

#### Statement

*Statement showing surplus (+)/Deficit (—) as in the State Budgets 1986-87*

(Rs. in Crores)

States	Overall Surplus (+) Deficit (—) as in the Budgets 1986-87
1. Andhra Pradesh	—137.71
2. Assam	—38.25
3. Bihar	+87.84
4. Gujarat	—31.21
5. Haryana	—26.74
6. Himachal Pradesh	—0.87
7. Karnataka	—43.55
8. Kerala	—59.40
9. Madhya Pradesh	—12.30
10. Maharashtra	—36.21
11. Meghalaya	—0.07
12. Nagaland	+8.00
13. Orissa	—16.35

1	2	3
14. Punjab		—
15. Rajasthan		—77.41
16. Sikkim		—1.10
17. Tamil Nadu		—4.79
18. Tripura		—5.35
19. Uttar Pradesh		—88.84
20. West Bengal		+21.95
	Total :	—462.36
		—580.15
		+117.79

#### Proposal to set up Agricultural Export Corporation

7819. SHRI SUBHASH YADAV : Will the Minister of COMMERCE be pleased to state :

(a) the reasons for not setting up of the Agricultural Export Corporation so far ;

(b) whether Government are contemplating to give export subsidy to agricultural sectors on the lines of package of subsidies given for the exports to industrial sectors ;

(c) when the Agricultural Export Corporation is proposed to be set up ; and

(d) the financial implication thereof ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) As the Agricultural and Processed Food Products Export Development Authority has been set up recently under an Act of Parliament, there is no necessity to set up an Agricultural Export Corporation.



(b) The new scheme of Cash Compensatory Support is proposed to be introduced from 1st July, 1986 which *inter-alia* covers agricultural sector also.

(c) & (d). Do not arise.

#### Agricultural Exports

7820. SHRI SUBHASH YADAV : Will the Minister of COMMERCE be pleased to state :

(a) the volume of agricultural exports as compared to India's total export during the last three years, year-wise ;

(b) India's ranking amongst other countries of the World in terms of agricultural exports at present ; and

(c) whether Government propose to chalk out any special plan to boost agricultural exports with a view to get foreign exchange and put India on the top rank in agricultural exports ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) Exports of agricultural items from India during the last three years were as follows :

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1982-83	—	Rs. 1286.71 Crores.
1983-84	—	Rs. 1305.75 Crores.
1984-85	—	Rs. 1355.83 Crores.

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(b) As per the FAO Trade Year Book 1984, India ranks 19th among the countries in the world in terms of agricultural exports.

(c) Several measures have been taken to boost agricultural exports. A three year Export Policy was announced in April 1985 to provide stability to exports. Export of wheat have been permitted for the first time in 1985-86. The export duty on tobacco has been abolished to make our exports more competitive. Special efforts are being made for increasing exports of fresh fruits and vegetables.

Export of processed food products in value added form is being given particular emphasis for which propose the import duty on aseptic packaging system has been reduced. The institutional framework has also been strengthened with the setting up of the Agricultural and Processed Food Products Exports Development Authority. The new scheme of Cash Compensatory Support which will come into effect from 1st July, 1985 provides for special measures for agricultural items such as fruits and vegetables which are perishable in nature by covering the high cost of transportation of export items within the country.

#### Deposit of GIC and LIC Finances with State Cooperative Banks

7821. SHRI SUBHASH YADAV : Will the Minister of FINANCE be pleased to state :

(a) whether General Insurance Corporation and Life Insurance Corporation have been keeping their finances in the nationalised banks ;

(b) whether some of the State Cooperative Banks in India have also recently approached General Insurance Corporation and Life Insurance Corporation to keep some of their finances with the State Co-operative Banks so as to promote crop loan insurance Scheme ;

(c) whether Government propose to ask General Insurance Corporation and Life Insurance Corporation to deposit some of their finances with the State Co-operative Banks ; and

(d) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a), (c) and (d). Investments by GIC and LIC are governed by Section 27A and Section 27 B of the Insurance Act, 1938, as applied to them. They have, however, been placing funds for short term period *inter alia* with nationalised banks and some State Cooperative Banks.

(b) No, Sir.

**Disposal of Applications for opening of Branches of State Cooperative Banks**

**7822. SHRI SUBHASH YADAV :** Will the Minister of FINANCE be pleased to state :

(a) the procedure adopted for routing the applications of State Cooperative Banks for licences for opening their new branches ;

(b) whether it is a fact that such applications for licence for opening branches by the State Cooperative Banks are first routed through NABARD and then go to the Reserve Bank of India ;

(c) the time taken to decide upon such an application i.e. from the submission of applications to the final disposal of the application by the Reserve Bank of India ;

(d) whether it is also a fact that many applications are either pending with NABARD or RBI for more than one year ;

(e) if so, the details thereof ;

(f) whether Government propose to instruct the concerned authorities for immediate disposal of all applications ; and

(g) if not, the reasons therefor ?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :** (a) & (b). Applications for opening branches of State Cooperative Banks (SCBs) are to be submitted in duplicate to the concerned Regional Office of National Bank for Agriculture and Rural Development (NABARD) with an additional copy to the concerned Regional Office of the Reserve Bank of India (RBI). The Regional Offices of NABARD after detailed scrutiny with reference to the financial position of the bank forward the applications to their Inspection Department for onward transmission to the central office of RBI. The Regional Offices of RBI also simultaneously examine the performance of the bank with reference to

maintenance of cash reserve ratio/statutory liquidity ratio ; compliance with various other directives etc. and forward their observations to the central office of the RBI. The central office of the RBI considers the application in the light of the recommendations received from NABARD and Regional Office of the RBI and also with reference to the general policy guidelines for opening of bank offices and other policy issues connected therewith.

(c) RBI has reported that applications of SCBs for opening branches are normally sanctioned within a period of 8 to 10 weeks if the applications are complete in all respects.

(d) & (e). NABARD has reported that one application received by them on 17-8-84 is pending with them for want of certain clarifications/information from the concerned bank. RBI has reported that, as on date, no application for opening of branches within the area of operation of the SCBs is pending with them. However, as on date, applications received from two SCBs for opening 6 branches outside the normal area of operation of the SCBs are pending with RBI. The earliest of these applications is dated 10-2-84 and the latest is dated 21-11-84.

(f) & (g). As the applications complete in all respects and those for opening of branches within the stipulated jurisdiction of the SCBs are reported to be normally cleared within 8 to 10 weeks, the need to issue instructions to expedite disposal of applications for opening branches by SCBs does not arise.

[Translation]

**Loans given by Rural Banks**

**7823. DR. CHANDRA SHEKHAR TRIPATHI :** Will the Minister of FINANCE be pleased to state :

(a) the total number of banks functioning in Basti District of Uttar Pradesh at present ;

(b) whether financial assistance provided by most of these rural banks in

1984-85 has decreased instead of increasing as compared to that provided in 1983-84 ;

(c) if so, whether Government propose to inquire into it, and punish those who do not discharge their duties properly ;

(d) whether Government propose to inquire into the matter as to how much assistance has been provided under various heads by Tilauli Rural Bank in Basti District during 1983-84 and 1984-85 ; and

(e) if so, when, and if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) It has been reported by the Chairman of Basti Gramin Bank that 193 branches of nine banks including 89 branches of the Gramin Bank are functioning in Basti District of Uttar Pradesh.

(b) The amount of loans disbursed by various branches of the above named Gramin Bank was higher at Rs. 493.29 lakhs in 1984-85 as compared to Rs. 422.76 lakhs disbursed during 1983-84.

(c) Does not arise.

(d) & (e), The assistance provided by Tilauli branch of Basti Gramin Bank under various Schemes is reported to have declined in 1984-85 as compared to 1983-84. The decrease is attributable to a number of reasons such as heavy loaning in 1983-84, the large overdues & default in repayment, opening of new branches and reduction in Credit Deposit Ratio etc.

[English]

#### Loss to FCI by Demurrage/Wharfage of Foodgrains/Sugar

7824. SHRI RAJ KUMAR RAI : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether, due to failure of the Food Corporation of India to pay the demurrage/wharfage, the Railways had confis-

cated wheat and sugar stocks of the Food Corporation of India and put to auction ;

(b) the details of the foodgrains/sugar bags which have been damaged while lying at the goods sheds due to which the Food Corporation of India suffered heavy losses ;

(c) whether Government have assessed the loss ; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A.K. PAJNA) : (a) Food Corporation of India have reported that in the recent past 9 wagons of levy sugar were detained by Railways because of non-payment of demurrage/wharfage. Out of these, 2 wagons have been diverted by the Railways for use in Railways Catering Department. No wheat or rice wagon has been detained by the Railways. The claims/appeals of FCI are already pending with the Railways in the matter.

(b) to (d). Damage/loss to the stocks, if any, would be known only when these are delivered to Food Corporation of India by the Railways.

#### Sale of Coffee to London-Based Companies at a Lower Price

7825. SHRI SURESH KURUP : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that Coffee Board has sold coffee to two London-based companies on December 14 and December 27, 1985 at a much lower price while the price of the coffee in the international market was spiralling up ;

(b) if so, the reasons for such a sale ; and

(c) the action Government propose to take against the concerned authorities in this regard ?

**THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) :** (a) to (c). A statement is given below.

**Statement**

In accordance with the guidelines laid down by the Coffee Board, the Chairman can enter into quantity contracts for coffee on the basis that the price for each month's shipments is the one in the export auction preceding the date on which the importer makes a call plus administrative and FOB charges. The Chairman indicated to the Marketing Committee on 11th December, 1985 his intention to sell some coffee in view of the unusually large stocks resulting from the previous years' record crop. The fact that the International Coffee Organisation had released 4 million bags of additional quota between 10th and 13th December, 1985, in addition to the quota of 1 million bag released in November 1985 was also kept in view.

2. The Chairman entered into two contracts in December 1985 for sale of coffee of previous season's crop of which 750 tonnes were to be shipped in December, 1985 and 1950 tonnes in each of the months January to April, 1986. Export auction prices rose in January and February, 1986 but have thereafter shown a fall in March and April. The sale was thus effectively at varying prices according to the month of shipment. The shipments were spread over five months in view of the risk of price fluctuations.

**Production and Export of Handicrafts**

**7826. SHRI HAFIZ MOHD. SIDDIQ :** Will the Minister of TEXTILES be pleased to state :

(a) the break-up of production and export of handicrafts items, figures of the

last three years—State-wise and craft-wise ;

(b) whether any design and technical development centre and data base have been set up for the benefit of the brassware industry of Moradabad to boost production, sales and export and generate more employment avenues which are on the decrease these days ;

(c) when the Centre for intensive development of art metalware is likely to be opened and where ; and

(d) whether there is any proposal to ask the Union Government Offices to introduce some of the brassware items in place of glass and tin-sheet, paper-weight and ash trays, etc. to create the level of demands of these items thereby helping the industry in the marketing of their produce, if not, reasons thereof ?

**THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) :** (a) Handicrafts sector, being highly decentralised and widely dispersed, no firm statewide and craftwise data on production are available. According to very rough estimates, the national level figures for total production of handicrafts including Gems & Jewelleries during the last three years namely, 1982-83, 1983-84 and 1984-85 were Rs. 3050 crores, Rs. 3250 crores & Rs. 3500 crores respectively. The data for craftwise exports are given in the Statement given below. Statewise data on exports are not available.

(b) & (c). A Metal Handicrafts Service Centre has been set up by the UP State Brassware Corporation for improving the surface centre is likely to start functioning in 1987.

(d) No, Sir.

## Statement

*Export of Handicrafts from India during the years 1983-84 to 1985-86 (April-December 1985) (Prov.)*

(Value in Rs. lakhs)

Sl. No.	Items	1983-84 (Prov.)	1984-85 (Prov.)	1984-85 (April-Dec 1984)	1985-86 (April-Dec' 1985)
(1)	(2)	(3)	(4)	(5)	(6)
<b>I. HANDICRAFTS OTHER THAN GEM AND JEWELLERY</b>					
1.	Woollen Carpets, rugs and druggets including nanadahs.	14769.91	15759.80	10559.59	11838.58
2.	Art metalwares	6722.64	8310.88	6435.98	6416.47
3.	Woodwares	1096.15	1106.05	831.33	657.82
4.	Hand printed textiles and scarves	3337.79	2437.20	1665.79	1720.72
5.	Initiation Jewellery	342.48	492.01	365.21	438.33
6.	Shawls as artwares	362.40	615.66	426.66	429.40
7.	Zari	184.00	170.54	106.03	131.84
8.	Ivory products	134.00	77.03	67.33	116.04
9.	Carpets, rugs and durries etc. of cotton	1829.74	3191.66	2272.18	2615.31

(1)	(2)	(3)	(4)	(5)	(6)
10.	Embroidered goods	352.84	500.89	418.62	489.23
11.	Miscellaneous handicrafts	5449.66	7075.30	5132.23	5354.95
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	Total (I) (Other than Gem and Jewellery)	34581.61	39737.02	28280.95	30208.69
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II.	GEM AND JEWELLERY	132396.33	130229.89	95220.86	104686.43
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	Total I and II	166977.94	169966.91	123501.81	134895.12

Source : Daily lists of exports issued by Customs Houses and for Gem and Jewellery, Gem and Jewellery Export Promotion Council for the years 1983-84 and 1984-85 (Provisional).

**Sugar mills sanctioned during 1985-86**

7827. SHRI V.S. KRISHNA IYER : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) the number of new sugar mills sanctioned during 1985-86 in the country; and

(b) out of these how many sugar mills are in Karnataka and in Tamil Nadu ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A.K. PANJA) : (a) No letter of Intent/Licence has been granted for setting up new sugar mills in the country during Sugar year 1985-86 so far.

(b) Does not arise.

**Seizure of illegal shipments of snake skins**

7828. PROF. K.V. THOMAS : Will the Minister of FINANCE be pleased to state the number of pieces of snake skins in illegal shipments seized during the last three years, year-wise ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : The total number of snake skins seized under the Customs Act, during the years 1983, 1984 and 1985 is given below :—

Year	Number of snake skins seized
1983	3,30,662
1984	4,13,243
1985	84,513

**Pending cases of duty drawback**

7829. SHRI JAI PRAKASH AGARWAL : Will the Minister of FINANCE be pleased to state :

(a) the number of cases of unpaid duty drawback which are pending;

(b) the amount involved therein; and

(c) the steps taken to distribute the same to the exporters ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The number of duty drawback claims pending payment as on 31.3.86 in the five major Custom Houses is about 77,175.

(b) Amount of drawback involved in the pending claims is not readily ascertainable, as the claims need to be verified regarding their classification, correctness of the rate applied and the results of the tests conducted wherever felt necessary. However, the amount of drawback actually paid during the last three years is :

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1983-84 — Rs. 132 crores

1984-85 — Rs. 154 crores

1985-86 — Rs. 156 crores  
(upto Feb. 86)

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(c) A revised drawback payment scheme has been introduced from 1.2.1986 in order to settle claims within 24 hours. Extra staff has been deployed to finalise old pending claims. Procedure for drawback payment in relation to exports through inland airports and internal container depots has been simplified for expediting payment.

**Changes in duty drawback system**

7830. SHRI PRAKASH V. PATIL : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the industries have been urging upon Government to have a fresh look at the "duty drawback" system which is heavily loaded with time consuming procedure, submission of multitude of documents and above all is defeating the very purpose for which the system was introduced;

(b) whether Dutta Committee have suggested for-reaching changes in the system;

(c) whether Government propose to meet the representatives of trade to consider these suggestions before these are implemented; and

(d) when these suggestions are likely to be implemented ?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :** (a) & (b). Representations were received in the latter part of 1985 from trade and industry for a fresh look on the duty drawback system and its simplification. The Government had set up a Committee under Shri J. Datta, Chairman, Central Board of Excise & Customs for a comprehensive review of the duty drawback system and suggesting measures for its rationalisation/simplification. The Committee's report was received by the government in January, 1986 containing various recommendations and suggesting a number of changes in the system.

(c) The committee has made its recommendations taking into consideration the viewpoints expressed by the representatives of the trade. No prior consultation with the trade is therefore considered essential for implemental action.

(d) The government has already taken action on some of the recommendations made by the Committee while the others are in the process of implementation.

**Increase in procurement, distribution and handling cost of wheat and rice**

**7831. SHRI PRAKASH V. PATIL :** Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether attention of Government has been drawn to the news-item appearing in 'The Hindustan Times' of 15 February, 1986 wherein it has been stated that 93 per cent of the pooled cost for procurement and distribution of wheat and rice were beyond the control of Food Corporation of India;

(b) if so, full details of the component which are beyond the control of

F.C.I and which are responsible for raising the procurement and handling cost;

(c) whether his Ministry proposes to take up the matter with the Railways and other Government agencies to ensure that the costs are not enhanced as ultimately the vulnerable section of society has to bear the enhanced cost; and

(d) if so, the details thereof ?

**THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A.K. PANJA) :** (a) Yes, Sir.

(b) The expenditure incurred towards Mandi Charges and Purchase Tax (Statutory), Gunny cost (DGS&D rates), Interest, Storage, Administration and carrying cost payable to the State agencies are inevitable in the procurement incidents.

As regards, distribution expenses, the freight (mostly railway freight), storage charges, interest charges (at Bank rates) and normal grain shortages are inevitable charges.

(c) & (d). Though there is no proposal to take up the matter with the Railways and other Government agencies for controlling enhancement of costs constant efforts are made to reduce these costs by improving the operational efficiency of Food Corporation of India.

**Proposal for an All India Tourism Body**

**7832. SHRI BANWARI LAL PUROHIT :**

**DR. G. S. RAJHANS :**

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

(a) whether the Travel Agents Association of India has suggested formation of an All India Tourism body in the country ;

(b) if so, whether the Union Government have examined the above suggestion ;



(c) if so the details thereof ; and

(d) to what extent the proposed All India Tourism body will boost the growth of tourism industry in the country ?

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

(b) to (d). The Government has already set up a High Level Tourism Advisory Board in July, 1983 which included 14 official and 6 non-official members, representing various segments of the tourism industry. This Board considers and recommends measures necessary for promotion of tourism and reviews the progress on a continuing basis.

**Housing Scheme for Handloom Weavers of Kerala**

7833. **SHRI VAKKOM PURUSHOTHAMAN :** Will the Minister of TEXTILES be pleased to state :

(a) whether Government of Kerala have forwarded a scheme to the Union Government on housing for the handloom weavers ; and

(b) if so, the action taken thereon ?

**THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) :** (a) Yes, Sir.

(b) Government of Kerala have proposed construction of 750 house-cum-worksheds and 4150 worksheds only for handloom weavers during the Seventh Plan. During 1985-86, Central Government has released an amount of Rs. 2.75 lakhs as matching contribution for construction of 275 worksheds under the workshed-cum-housing scheme for handloom weavers.

**Scheme for Development of 'Pathira Manal' Island in Alleppey District in Kerala**

7834. **SHRI VAKKOM PURUSHOTHAMAN :** Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) whether Government of Kerala have sent to the Union Government for

assistance a scheme for the development of 'Pathira Manal' island in Alleppey District as a fine place of tourist attraction ;

(b) if so, the assistance sought for the project ; and

(c) the action taken thereon ?

**THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT) :** (a) No, Sir.

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

**Demonstration by Bank Officials against Premature Retirement and Ban on Recruitment**

7835. **SHRI KRISHNA SINGH :** Will the Minister of FINANCE be pleased to state :

(a) whether employees of commercial banks demonstrated on or about 20 March, 1986 in the capital against premature retirement and continued ban on recruitment;

(b) if so, the details of their demands; and

(c) the decision taken thereon ?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :** (a), (b) & (c). The Reserve Bank of India (RBI) and many of the public sector banks have advised that none of their employees demonstrated on or about 20th March, 1986 in the capital against premature retirement and ban on recruitment. However, Dena Bank and Oriental Bank of Commerce have advised that the employees of their bank demonstrated on 20th March, 1986 against premature retirement and continued ban on recruitment.

**Amount Spent on Modernisation of Sick Textile Mills under National Textile Corporation**

7836. **SHRI MOOL CHAND DAGA :** Will the Minister of TEXTILES be pleased to state :

(a) the details of amount spent on modernisation of sick textile mills under

National Textile Corporation during 1982-83, 1983-84, 1984-85 and upto December, 1985, year-wise ;

(b) the details of under-utilisation of capacity production of these mills during the above period ;

(c) the details of excess labour force during the above period over and above the required strength according to norms of production justifying its existence and amount paid to excess labour ;

(d) the details of loss suffered by National Textile Corporation for the last four years ; and

(e) the details of amount spent by National Textile Corporation during the last two years towards (i) sports, and (ii) advertisements, justifying the same when National Textile Corporation was under going losses ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) The year-wise amount spent on modernisation of 101 nationalised NTC mills during the said period is given below :

Year	Amount (Rs. in crores)
1982-83	48.78
1983-84	23.42
1984-85	20.37
1985-86 (upto Dec'85)	29.63

(b) The details of capacity utilisation of the nationalised NTC mills during the said period is given below :

Utilisation (%)	Spinning	Weaving
1982-83	61.1	56.2
1983-84	71.6	73.2
1984-85	70.0	73.0
1985-86 (upto Dec'85)	77.0	77.7

(c) The South India Textile Research Association (SITRA) was entrusted the study of labour complement in NTC mills. The SITRA had identified an excess labour complement of about 38,000 on the basis of existing machinery and mills' work/assignment.

(d) The losses of Nationalised NTC mills during the last four years are given below :

Year	Losses (Rs. in crores)
1982-83	— 78.05
1983-84	— 137.36
1984-85	— 172.36
1985-86 (April'85 to January'86)	— 105.68

(e) During the years 1984-85 and 1985-86 (Provisional), an amount of Rs. 1.85 lakhs and Rs. 7.45 lakhs was spent on sports while Rs. 63.45 lakhs and Rs. 145.45 lakhs was spent on advertisements.

Expenditure on sports is a measure of welfare activity. Considering the labour employment, the amount spent during 1984-85 comes to less than Rs. 1 per worker and less than Rs. 3 per worker during the year 1985-86. As regards, expenditure on advertisements, it is a must for a consumer oriented product like textiles. NTC's expenditure on advertisements during 1985-86 works out to around 0.3% of the production value.

Establishment of consumer co-operatives in Moradabad (U P.)

7837. SHRI HAFIZ MOHD. SIDDIQ : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether under the Centrally Sponsored Scheme the Union Government are to establish consumer cooperatives in the various States and Union Territories ;

(b) if so, whether there is any proposal to set up few such co-operative stores in the urban areas of Moradabad district of Uttar Pradesh to provide items of daily need at reasonable rates to the people residing in that district ; and

(c) if not, reasons thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A.K. PANJA) : (a) to (c). Under the Centrally Sponsored Scheme for development of Consumer Co-operatives in Urban Areas, financial assistance is provided to the consumer co-operatives for opening retail outlets on the basis of proposals received from the State Governments. So far the Government of India has sanctioned a total sum of Rs. 5,03,000/ through the Government of Uttar Pradesh to the Moradabad Wholesale Central Consumers Co-operative Store Ltd., for setting up of 14 retail outlets in Moradabad District under the Scheme, to provide items of daily need to the consumers at reasonable rates.

#### Consultancy export from India

7839. SHRI P. M. SAYEED : Will the Minister of COMMERCE be pleased to state :

(a) whether the Government have received any representation from the Federation of Indian Export Organisations regarding consultancy export from India ;

(b) if so, the main suggestions made therein ; and

(c) the reaction of Government there to ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) to (c). The Federation of Indian Export Organisations has recently submitted a note on the need for increased assistance to consultancy organisations. The note refers to recommendations of the Task Force on Project Exports pertaining to grant of project assistance, including inter alia, reimbursement of part cost of infructuous bids

by consultancy organisations, grant of total exemption from payment of Income Tax under Sections 80 (O) and 80 (MM) and the need to forge a national platform for Indian consultants. The above recommendations of the Task Force were considered by the Government earlier and it was decided to discontinue project assistance from 1-4-84. The recommendations regarding reimbursement of cost of infructuous bids was not agreed to. The recommendations for granting total exemption from payment of Income Tax under Sections 80 (O) and 80 (MM) were not agreed to by the Ministry of Finance. As regards the need for a national platform on consultancy organisations, FIEO, as a nodal consultancy agency, was asked to take appropriate action in the matter.

#### Publishing procedures regarding Small Scale Industries and MODVAT

7840. SHRI P. M. SAYEED : Will the Minister of FINANCE be pleased to state :

(a) whether the MODVAT Rules are sought to be clarified ; and

(b) if so, whether Government propose to bring out a small publication explaining various procedures for small scale industries and MODVAT rules for the benefit of small scale industrialists in particular and for the public in general ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) & (b). Following the introduction of the MODVAT scheme in this year's Budget, several steps have been taken by Central Board of Excise & Customs with a view to clarifying the rules and procedures under the scheme. Instructions wherever necessary have been issued to the Collectors of Central Excise in this regard. It is proposed to bring out publication explaining the various procedures for the small scale industries, and also explaining the salient features of the MODVAT scheme.

#### Identification of new items to be imported from New Zealand

7841. SHRI P. M. SAYEED : Will the Minister of COMMERCE be pleased to state the specific new items which are

to be imported from New Zealand as per recent understanding between the two countries ?

**THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) :** During his visit to India in March, 1986 Mr. Mike Moore, the New Zealand Minister for Overseas Trade & Marketing proposed to export to India items like wool, newsprint, wood pulp sheep hides and skins. India has been importing some of these items from New Zealand.

#### **Weekly holiday in Banks**

7842. **SHRIMATI PRABHAWATI GUPTA :** Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the weekly holiday is being observed by the various branches of banks in Delhi coinciding with the nearby market closed day ;

(b) whether this practice is also being followed in other Metropolitan cities like Bombay, Calcutta and Madras ;

(c) if so, what was the background for introducing this system ;

(d) whether any difficulty has been pointed out by the customers or the bank employees regarding odd holidays in the banks ; and

(e) if so, the action taken or proposed to be taken in this regard ?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :** (a) Yes, Sir, weekly holiday is being observed by most of the branches in Delhi coinciding with the nearby market closed day.

(b) Reserve Bank of India has reported that banks in Bombay, Calcutta and Madras are generally closed on Sundays. However, a few branches located in the residential areas in the city of Madras observe holidays on week days and keep open on Sundays to suit mainly the local resident-customer's convenience.

(c) The decision to observe weekly off-days coinciding with market closing days by the banks branches located in different areas of Delhi had been taken as a security measure in the wake, of increasing cases of dacoities on several Delhi based banks branches.

(d) & (e). Reserve Bank of India has reported that some of the customers have pointed out that the practice of observance of different weekly off-days by banks functioning in Delhi delays the realisation of cheques by a day or two. A Sub-Committee of the New Delhi Banker's Clearing House, studied the problem of delayed clearance of instruments resulting from observance of different weekly holidays by banks' branches in Delhi and New Delhi area and recommended certain procedural measures for minimisation of the delay. RBI is taking necessary steps to implement the recommendations of the Sub-Committee.

#### **Steps to curb illegal transactions in Gold Jewellery**

7843. **DR. B.L. SHAILESH :** Will the Minister of FINANCE be pleased to state the steps which he propose to take to unearth black money and curb illegal transactions in the gold jewellery trade ?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :** The Government is fully committed to combat the menace of black money and illegal transactions in the gold jewellery trade. All possible measures to unearth black money and to stop illegal transactions in the gold jewellery trade, including administrative, legislative and institutional, are being taken from time to time.

#### **Quality of sugar and rice issued by Fair Price Shops**

7.44. **SHRI SRIBALLAV PANIGRAHI :**

**SHRI R. M. BHOYE :**

Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether it is a fact that the price of sugar and rice have been increased

thrice in a year but the quality of sugar and rice issued by fair price shops is not at all up to the mark ; and

(b) if so, the steps Government have taken to ensure that good quality of rice and sugar are issued to the consumers at the fair price shops ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A.K. PANJA) : (a) Only good quality rice conforming to the specification laid-down in this regard and to the limits prescribed under Prevention of Food Adulteration Act are supplied to the State/ Union Territory Agencies for distribution through the Fair Price Shops. Similarly, the sugar factories are required to deliver only ISS grade levy sugar to the nominees of the State Government/Food Corporation of India for distribution through Public Distribution System.

(b) Does not arise. However, the Government have impressed on the States/ Union Territories to have joint inspection of foodgrains when delivered by F.C.I., to make surprise checks and inspection at the fair price shops, to improve vigilance and enforce discipline in the distribution infrastructure set-up by the States/Union Territories as the case may be etc.

#### **Taking over of sick units by Non-Resident Indians**

7845. SHRI AMAR ROYPRADHAN : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that some non-resident Indians have shown their interest in taking over the sick units in the country ;

(b) if so the details thereof ;

(c) the number and the particulars of non resident Indians who have shown such interest ; and

(d) the reaction of Government thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (d). An organisation by the name of 'Economic Forum for Indian Expatriates' set up in Jeddah, Saudi Arabia, has recently expressed a general desire to participate in the revival of sick industries. However, no specific proposal has been received in this regard from them. Proposals, if and when received from this group or from anyone else, will be considered by Government in accordance with the policy and guidelines for NRI investment.

An Indian company (which is a sick unit) has also approached the Government to allow it to issue bulk shares on a private placement basis to some NRIs. Government has examine the proposal and has recently decided as a policy to allow NRI investment on a repatriation basis in respect of sick companies.

#### **Black-Listing of Exporters of Pepper**

7846. SHRIMATI BASAVARAJESWARI :

SHRI SURESH KURUP :

Will the Minister of COMMERCE be pleased to state :

(a) the total quantity of pepper exported during the last year to the United States ;

(b) whether it is a fact that the export of Indian pepper has come to a stand still in the last few days and some exporters have been black-listed ;

(c) if so, the reasons therefor ;

(d) whether any investigation has been conducted in this regard ; and

(e) if so, the action Government propose to take against the defaulters ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) According to preliminary estimates a quantity of 13,122 MTs of pepper valued at Rs. 55.68 crores has been exported to USA during 85-86.

(b) & (c). Exports of Indian pepper have not stopped. The US authorities have however, black listed all Malbar pepper coming from India as it is alleged that Ethylene Dibromide (EDB) has been found in some consignments. EDB is banned as a fumigant for good articles in USA. All arrivals of Indian black pepper are being automatically detained/ending tests to ensure that the lot is free of EDB

(d) & (e). On the basis of preliminary investigation, steps are being taken to ensure that exporters do not fumigate black pepper with EDB.

**Fictitious deals by Bank Managers, Excise and Income Tax officials in Bihar**

7847. DR. G. S. RAJHANS :

PROF. NIRMALA KUMARI  
SHAKTAWAT :

Will the Minister of FINANCE be pleased to state :

(a) whether a large number of bank managers, excise and income tax officials have been caught in Bihar as reported in 'The Hindustan Times' of 29 March, 1986 ;

(b) if so, full details of the persons involved in such fictitious deals ; and

(c) the action contemplated by Government against the involved erring bank officials, excise and income tax officials ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) & (b). The Central Bureau of Investigation has reported that its Patna and Ranchi Branches had caught two Bank Managers, one Income-Tax Inspector and one Superintendent and five Inspectors of Central Excise while demanding and accepting illegal gratification.

(c) After investigation is completed, further action will be taken/recommended by CBI as per law.

**[Translation]**

**Low Investment by Commercial Banks in Bihar**

7848. SHRI BALWANT SINGH  
RAMOOWALIA :

SHRI SOMNATH RATH :

SHRIMATI MADHUREE  
SINGH :

SHRI MEWA SINGH GILL :

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the Government of Bihar have recently written to the Union Government that low investment of capital by commercial banks is adversely affecting the State's major development projects pertaining to irrigation, electricity, agriculture, industry, transport and communications ;

(b) if so, the facts in this regard ; and

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

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a), (b) & (c). The Chief Minister of Bihar had recently written to the Union Government regarding the low credit : deposit ratio of banks in Bihar. As at the end of March 1985, credit : deposit ratio of Scheduled Commercial Banks in Bihar was 41.8 per cent as compared to 69.7 per cent for the country as a whole. Besides providing loans in the State, banks also invest in loans floated by the Bihar State Government and/or by State Government Agencies. Reserve Bank of India has reported that commercial banks have subscribed on an average during 1983-84 to 1985-86 about 84 per cent of the total amount of loans floated by the Government of Bihar, the Bihar State Electricity Board (SEB), the Bihar State Housing Board and the Bihar State Road Transport Corporation (BSRTC).

The main reasons for low credit : deposit ratio in Bihar are reported to be

lack of proper infrastructural facilities, inadequate and irregular supply of power, lack of assured irrigation etc. together with factors like inadequacy of appropriate staff, lack of proper guidance from controlling offices, lack of publicity for various credit linked schemes. The credit : deposit ratio of banks in Bihar and general economic backwardness was discussed in the State Level Bankers' Committee meeting on 1-2-1986. A Committee consisting of the Government Secretaries and Bankers has been constituted to monitor progress of improvement in credit : deposit ratio.

[English]

#### **Diamond Exports Trade**

7849. SHRI T. BALA GOUD : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that diamond export trade is concentrated in the hands of few persons ;

(b) the number of registered exporters in this field ; and

(c) whether Government have any programme to make this trade more broad-based ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) No, Sir.

(b) The number of diamond exporters registered with the Gem & Jewellery Export Promotion Council on 31-3-1986 was 1422.

(c) There is no restriction imposed on persons desirous of doing diamond exports from India in accordance with the policy in force.

#### **Direct purchase of Tobacco from Farmers by STC for export**

7850. SHRI T. BALA GOUD : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that purchase of tobacco from farmers is handled by

middlemen who pocket major share of the profit ;

(b) the reasons for State Trading Corporation not making direct purchase of tobacco as is being done by Food Corporation of India in the case of foodgrains ; and

(c) the quantum and value of export of tobacco during 1985-86, country-wise ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) Virginia Tobacco is being purchased by the registered exporters and dealers in tobacco at the various auction platforms operated by the Tobacco Board in Andhra Pradesh and Karnataka.

(b) With the introduction of auctions for sale of Virginia tobacco in Andhra Pradesh and Karnataka, since 1984-85 the Tobacco Board has been required to purchase the left over tobacco in the auctions at the minimum support price. Hence the question of STC purchasing tobacco direct from the growers does not arise.

(c) A statement is given below.

#### **Statement**

The quantity and value of Tobacco exported to major destinations during 1985-86 is given below :

		Qty : in '000' Tonnes Val : in Rs. Crores	
S. No.	Country	Qty.	Val.
1.	USSR	31.70	79.68
2.	U K.	9.5	24.25
3.	YAR	6.46	5.94
4.	Nepal	3.03	4.30
5.	Algeria	1.70	4.13

1	2	3	4
6	GDR	1.62	4.12
7.	Irish Rep.	0.74	1.92
8.	Germany F.R.	0.58	1.85
9.	S. Arabia	1.64	1.66
Total including others		*64.43	*139.98

\*Provisional

Source : Tobacco Board, Guntur.

#### Decision to stop annual declaration of Import Policy

7851. SHRI T. BALA GOUD : Will the Minister of COMMERCE be pleased to state :

(a) the reasons for the decision to stop bringing out import policy declaration annually by his ministry ;

(b) the advantages of this decision as visualised by his Ministry ; and

(c) whether it is proposed to issue modifications to the existing policy through periodical announcements ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) & (b). The Import and Export Policy, 1985-88 has been announced for a period of 3 years (ending on 31st March 1988), to impart continuity and stability in import and export policy, which would minimise year to year uncertainties and thus help the industry to plan their economic activities in a longer term perspective.

(c) Amendments in the import-export policy are made, whenever considered necessary in public interest, by means of public Notices published in the Official Gazette.

#### [Translation]

#### Supply of imported edible oil to Uttar Pradesh

7852. DR. CHANDRA SHEKHAR TRIPATHI : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether the Union Government imports refined or rapeseed oil from abroad with a view to meet the supply of edible oils in rural areas ; and

(b) if so, the total quantity of edible oil imported during 1983-84 and 1984-85 and the quantity of edible oil, out of this, given to Uttar Pradesh ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A K PANJA) : (a) The Central Government imports edible oils including rapeseed oil for distribution to consumers including weaker and vulnerable sections of the society in both urban and rural areas.

(b) The quantities of edible oils imported during Oil Year 1983-84 and 1984-85 are as follows :—

(Quantity in M. tonnes)	
Oil Year 1983-84	Oil Year 1984-85
16,33,994	13,68,372

The quantities of imported edible oils allocated to Uttar Pradesh for Public Distribution System during Oil Year 1983-84 & 1984-85 (November to October) are given below :—

Quantity in M. tonnes)			
Oil Year 1983-84		Oil Year 1984-85	
Allocation	Lifting	Allocation	Lifting
47,980	37,066	29,000	19,278



[English]

**Export of Wheat in 1986-87**

7853. SHRI N. TOMBI SINGH :

SHRI R.S. MANE :

Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that a United Nations report has suggested that there will be a fall in export of wheat in the major countries of the world ;

(b) if so, what has been the information given in the report about India ;

(c) the quantity of wheat proposed to be exported in 1986-87 ; and

(d) the quantity of wheat already contracted for export in 1986-87 ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) The Food and Agriculture Organization of the United Nations, in its 'Food Outlook' issue of April, 1986 has estimated world wheat imports in 1985-86 at 89 million tonnes, which is about 15 per cent lesser than in 1984-85, and the lowest level after 1979-80.

(b) The report states that India, which has a substantial surplus, could export large quantities.

(c) Export of wheat during 1986-87 would depend upon the international trading environment ; and domestic surpluses available.

(d) State Trading Corporation has concluded a contract for export of 5,000 tonnes of wheat to Nepal during 1986-87.

**Delay in Timely supply of articles  
by DGS&D**

7854. SHRI N. TOMBI SINGH : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that due to long time taken in processing papers, the in-

denting Ministries often get their supplies through DGS & D very late which delays a project and raises cost substantially ;

(b) if so, whether a Committee headed by the Cabinet Secretary has suggested winding up of the organisation and allowing the respective Ministries to make their own purchases ; and

(c) if so, Government's decision in this regard ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) No Sir. Realistic Time Schedules have been laid down for processing demands received from indenting Ministries from receipt of indents to placement of contracts. Pre contract monitoring is handled with the help of a computer and remedial action is ordered to check avoidable delays. Delays quite often occur because of problems faced by the indentor/supplier.

(b) In the interest of more efficient purchasing a proposal to progressively reduce the responsibility of the Department of Supply/DGS & D for centralised purchases has been mooted by the Committee.

(c) The proposal is under consideration.

**Poor Export Growth due to lack of  
quality control**

7855. SHRI C. MADHAV REDDI : Will the Minister of COMMERCE be pleased to state :

(a) whether one of the important causes of poor export growth of the country is lack of quality control of products for export and their rejection by the importing countries ;

(b) if so, the estimated loss of foreign exchange suffered by the country on this account ; and

(c) the steps being taken to remedy the situation ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) No, Sir.

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

**Response to recent Voluntary Income-Tax disclosure scheme**

7856. SHRI C. MADHAV REDDI :  
SHRI P. R. KUMARAMAN-  
GALAM :  
DR. B. L. SHAILESH :  
SHRI S. PALA-  
KONDRAYUDU :

Will the Minister of FINANCE be pleased to state :

(a) the response to the recent voluntary income-tax disclosure scheme ;

(b) whether the response to this scheme was not very encouraging due to certain controversies and confusions in interpretations of the provisions of the scheme ;

(c) whether Government have made an enquiry into this matter ; and

(d) if so, the reasons for rather poor response to the scheme ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The response to the circulars issued in this behalf has been quite encouraging.

(b), (c) & (d). Question does not arise.

**Loans advanced by banks in Andhra Pradesh**

7857. SHRI C. MADHAV REDDI : Will the Minister of FINANCE be pleased to state the total advances given by the commercial banks in Andhra Pradesh during the years 1983, 1984 and 1985 ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : The advances of all Scheduled Commercial Banks

in Andhra Pradesh as at the end of December 1983, December 1984 and March 1985 were Rs. 2478 crores, Rs. 3287 crores and Rs. 3432 crores respectively.

**Counterfeit currency in circulation**

7858. SHRI P. KOLANDAIVELU : Will the Minister of FINANCE be pleased to state :

(a) the total amount of counterfeit currency in circulation in our economy ;

(b) whether it will adversely affect the economy of the country and would lead to inflation ; and

(c) the steps taken by Government to check counterfeit currency ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) While it is not possible to estimate the amount of counterfeit currency in circulation in the economy, the details of the total number of counterfeit currency notes detected, recovered and seized, during the years 1984, 1985 and 1986 (upto 31-3-1986) in India and their value as available with the C.B.I., is indicated in the statement given below.

(b) The value of the counterfeit currency notes which are detected, recovered and seized is quite small compared to the total value of currency notes in circulation, which stood at Rs. 26,100 crores, as on 4th April, 1986 and is thus not likely to have any impact on the economy of the country.

(c) On receipt of report of detection/circulation of counterfeit currency notes, prompt action is taken by the States/Union Territories police authorities and C.B.I. for seizure and investigation. The Government and the RBI have also taken following steps to check the counterfeiting of the currency notes :

(i) The quality of the paper has been improved.

(ii) The currency notes have been designed with intricate lines and tints in such a manner that the designs cannot be copied easily.

(iii) Improvements have been made in the methods of printing.

(iv) The Currency Note Press have supplied booklets to all the Reserve Bank of India Offices, treasuries, banks etc. containing secret information and guidelines for officers dealing with cash for detection of counterfeit notes.

(v) Police departments organise raids and special drives against sus-

pected forgers and counterfeiters throughout the country.

(vi) The Central Bureau of Investigation has established a separate cell for detection of cases of counterfeit currency ; and

(vii) Information about the new types of forgeries detected by the Reserve Bank of India is quickly disseminated to all concerned.

## Statement

Statement showing total number and their amount (denomination-wise) of the counterfeit currency notes detected, recovered and seized, while in circulation during the years 1984, 1985 and 1986 (upto 31-3-86) in India

Denomination	1984			1985		1986	
	No. of Notes	Total amount (in rupees)	No. of Notes	Total amount (in rupees)	No. of Notes	Total amount (in rupees)	
1	2	3	4	5	6	7	
Rs. 100	6153	6,15,300	13147	13,14,700	3466	3,46,600	
Rs 50	2971	1,48,550	2184	1,09,200	78	3,900	
Rs. 20	807	16,140	3684	73,680	10137	2,02,740	
Rs. 10	1968	19,680	1244	12,440	200	2,000	
Rs. 5	156	780	29	145	2	10	
Rs. 2	168	336	112	224	230	460	
Rs. 1	6	6	—	—	1	1	
Total	12229	8,00,792	20400	15,10,389	14114	5,55,711	

## [Translation]

**Regional Rural Banks in Uttar Pradesh**

7859. SHRI HARISH RAWAT : Will the Minister of FINANCE be pleased to state :

(a) the number of districts in Uttar Pradesh where Regional Rural Banks have been opened ;

(b) whether some districts in the state still do not have Regional Rural Banks ; and

(c) if so, the names of those districts and the time by which Regional Rural Banks will be opened there ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). Regional Rural Banks have been opened in 52 districts of Uttar Pradesh. The districts which do not have such banks are Bulandshahr, Ghaziabad, Saharanpur, Meerut and Mathura.

Identification of locations for establishment of new Regional Rural Banks is a continuous process and such locations are decided keeping in view insufficient coverage of area by commercial banks branches ; credit gap in meeting credit needs of small/marginal farmers and other weaker sections ; and the state of cooperative credit structure in the area. Based on the above criteria the National Bank for Agriculture and Rural Development has recently recommended to Government setting up of a RRB for districts Bulandshahr and Ghaziabad. The proposal is under scrutiny. As regards districts Saharanpur, Meerut and Mathura there is, at present, no proposal to set up Regional Rural Banks in these districts.

**Distribution of Loans to farmers  
by Commercial Banks**

7860. SHRI HARISH RAWAT : Will the Minister of FINANCE be pleased to state :

(a) the amount of loans distributed to farmers in various States including Uttar

Pradesh during 1985-86 by the commercial banks ;

(b) whether it is a fact that the percentage of loans distributed differs from State to State ; and

(c) if so, the steps being taken by his Ministry to remove this disparity ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). As at the end of December, 1985 outstanding direct agricultural advances by Public Sector Banks in various states, including Uttar Pradesh amounted to Rs. 7360.38 crores and formed 15.3% of the net bank credit. The direct agricultural advances in the State of Uttar Pradesh as on the last Friday of June, 1985 constituted Rs. 680.14 crores and represented 11% of the total outstandings direct agricultural advances of all Public Sector Banks in the country.

The percentage of agricultural advances to total advances in various States is different on account of various factors such as dissimilarities in the area and size of population, differences in agricultural potential among different states arising from differences in geographical and agroclimatic conditions, the inadequacy of infrastructural and institutional arrangements, etc. In order to minimise the regional imbalances in the flow of agricultural credit Reserve Bank of India has advised the bank that in the states where the co-operative credit structure is weak, special efforts should be made to increase the involvement of banks in extending crop loans to farmers in increasing agricultural production. Further in the Seventh Five Year Plan special rice production programme is proposed to be launched to increase rice production in the Eastern States and Assam and emphasis will be on removing basis infrastructural constrain both physical and institutional through the development of irrigation, drainage, improvement in land tenure and development of credit and marketing facilities. Reserve Bank of India has also set up a High Powered Committee to monitor the flow of credit to rural areas. These steps are expected to reduce regional imbalances in the flow of agricultural credit.

**Supply of Vanaspati Ghee and  
Edible Oil to U. P.**

7861 SHRI HARISH RAWAT : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) the total quantity of vanaspati ghee and edible oils allotted to Uttar Pradesh for distribution through fair price shops in 1985 ;

(b) whether quantity of these items allotted by the Union Government is as per the demand made by the State ;

(c) if not, the quantity of the said items allotted to Uttar Pradesh during 1986 up till now and the total quantity thereof proposed to be allotted during the entire year ;

(d) whether a request has been made by the State Government to increase this quantity ; and

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

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A.K. PANJA) : (a) During the year 1985 (January, 1985 to December, 1985) Uttar Pradesh had been allocated 21,600 MTs. of imported edible oils against which they had lifted 18,510 MTs. for Public Distribution System. There is no centralised control on the distribution of vanaspati. However, from March, 1984, States/Union Territories have been advised to procure 30% of vanaspati produced in their respective jurisdiction for sale through State Government nominees or through public Distribution System.

(b) The allocation of imported edible oils to States/Union Territories under Public Distribution System is meant to supplement the availability of indigenous edible oils in the open market and not to meet the total demand of a State Government.

(c) During 1986 (from January to April) Uttar Pradesh has been allocated

2,800 MTs. of imported edible oil against which they have lifted 2,239 MTs. till 9-4-1986. \*The allocation of imported edible oils to States/Union Territories, including Uttar Pradesh under Public Distribution System is made on month to month basis taking into consideration the realistic assessment of the demand, price and availability of indigenous edible oils within the State/Region and availability of stocks with State Trading Corporation of India and other factors like pace of lifting of oils allocated earlier, etc.

(d) & (e) A request from Uttar Pradesh Government for additional allocation of 500 MTs. on account of Kumbh Mela was received. It was agreed to make additional allocation of 500 MTs of imported palm oil in four instalments as follows :—

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January, 1986	40 MTs
February, 1986	100 MTs.
March, 1986	160 MTs.
April, 1986	200 MTs.
Total	<hr/> 500 MTs. <hr/>

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[English]

**Concessional air freight for perishable  
goods exported by India**

7862. SHRI SHANTARAM NAIK : Will the Minister of COMMERCE be pleased to state :

(a) whether air freight charged by Air India make our perishable goods uncompetitive in the international markets ;

(b) whether it is a fact that perishable goods exported by some countries are charged concessional air freight by our airlines ;

(c) if so, steps taken by his Ministry to make Indian perishable goods compete in the international markets ; and

(d) details of other steps ?

**THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) :** (a) Although Air India's rates are reasonable our perishables do have a freight disadvantage vis-a-vis some other countries.

(b) Specific commodity rates approved by the IATA have been established for transport of perishables from USA to UK and Europe, from Australia to Singapore from Thailand to Japan, from Japan to Hongkong and from Hongkong to Japan. These rates are below the general cargo rates applicable normally. These apply to all airlines operating on these sectors. Air India also follows IATA guidelines. Besides, the Indian Airlines has introduced concessional rates for perishable goods, to Afghanistan, as per rates applicable to national carriers of both the countries, viz., India and Afghanistan.

(c) & (d). Gulf and Middle East destinations are the major markets for our exports of perishable goods. Mandatory air freight rates have been established for perishable exports, to the various destinations in the Gulf area and the Middle East. These rates are lower than the normal freight rates. Government have also taken a number of other measures to increase exports of perishables. These include Cash Compensatory Supports, Import replenishment to registered exporters, facility of duty draw back, assistance for market development, and periodic dialogues with the State Governments for increasing the production of agricultural products. Further, the Agricultural and Processed Food Products Export Development Authority has been set up to provide an institutional framework.

#### **Losses in Public Sector Cotton Trading Organisations**

**7863. SHRI SHANTARAM NAIK :** Will the Minister of TEXTILES be pleased to state :

(a) whether Government are aware of a news item published in the Hindustan Times of 2 April, 1986 stating that the public sector cotton trading organisations Cotton Corporation of India and Maharashtra State Co-operative Cotton Growers

Marketing Federation are likely to lose 500 crores of rupees in their business in the current year ; and

(b) if so, the steps taken by Government to minimise the loss ?

**THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) :** (a) Yes Sir. The estimated losses of the Cotton Corporation of India and the Maharashtra State Cooperative Cotton Growers Marketing Federation during the current cotton season are estimated as follow :—

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Cotton Corporation India	Rs. 50 crores (Provisional)
Maharashtra State Co-operative Cotton Growers Marketing Federation	Rs. 170 crores (Provisional)

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(b) The Government of India has decided to export cotton surplus to our domestic requirements. During the current cotton season, 10 lakh bales of long and extra long staples cotton, 52000 bales of Bengal Deshi and 25000 bales of yellow pickings have been released for export. Further with a view to pushing up exports of cotton, the condition of minimum export prices for export of cotton has also been withdrawn.

#### **Ban on recruitment in Public sector banks**

**7864. SHRI SHANTARAM NAIK :** Will the Minister of FINANCE be pleased to state :

(a) whether there is a ban on recruitment in the public sector banks ;

(b) whether the ban affected even routine promotions in the public sector banks ;

(c) whether effect of the ban in the public sector banks as a whole was studied by Government ; and

(d) if so, the result of the study ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) to (d) The ban imposed by the Government on recruitment in its offices has been extended to public sector banks also in June 1984. In the implementation of the ban, however, banks are being given specific exemptions in respect of creation of posts and recruitments related to branch expansion. The ban orders relate to fresh recruitment and not to normal internal promotions. No study as such has been undertaken by the Government of the effect of the ban on the working of the banks. However, with the available exemptions and specific relaxations permitted to meet specific contingencies, by and large, the banks have continued to function normally.

**Nationalisation of non-banking financial companies**

7865. SHRI MANORANJAN BHAKTA : Will the Minister of FINANCE be pleased to state :

(a) the number of non-banking financial companies accepting investment in the name and style of welfare scheme as endowment policies functioning throughout the country ;

(b) the particulars of such companies as having capital of more than Rs. 20 crores ;

(c) whether Government are having any proposal to nationalise such companies ;

(d) if so, when ;

(e) if not, the reasons therefor ; and

(f) the total number of field workers of these companies and what will be their fate in case the companies are nationalised ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). The Prize Chits and Money Circulation Schemes Banning Act, 1978 prohibits

conducting of 'benefit' and 'savings' schemes. Any non-banking financial company conducting such schemes would, therefore, be contravening the provisions of the Act and be liable to penalties stipulated therein. However, Reserve Bank of India have reported that about 38 companies conducting such schemes have filed writ petitions/appeal petitions in Calcutta High Court challenging the applicability of the Act to their Schemes. The matter is *sub-judice*.

(c) to (e). There is no proposal to nationalise any company conducting the business of running 'benefit' and 'savings' schemes.

(f) Since the companies conducting the business of running 'benefit' and 'savings' schemes, which have taken recourse to court of law to stay the operation of the Act are not required to furnish any information to Reserve Bank of India, information regarding the number of their field workers etc. is not known to the Reserve Bank.

**Declining trade with African countries**

7866. PROF. RAMAKRISHNA MORE : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that there is a sharp decline in India's trade with the African countries and that there are a number of African countries with whom there are no trade agreements ;

(b) if so, the extent of comparative decline in India's trade with the African countries stating the reasons for the decline (with value) during the 1st three years, year-wise ; and

(c) the steps contemplated by Government to improve country's trade with these countries and also to tap other African markets ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) and (b). Indo-African trade is detailed below :



Year	Export	Import	(Rs. in crores)
			Total
1	2	3	4
1982-83	346.75	197.43	544.18
1983-84 (P)	371.06	421.76	798.82
1984-85 (P)	363.16	417.51	780.67
1985-86 (P) (April-Sept.)	173.36	287.15	460.51
1984-85 (April-Sept.)			378.54

Drought, fall in primary prices and foreign exchange shortages in African countries are mainly responsible for stagnation in Indian exports. Imports from Africa are, however, showing an increasing trend. It is true that India does not have trade agreements with a number of African countries.

(c) Several measures such as exchange of delegations, organisation of fairs/exhibitions, establishing special bilateral arrangements are being taken to improve trade with African countries.

#### Inter-state Tusser Silk Project

7867. SHRIMATI JAYANTI PATNAIK : Will the Minister of TEXTILES be pleased to state :

(a) whether Government are making efforts for the Inter-State development of Tusser Silk Industry with Swiss Government aid ;

(b) if so, the amount of investment made in the above programme during the Sixth Five Year Plan ;

(c) the names of States covered under the above programme ;

(d) the outlay envisaged for the above Inter-State Tusser Silk Project during the Seventh Five Year Plan period ; and

(e) the details thereof ?

THE MINISTER OF STATE ON THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) to (c). An inter-State Tusser Project with assistance of Swiss Development Corporation was undertaken for implementation by the Central Silk Board for a period of 5 years from 1981-82 to 1985-86. A total sum of Rs. 10.50 crores has been invested in implementation of the project. The project covered eight States viz., (i) Bihar, (ii) Orisa, (iii) Madhya Pradesh, (iv) Andhra Pradesh, (v) Uttar Pradesh, (vi) Maharashtra, (vii) West Bengal and (viii) Rajasthan.

(d) & (e). On expiry of the project period, the tusser development programmes are being continued by the respective States under their normal programmes. No separate allocation has been proposed for VIIth plan under Central Sector.

#### Iron-ore export

7868. SHRIMATI JAYANTI PATNAIK :

SHRI SRIKANTA DATTA  
NARASIMHARAJAWADIYAR :

Will the Minister of COMMERCE be pleased to state :

(a) whether Government have revised the iron ore export target for the year 1986-87 ;

(b) whether there has also been record performance in achieving export target in 1985-86; and

(c) the quantum of iron ore proposed to be exported to different countries in 1986-87?

**THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER):** (a) The Seventh Five Year Plan has envisaged a target of 30 million tonnes for export of iron ore in the terminal year of the Plan. No year-wise targets have been fixed for export of iron ore.

(b) Yes, Sir.

(c) Exports of iron ore during 1986-87 to all countries are expected to be about 28 to 30 million tonnes.

#### **Establishment of financial institution for Small Scale Sector**

**7869. SHRI DHARAM PAL SINGH MALIK:** Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to establish a financial institution for Small Scale Sector keeping in view its neglect at the hands of Industrial Development Bank of India; and

(b) if not, the reasons therefor?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY):** (a) & (b) No, Sir. However, in order to provide a focal point for coordinating financial assistance to the small scale sector at the apex level, a separate special fund called Small Industries Development Fund is being set up in the Industrial Development Bank of India. The Fund will also be charged with the responsibility of providing refinancing assistance for development, expansion and modernisation of small scale industries.

#### **Bad and doubtful debts of IDBI**

**7870. SHRI DHARAM PAL SINGH MALIK:** Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Industrial Development Bank of India (IDBI) has

been making provision for bad and doubtful debts every year;

(b) if so, how much money as bad debts had been provided for in the years 1983-84, 1984-85 and 1985-86;

(c) whether it is also a fact that such provision has not been shown anywhere in the Report of Accounts of Industrial Development Bank of India; and

(d) if so, the reasons therefor and the action proposed to be taken in this regard?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY):** (a) to (d). The Industrial Development Bank of India (IDBI) makes lumpsum provision in its Annual Accounts for bad and doubtful debts to the satisfaction of statutory auditors appointed by the Central Government. These provisions are not separately shown in the published accounts of the IDBI. This is in keeping with the practice followed by the banking industry in India.

#### **Sale of coffee without auction**

**7871. SHRI SURESH KURUP:** Will the Minister of COMMERCE be pleased to state:

(a) whether any quantity of coffee was sold by the Coffee Board in December, 1985, without auction;

(b) if so, the price per tonne of the coffee sold;

(c) whether it is a fact that it was lower than the price prevailing in the open market; and

(d) if so, the action Government propose to take against those who are responsible for such a deal?

**THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER):** (a) to (d). In accordance with the guidelines laid down by the Coffee Board, the Chairman can enter into quantity contracts for coffee on the basis that the price for each

months' shipments is the one in the export auction preceding the date on which the importer makes a call plus administrative and FOB charges. The Chairman indicated to the Marketing Committee on 11th December, 1985 his intention to sell some coffee in view of the unusually large stocks resulting from the previous year's record crop. The fact that the International Coffee Organisation had released 4 million bags of additional quota between 10th and 13th December, 1985, in addition to the quota of 1 million bag released in November 1985 was also kept in view.

2. The Chairman entered into two contracts in December, 1985 for sale of coffee of previous seasons' crop of which 750 tonnes were to be shipped in December, 1985 and 1950 tonnes in each of the month January to April, 1986. Export auction prices rose in January and February, 1986 but have thereafter shown a continuous fall in March and April. The sale was thus effectively at varying prices according to the month of shipment. The shipments were spread over five months in view of the risk of price fluctuations.

3. The Coffee Board also sells some coffees in the domestic market through its propaganda units and through licence holders directly on prices established on the basis of MRP and domestic auctions.

#### **Bond facilities and deferment of payment of Customs and Excise levies**

7172. SHRI K.P. UNNIKRISHNAN : Will the Minister of FINANCE be pleased to state :

(a) whether a Bond facility exists under section 65 of the Customs Act of 1962 which enables textiles/polyester syntehtic manufacturers to defer payment of customs and excise; and

(b) the detail of the procedure and the names and the number of the units which have availed of these facilities during the last three years ?

THE MINISTER OF STATE IN THE  
MINISTRY OF FINANCE (SHRI

JANARDHANA POOJARY) : (a) Section 65 of the Customs Act, 1962 provides for carrying out of any manufacturing process or other operations in respect of warehoused goods by the owner of such goods, including textiles/polyester synthetics manufacturers, subject to certain conditions. The goods so warehoused in bond can either be cleared on payment of duty or re-exported as provided for under the provisions relating to warehousing of goods.

(b) The detailed procedure for manufacture-in-bond is prescribed under Manufacture And Other Operations in Warehouse Regulations, 1966. A copy of the Regulations is laid on the Table of the House. [*Placed in the Library*. See No. LT/2607/86] Information regarding the details of names and number of the units which have availed of these facilities during the last three years are being collected and will be laid on the Table of the House.

[*Translation*]

#### **Evasion of excise duty by I.E.L. Gomia**

7873. SHRI KALI PRASAD PANDEY : Will the Minister of FINANCE be pleased to state :

(a) whether attention of Government has been drawn to the news-item captioned "I.E.L., Gomia Dawara Kendriya Utpadan Vibhag Ko Dhatta Batane Ka Prayasa" (Attempt to turn away Central Excise Department by I.E.L., Gomia); appearing in the 'Patliputra Times' Patna of 19 March, 1986;

(b) if so, whether the management of Ammunition Factory, Gomia despatched consignments without paying excise duty on the day of the presentation of the General Budget and thus tried to evade excise duty on a large scale;

(c) whether Government propose to conduct any high level enquiry into the various irregularities committed by them; and

(d) if any enquiry has been conducted, the findings thereof ?

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

(b) In one of the two cases detected on the 28th February, 1986 M/s. I.E.L. Gomia were found to have removed goods from the bonded storeroom without debiting duty in the Personal Ledger Account and without countersignature of the Gate Pass by the Central Excise Officer as required under the central excise rules. The goods have since been seized. In the other case some unaccounted stock of excisable goods was detected during stock-checking. The goods were seized and later released provisionally on execution of a bond. The cases will be adjudicated in due course.

(c) & (d). Further departmental enquiries conducted have not revealed any other irregularity.

[English]

**Workers Rendered Jobless Due to Closure of Textile Mills.**

7874. SHRI RADHAKANTA DIGAL : Will the Minister of TEXTILES be pleased to state :

(a) the number of workers thrown out of employment due to the closure of the textile units in different parts of the country ;

(b) the number of such workers unit-wise ;

(c) since when those workers have been rendered jobless ; and

(d) the details thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) to (d). A statement is given below.

**Statement**

S. No.	Name of the State	Name of the Mill	Date of closure	Employees on roll
1	2	3	4	5
1.	Andhra Pradesh	Dewan Bhadur Ramagopal Mills Ltd., Elghiouda. Secunderabad.	26-3-84	2584
2.	—do—	Sri Ramachandra Spg. Mills, Pandalpaka.	10-8-84	93
3.	Bihar	Bihar Cotton Mills Ltd., Phulwarisherif, Patna.	20-7-82	500
4.	Gujarat	The Fine Knitting Co. Ltd., Ahmedabad.	10-7-70	191
5.	—do—	Gujarat Spinning Mills, Ahmedabad.	6-4-84	600
6.	—do—	Kailash Mills Pvt. Ltd., Umbergaon.	31-1-83	72
7.	—do—	Sri Mandvi Spg. Mills, Mandavi, Kutch.	2-9-83	310

1.	2.	3.	4.	5.
8	Gujrat	Manechowk & Ahmedabad Mfg. Co. Ltd., Ahmedabad.	14-12-76	1345
9.	—do—	Bhalakia Mills Co. Ltd , Ahmedabad.	12-3-82	1726
10.	—do—	Marsden Spg. & Mfg. Co. Ltd., Ahmedabad.	19-10-82	2296
11.	—do—	Monogram Mills Co. Ltd. Ahmedabad.	19-10-82	2784
12.	—do—	Silver Cotton Mills Ltd., Ahmedabad.	14-6-84	1303
13.	—do—	Tarun Commercial Mills Ltd., Ahmedabad.	7-3-84	2033
14.	—do—	Ahmedabad Cotton Mfg. Co. Ltd., No. 1, (Bagicha Mills) Ahmedabad.	1-6-84	1408
15.	—do—	Ahmedabad Cotton Mfg. Co. Ltd , No. 2, (Himabhai Mfg.) Ahmedabad.	1-6-84	1427
16.	Gujarat	Sarangpur Cotton Mills Ltd., No. 2, Ahmedabad.	14-4-84	2701
17.	—do—	Abhay Mills Ltd., Ahmedabad.	1-4-84	1423
18.	—do—	New Swadeshi Mills of Ahmedabad Ltd., Ahmedabad.	18-6-84	4274
19.	—do—	Manjushri Textiles, Ahmedabad.	18-6-84	3515
20.	—do—	Sree Bansidhar Spg. & Wvg. Mills Ltd., Ahmedabad.	16-9-85	1001
21.	—do—	Commercial Ahmedabad Mill Co. Ltd., Ahmedabad.	26-10-85	2154
22.	—do—	Maharana Mills Pvt. Ltd , Porbandar.	13-2-83	2049
23.	—do—	Navjyot Mills Ltd., Kadi.	18-12-83	887
24.	Haryana	Hissar Textile Mills, Hissar.	16-11-83	3779
25.	—do—	Usha Spg. & Wvg. Mills, Faridabad.	20-5-83	1513

1.	2.	3.	4.	5.
26.	Karnataka	Sree Krishnarajendra Mills Ltd., Mysore.	5-6-84	3304
27.	—do—	Sree Shankara Textiles Mills Ltd., Davangere.	9-10-84	624
28.	Kerala	Kerala Spinners Ltd., Allepey.	28-11-85	575
29.	Maharashtra	Mukesh Textile Mills (P) Ltd., Bombay.	18-1-82	1656
30.	—do—	Bradbury Mills Ltd., Bombay.	17-8-83	3093
31.	—do—	Kohinoor Mills Co. Ltd., No. 3 Bombay	Oct/Nov 1983.	1089
32.	—do—	Sreeniwas Cotton Mills Ltd., Bombay.	24-3-84	5322
33.	—do—	Khandesh Spg. & Wvg. Mills Pvt. Ltd., Khandesh, Jalgaon.	9-8-84	2754
34.	—do—	Rajan Textile Mills Ltd., Barsi.	27-6-84	226
35.	—do—	Kiran Spg. Mills, Thana.	6-11-83	3116
36.	—do—	Yeshwant Sahakari Soot Girni Niyamit, Bhor.	6-3-85	385
37.	—do—	Viswa Bharathi Spg. & Wvg. Co. Op. Society Ltd., Bhiwandi.	20-2-84	1204
38.	—do—	Nanded Utpadak Sahakari Soot Girni Maryadit, Nanded.	14-5-82	320
39.	Rajasthan	Jaipur Spinning & Wvg. Mills, Jaipur.	16-4-82	821
40.	—do—	Sudarshan Textiles, Kota.	6-3-85	1675
41.	—do—	Podar Spg. Mills, Jaipur.	2-8-85	420
42.	—do—	Krishna Mills Ltd., Bewar, Rajasthan.	14-8-83	1391
43.	—do—	Mewar Textiles Mills, Bhilwara.	31-5-84	2362
44.	Tamil Nadu	Vasantha Mills Ltd., Singanallur, Coimbatore.	13-11-84	1283

1.	2.	3.	4.	5.
45.	Tamil Nadu.	Mettur Textiles, Mettur Dam, (Tamilnadu), Mettur.	16-8-85	2514
46.	—do—	Sri Padma Mills, Kalapatti, Coimbatore.	22-2-81	118
47.	—do—	Tamilnadu Spg. Mills Ltd., Tirupur.	8-6-81	92
48.	—do—	Janardhana Mills Ltd., Coimbatore.	7-8-83	746
49.	—do—	Bhagam Textiles, Coimbatore	15-12-83	N.A.
50.	—do—	Jallaram Spg. Mills, Coimbatore.	8-7-83	128
51.	—do—	Sree Hari Mills P. Ltd., Coimbatore.	9-4-84	657
52.	Tamil Nadu	Vyas Textiles, Coimbatore	8-2-86	104
53.	—do —	Sanjay Spinners, Coimbatore	24-2-86	74
54.	—do—	Sree Mahavishnu Textiles Mills P. Ltd., Coimbatore.	4-2-85	N.A.
55.	—do—	Bhavani Mills, Coimbatore.	17-9-85	590
56.	—do—	K.G.S. Spinners, Coimbatore.	Apr. 85	168
57.	—do—	Shri Kethandram Spg. Mills, Madurai.	22-12-67	248
58.	—do—	Sree Krishnaswamy Mills, Kumarapalayam.	1-1-84	N.A.
59.	—do—	Selvalakshmi Mills Ltd., Tirupur.	14-4-83	N.A.
60.	—do —	Radha Spg. Mills, Tirupur	9-8-82	N.A.
61.	—do—	Sonthuran Spg. Mills, Pollachi	13-3-84	36
62.	—do—	Sengunthar Mills Pvt. Ltd., Salem.	5-2-86	350
63.	—do—	Sree Balakrishna Spinners (P) Ltd., Salem.	10-12-86	33
64.	Uttar Pradesh	Madan Industries Ltd., Hastinapur.	8-8-84	1017

1.	2.	3.	4.	5.
65.	Uttar Pradesh	Modern Spinners Ltd <sup>1</sup> , (Modi Spinners). (Formerly Modi Yarn Mills 'B' Unit of Modi Spg. & Wvg. Mills Co. Ltd.)	5-8-83	2148
66.	—do—	Vishal Syotex Ltd. (Modi Syntex Ltd). (Formerly Modi Yarn Mills 'C' Unit of Modi Spg. & Wvg. Co. Ltd.	3-10-84	1059
67.	—do—	J.K. Manufacturers Ltd., Kanpur.	1-10-76	2276
68.	West Bengal	Bangoday Cotton Mills, Panihatti, 24, Parganas.	21-1-84	837
69.	—do—	India Linoleums Ltd., (Victoria Division) Chushry, Howarh.	16-2-82	1136
70.	—do—	Sri Hanuman Cotton Mills, Fuleshwar, Howarh.	2-7-84	1245
71.	—do—	The General Industrial Society Ltd. (Cotton Mill Division) Champadeny.	30-10-85	2975
72.	Pondicherry	Anglo French Textiles Ltd., Pondicherry.	4-7-83	6860

**Expenditure on Credit Camps organised in Karnataka**

7875. SHRI V.S. KRISHNA IYER : Will the Minister of FINANCE be pleased to state :

(a) the expenditure incurred by nationalised banks on organising credit camps in Karnataka since November 1985;

(b) whether it is a fact that the nationalised banks have debited the expenses on credit camps to bank expenditure account; and

(c) whether the credit camp is bearing the expenditure account ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c).

Present data reporting system does not yield separate information in respect of expenditure incurred on credit camps by banks in different States.

**Representations from Riot Victims Association Janakpuri regarding writing off bank loans against their compensation**

7876. SHRI V.S. KRISHNA IYER : Will the Minister of FINANCE be pleased to state :

(a) whether Government have received representations from 'November 1984, Riot Victims Association, Janakpuri, New Delhi' for writing off bank loans against compensation to riot victims; and

(b) the action Government are contemplating in removing the hardships of riot hit small businessmen who suffered



heavy financial losses are under heavy debts and are not in a position to repay the loans ?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :** (a) and (b) Yes, Sir. Reserve Bank of India has also reported that the representation received by Reserve Bank of India from November, 1984 Riot Victims Association (Delhi Businessmen) Janakpuri, New Delhi related to the bank assistance to persons affected by November, 1984 disturbances. Reserve Bank of India have advised the Association that they had instructed the banks in November, 1984 to provide timely assistance to the victims to rehabilitate themselves and that they reiterated their instructions to the banks in December, 1985 to ensure that the financial assistance is extended to the victims with utmost promptness by eliminating unnecessary documentation and procedural formalities.

The Association has been advised by Government to furnish specific cases which could be taken up with the concerned banks for consideration on merits.

#### **Issue of Import-Export Pass Books**

**7877. SHRI V.S. KRISHNA IYER :** Will the Minister of COMMERCE be pleased to state :

(a) whether Government had announced that Export-Import Pass books would be issued to all concerned to stop malpractices and frauds in imports and exports;

(b) if so, when and whether these pass books have been issued; and

(c) if not, whether Government propose to ensure that such pass books are issued early to all concerned ?

**THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) :** (a) The Import-Export Pass Book Scheme was introduced to simplify system for export production by eliminating procedural delays.

(b) No pass book could be issued till 31-3-86 for non-receipt of printed copies of Import-Export pass books.

(c) Yes, Sir. The printed Pass Books have since been received from the Security Press, Nasik. The Licensing Authorities have been instructed to issue the Pass Books to eligible applicants expeditiously.

#### **Representation from Film Federation of India about customs and excise duties**

**7878. SHRIMATI KISHORI SINHA :** Will the Minister of FINANCE be pleased to state :

(a) whether the Film Federation of India has represented to Government about the customs and excise duties proposed in the budget affecting the film industry ;

(b) whether the Film Federation of India has also threatened indefinite closure of all cinemas if its protest is not heeded ; and

(c) if so, the views of Government thereon ?

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

(b) & (c). In their representation dated 25-3-86, the Film Federation of India have requested for withdrawal of all duties and other levies put on the film industry and have stated that if the tax burden is not reduced substantially, the film industry would be thrown out of activity. The matter is under examination.

#### **Variations in trade gap**

**7879. SHRI T. BASHEER :** Will the Minister of COMMERCE be pleased to state :

(a) India's share in world trade last year ;

(b) whether India's share in world trade has recorded a fall or rise as compared to the preceding years ; and

(c) if so, the reasons for the variations ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) & (b). According to the latest data available from the Monthly Bulletin of Statistics, U.N. (Vol. XL No. 3 March, 1986), India's share in world exports during 1983, 1984 and January-June, 1985 works out to 0.48%, 0.46% and 0.43% respectively.

(c) Variation in India's share in world exports was due to the relative export performance of India vis-a-vis all countries of the world.

#### Steps for Boosting Exports

7880. SHRI T. BASHEER : Will the Minister of COMMERCE be pleased to state :

(a) whether some new items and being allowed to be exported ; and

(b) if so, the details thereof ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) & (b). After announcement of the export policy on 12-4-1985, for the period 1985-88, the items as per details given below have been allowed for export. Earlier, these items were not normally allowed for export :

- (i) Export of Wheat and Wheat Products such as Maida, Suji and Wholemeal Atta and non-basmati Rice have been allowed within the quantitative ceilings subject to specified minimum export prices.
- (ii) Export of Saussurea Lappa (C.B. Cl. 5 Asteraceae) (Kutch Roots) and its derivatives is allowed "On Merits".

#### Five Star Hotels in the country

7881. SYED SHAHABUDDIN : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) the number of five star hotels in India with their break-up city-wise ;

(b) the total number of beds in such hotels ;

(c) the average daily charge for single bed-room in such hotels ;

(d) the average cost of one meal in such hotels ;

(e) the average occupancy rate of these hotels ; and

(f) the average proportion of foreign tourists among the occupants ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT) : (a) to (f). Information is being collected and will be laid on the Table of the Sabha.

#### Organisation of credit camps by banks

7882. PROF. K.V. THOMAS : Will the Minister of FINANCE be pleased to state :

(a) whether all the banks are organising the credit camps ; and

(b) the action taken against those banks which do not organise the credit camps ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Credit camps are organised by the Public Sector Banks as a part of the overall measures to increase the flow of credit to the weaker sections in the priority sector, and to make the eligible beneficiaries aware of, such schemes and to motivate them to take up small self-employment productive ventures with the help of bank finance. No separate monitoring of the loans distributed through such camps is considered necessary since all such sanctions and disbursements have to conform to the guidelines issued by the Reserve Bank of India to banks.

(b) Does not arise.

**Investment by non-resident Indians**7883. **PROF. K.V. THOMAS :****SHRI N. VENKATA RATNAM :**

Will the Minister of **FINANCE** be pleased to state :

(a) the steps taken to encourage non-resident Indians to invest money in India ;

(b) whether the steps have been successful ;

(c) if not, the reasons therefor ; and

(d) the amount of non-resident Indians money so far invested in India ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a), (b) & (c). Government have extended several facilities for attracting remittances from and investment by Non-Residents of Indian Nationality/Origin. All the schemes introduced since 1982 continue to be in force. These include facilities for setting up new industries, investments in equity/debentures, government securities, bank deposits, etc. Furthermore, in the recent past, a number of procedural simplifications were initiated in order to avoid delays earlier stated to be encountered by NRIs while making investments in this country. The response of NRIs to these facilities have been quite satisfactory as in borne out by the progress under the various schemes listed in reply to part (d) of the question.

(d) Investments made by NRIs under different schemes upto 31st December, 1985 are as follows :

(Rs. in Crores)  
31-12-1985

(i) Direct Investment 477.23  
(Proposals approved)

(ii) Portfolio investment 53.03 (P)  
(Actual purchase of shares & debentures)

(iii) Bank deposits 5027.88 (P)  
(Outstanding balances in NRE/FCNR Accounts)

(iv) Deposits received by 8.62  
Indian companies

(P) Provisional

(Balances are cumulative)

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**Closure of Food and Nutrition  
Boards Schemes**

7884. **SHRI C. JANGA REDDY :****SHRI KALI PRASAD PANDEY :**

Will the Minister of **FOOD AND CIVIL SUPPLIES** be pleased to state :

(a) whether some Food and Nutrition Board Schemes are likely to be closed or are in the process of closure ;

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

(c) if not, the reasons for keeping vacant a number of technical posts in the aforesaid board ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A.K. PANJA) : (a) & (b). Of the various nutrition schemes, it has been decided recently to discontinue the scheme relating to diet and nutrition surveys, keeping in view that similar surveys are carried out by National Nutrition Monitoring Bureau of the Indian Council of Medical Research.

(c) Certain technical posts are lying vacant, mainly because they have been identified as surplus.

### Ban on Import of Silk Yarn

7885. SHRI C. JANGA REDDY : Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that Government are considering to impose a ban on import of silk yarn ; and

(b) if so, the reasons thereof ?

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

(b) Does not arise.

### Subsidy on rice ration card holders through fair price shops in Andhra Pradesh

7886. SHRI C. JANGA REDDY : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) the amount of subsidy given on rice to each State for sale to ration card holders through fair price shops pool in 1983-84 and 1984-85 ;

(b) the quantity of rice forwarded from Andhra Pradesh to the central pool in 1983-85 ; and 1984-85 ;

(c) the quantity allowed to the Andhra Pradesh on subsidised rates in 1983-84 and 1984-85 ; and

(d) the approximate yearly consumption of all card-holders in Andhra Pradesh ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A.K. PANJA) : (a) A Statement showing, State-wise/region-wise, the off take of rice from the Central Pool for the Public Distribution System and the amount of consumer subsidy thereon during 1983-84 and 1984-85 is given below.

(b) The Food Corporation of India procured 14.84 lakh tonnes and 17.83 lakh tonnes of rice (including paddy in terms of rice) in Andhra Pradesh during the 1983-84 and 1984-85 marketing seasons, respectively.

(c) A quantity of 12.47 lakh tonnes and 9.76 lakh tonnes of rice were issued to Andhra Pradesh during the years 1983-84 and 1984-85, respectively, from the Central Pool.

(d) The State Government has reported that the approximate annual requirement of rice for their public distribution system is 22 lakh tonnes.

### Statement

*State-wise/Region-wise consumer subsidy on Rice for 1983-84 and 1984-85 worked out on pooled cost on All-India basis*

Quantity in lakh tonnes  
Amount in Rs./Crores

States/Regions	1983-84		1984-85	
	Qty. lifted	Amount of subsidy	Qty. lifted	Amount of subsidy
1	2	3	4	5
Andhra Pradesh	12.47	83.06	9.76	73.49
Assam & Arunachal Pradesh	3.57	23.74	2.87	21.61

1	2	3	4	5
Bihar	1·87	12·44	0·53	3·99
Gujarat, Daman, Diu, Dadar Nagar Haveli	0·96	6·38	0·95	7·15
Haryana	0·26	1·73	0·15	1·13
Himachal Pradesh	0·30	2·00	0·36	2·71
Jammu & Kashmir	1·53	10·18	1·46	10·99
Karnataka	2·30	15·30	2·51	18·90
Kerala, Lakshadweep & part of Pondicherry	13·47	89·58	13·17	99·16
Madhya Pradesh	2·45	16·29	1·65	12·42
Maharashtra & Goa	3·54	23·41	3·43	26·20
NEF, Mizoram, Tripura, Manipur & Nagaland	2·49	16·56	3·02	22·74
Orissa	1·31	8·72	0·59	4·44
Punjab & Chandigarh	0·65	4·32	0·22	1·66
Rajasthan	0·14	0·93	0·11	0·83
Tamil Nadu, Part of Pondicherry and Part of A & N Islands	4·09	27·20	3·42	25·75
Uttar Pradesh	3·02	20·08	2·11	15·89
West Bengal, Sikkim Part of A & N Islands and Port operations (Calcutta)	13·95	92·68	9·57	72·06
Delhi	1·79	11·90	1·52	11·44

**Extension of Subsidised Rice to Tribals  
Under MADA PTG in Andhra Pradesh**

7887. SHRI C. JANGA REDDY :  
Will the Minister of FOOD AND CIVIL  
SUPPLIES be pleased to state :

(a) whether it is a fact that Govern-  
ment of Andhra Pradesh have requested  
Union Government to extend the subsi-  
dised rice to the tribals who are living in  
the denotified areas which are covered by  
MADA (Modified Area Development  
Approach) and PTG (Private Tribal  
Group) and not included in sub-plan  
area ; and

(b) whether Government have agreed  
and if not, the reasons therefor ?

THE MINISTER OF STATE IN THE  
MINISTRY OF PLANNING AND  
MINISTER OF STATE IN THE  
MINISTRY OF FOOD AND CIVIL  
SUPPLIES (SHRI A.K. PANJA) : (a)  
Yes, Sir.

(b) No, Sir ; the scheme is presently  
restricted only to the Integrated Tribal  
Development Project Areas and Tribal  
majority States/Union Territories.

**Reservation of Certain Items for Exclusive  
Production by Handloom Sector**

7888. SHRI H.N. NANJE GOWDA :  
Will the Minister of TEXTILES be pleased  
to state :

(a) whether further items have been  
selected recently for this purpose of reser-  
vation for production exclusively by  
Handloom Sector ;

(b) if so, the details thereof ;

(c) whether it is a fact that the  
development work for handloom sector  
has not been gaining ground due to  
various interference by middlement and  
agents in the industry ; and

(d) if so, the steps proposed to be  
taken to check such trend ?

THE MINISTER OF STATE OF THE  
MINISTRY OF TEXTILES (SHRI

KHURSHID ALAM KHAN) : (a) Yes,  
Sir.

(b) A Statement showing list of addi-  
tional articles or class of articles reserved  
for exclusive production in the handloom  
sector is given below.

(c) & (d). The main thrust of Hand-  
loom Development Schemes launched by  
Central and State Governments is to  
create a non-exploitative organisational  
mechanism in the form of cooperatives  
and State handloom Development  
Corporations with a view to eliminating  
interference from middlemen.

**Statement**

List of additional articles or class of  
articles reserved under the new Handloom  
Reservation Act.

1. Saree & Dhoti      Width restriction of  
border/headings contain-  
ed in the earlier order  
have been removed. In  
addition to dhoties and  
sarees of cotton origin,  
all such fabrics made  
from any natural or  
man-made fibres (includ-  
ing synthetic fibre) or  
in any combination  
thereof, without woven  
borders or headings,  
are also reserved.
2. Kota and Doria Sarees.
3. Tie & Dye Saree and Material.
4. Angavastram.
5. Shirting (made from cotton with  
check pattern).
6. Chaddar.
7. Jamakkalam, Durry or Durret.
8. Buqram cloth.
9. Silk-All pure silk fabrics, except  
grey & plain fabrics, chiffon,  
georget and creps.

10. Kambal or Kamblies—except those made with shoddy yarn.
11. Barrack Blankets.
12. Shawl, loi, etc.—only those with woven borders.
13. Woollen Tweed—only with 100% pure wool.

**Assistance by Banks and J&K State Financial Corporation**

7889. SHRI P. NAMGYAL : Will the Minister of FINANCE be pleased to state :

(a) the year-wise amounts advanced by the various branches of State Bank of India, the Jammu and Kashmir Bank Limited and the Jammu and Kashmir State Financial Corporation functioning in Jammu and Kashmir to various companies and big and small entrepreneurs of Jammu and Kashmir State from 1983-84 to 1985-86 separately ;

(b) the total amount recovered as on 31 March, 1986, the total amount considered non-recoverable and the steps taken to recover the outstanding amount ; and

(c) the total amount deposited by the public of Jammu and Kashmir in the above banks/corporation during the above period ?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :** (a) The total assistance disbursed to small scale and other units by Jammu and Kashmir State Financial Corporation (JKSFC) amounted to Rs. 788 lakhs, Rs. 1287 lakhs and Rs. 1570 lakhs (provisional) during 1983-84, 1984-85 and 1985-86 respectively. The disbursement made by Jammu and Kashmir Bank (JKB) to industrial units were Rs 182.89 lakhs, Rs. 433.66 lakhs and Rs. 588.97 lakhs during 1983, 1984 and 1985 respectively.

(b) Cumulative principal amount recovered by JKSFC until 31st March,

1986 since inception stood at Rs 2819 lakhs. JKSFC has filed suits to recover dues of about Rs. 56 lakhs. JKB has recovered Rs. 355.52 lakhs during the three years from 1983 to 1985. No advances have been declared as non-recoverable since 1st January, 1983.

(c) Year-wise increase in public deposits in 1983, 1984 and 1985 as reported by JKB amounted to Rs. 2915.3 lakhs, Rs. 420.01 lakhs and Rs. 596.03 lakhs respectively. JKSFC does not have any public deposits.

**Issue of Instructions egarding Maximising Imports from Rupee Payment Countries**

7890. SHRI K.V. SHANKARA GOWDA : Will the Minister of COMMERCE be pleased to state :

(a) whether his Ministry has issued special instructions on March 31, 1986 to State Procuring agencies and other large public sector organisations asking them to undertake substantial imports to maximise purchases from the five rupee payment countries of East Europe ;

(b) if so, the main reasons of the directive and the details of the directive issued ; and

(c) to what extent it will reduce the excessive trade deficit ?

**THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) :** (a) to (c). Government have been reiterating from time to time their instructions to the various importing agencies to maximise imports from the Rupee Payment Countries of East Europe, with view to conserving free foreign exchange and promoting India's exports to these countries as the rupees generated by way of such imports can be utilised only for making purchases from India. Since such efforts are in continuing process, it is difficult to quantify their effect on reducing the overall trade deficit of the country.

### Expansion of Indo-US Bilateral Trade

7891. SHRI K.V. SHANKARA GOWDA : Will the Minister of COMMERCE be pleased to state :

(a) whether the Indo-US Joint Business Council met on 30th March at which the countries have stressed the need for expanding Indo-US trade and financial and technological collaborations ;

(b) if so, whether the US Business Council have stated that due to good economic climate in India, it will be useful for expanding trade ties by US with India ; and

(c) if so, to what extent the trade ties between the two countries will be strengthened during 1986-87 ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) to (c). A meeting of the Indo-US Joint Business Council was held in New Delhi on 12-13 March, 1986. Subjects discussed at the meeting included economic situation in both countries, bilateral trade, transfer of technology, opportunities for financial and technical collaboration etc. Both sides stressed the need for expansion of Indo-US Bilateral trade.

Although delegates on both sides called for raising Indo-US trade turnover from its existing level of US \$ 4 billion to US \$ 6 billion over the next 3 years, no specific target for 1986-87 was fixed.

### Programme of action of GATT contracting parties

7892. SHRI K.V. SHANKARA GOWDA : Will the Minister of COMMERCE be pleased to state :

(a) whether developing countries involved in exports of textiles and clothing have pressed developed countries at the general negotiations for non-discriminatory treatment and reduction of restraints at the Geneva talks;

(b) if so, whether GATT contracting parties have prepared a new progra-

mmé of multi-lateral trade negotiations to liberalise all sectors of international trade and strengthening the multilateral trading system;

(c) the decision taken at the conference; and

(d) to what extent Geneva talks have been beneficial to the Indian textiles ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) to (d). A statement is given below.

### Statement

Negotiations are currently taking place in the GATT Textiles Committee on the future of international trade regime in textiles after the current Multi-fibre Arrangement expires on 31st July, 1986. The developing countries exporters of textiles met last in Beijing to coordinate their position in the negotiations. At this meeting they *inter-alia* stressed that the multilateral commitments by the developed countries including those undertaken at the Ministerial Meeting of CONTRACTING PARTIES held in 1982, calling for substantial liberalisation of restraints on developing countries' exports of textiles and clothing and the phasing out of restrictive and discriminatory regime governing their exports of these products to the developed countries need to be implemented. The developing countries noted that the GATT Contracting Parties were currently engaged in preparing for a new programme of multilateral trade negotiations with a view to liberalising all sectors of international trade and strengthening the multilateral trading system and in this context stressed that the present trade regime in textiles had to be liberalised by removal of restraints and phase out over an agreed time frame, under strengthened GATT disciplines. They also agreed that modalities to achieve these objectives would consist of progressively higher growth rates, non-discriminatory treatment for developing countries, reduction of restraints and coverage, effective surveillance, a phase-out system etc.

The above stand of the textiles exporting developing countries at the Beijing



Meeting was reiterated at the last meeting of the GATT Textiles Committee held on 3-4 April, 1986.

It may also be mentioned that in accordance with the decision taken at the last session of the GATT Contracting Parties held in November, 1985, a Preparatory Committee has been established to determine objectives, subject matter and modalities for a New Round of Multilateral Trade Negotiations. The Committee has been mandated to prepare its recommendations by mid July, 1986 for adoption at a Ministerial Meeting to be held in 1986.

**Assessment of external assistance for modernisation of textile industries**

7893. SHRI K.V. SHANKARA GOWDA : Will the Minister of TEXTILES be pleased to state :

(a) whether the working group constituted by the Union Government to assess the extent of assistance for modernisation of the textile industry has suggested reduction in interest rates and longer repayment period;

(b) if so, the other suggestions made by the working group;

(c) how many of these suggestions have been accepted by Government so far; and

(d) the steps being taken to implement these suggestions ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) The Working Group set-up, by the Government to estimate the requirement of external assistance for the modernisation of Textile Industry has not submitted its report so far.

(b) to (d). Do not arise.

**[Translation]**

**Suggestion at convention of Travel Agents Association of India for development of tourism**

7894. SHRI VIJOY KUMAR YADAV : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state ;

(a) whether it is a fact that a convention of Travel Agents Association of India was held in Delhi on 25th March, 1986;

(b) if so, whether a delegation from Pakistan also participated in it;

(c) if so, whether the leader of the delegation had while speaking in the convention stressed upon the development of tourism in private sector rather than in public sector; and

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

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

(d) The flow of tourist traffic between Pakistan and India is covered under a Protocol for exchange of tourists between these countries and this accord stipulates handling of tourists in groups for stay upto 15 days by the Government Corporations of the two countries, viz. Pakistan Tourism Development Corporation and India Tourism Development Corporation. There is no proposal under consideration at present to revise this arrangement.

**Quota of candidates for providing loan under Self Employment Guarantee Programme**

7895. SHRI VIJOY KUMAR YADAV : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that a quota of candidates is fixed for nationalised banks for providing loan under the Self Employment Guarantee Programme;

(b) whether it is also a fact that a list containing more candidates than the prescribed quota, is sent to each such bank;

(c) whether as a result of recommending more candidates than the prescribed quota, corruption in distribution of loan increases and even needy candidates become victim of discrimination and favouritism by banks; and

(d) if so, Government's reaction thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) & (b). The Hon'ble Member is presumably referring to the Scheme for providing Self-Employment to the Educated Unemployed Youths which was introduced in the year 1983-84. Under the Self-Employment Scheme applications received under the Scheme in the District Industries Centres are scrutinised by the Task Force constituted for this purpose and recommended to the banks for the sanction of loans. The District Industries Centres have been advised not to recommend more than 10% applications over and above the targets fixed for their districts to the banks for sanction under the Scheme.

(c) & (d). Specific complaints whenever received are looked into for taking remedial action.

[English]

**Regional disparities in opening of rural branches of Banks**

7897. SHRI YASHWANTRAO GADAKH PATIL : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that there are regional disparities in opening of rural branches of public sector banks; and

(b) if so, the details thereof and the measures taken to remove the imbalances ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) & (b). The policy in regard to opening of bank

offices in rural and semi-urban areas is the same throughout the country. The objective of the Branch Licensing Policy for 1982-85 was to achieve a coverage of 17,000 population per bank office in rural and semi-urban areas of each district. However, spread of bank branches in rural and semi-urban areas in different regions of the country has not been even on account of differences in geographical and demographic conditions; extent of infrastructure development; availability of suitable premises etc. In order to minimise regional imbalances in the spread of bank offices, the current Branch Licensing Policy for 1985-90, co-terminus with the Seventh Five Year Plan, envisages elimination of spatial gaps by aiming to have atleast one bank office within a distance of 10 Kms from each village besides achieving a coverage of 17,000 population per bank office in the rural and semi-urban areas of each development block.

**Credit deposit ratio of rural branches and urban branches of banks**

7898. SHRI YASHWANTRAO GADAKH PATIL : Will the Minister of FINANCE be pleased to state :

(a) the details about the credit-deposit ratio on rural branches and urban branches of public sector banks during the last three years; and

(b) the measures taken to raise the credit deposit ratio of rural branches of banks ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Population Group-wise credit : deposit ratio (%) of Public Sector Banks as at the end of December 1983, December 1984 and March 1985 is given below :—

	December 1983	December 1984	March 1985
Rural	57.5	61.1	62.3
Semi-urban	50.5	53.1	54.0
Urban	56.7	58.0	60.7
Total	66.2	67.7	68.5

(b) In order to accelerate development of rural and semi-urban areas, various measures have been taken by Reserve Bank of India/Government. These include loans at concessional rate of interest, simplification of application forms, liberalisation of terms and conditions relating to security and margin money and repayment period, adequate delegation of powers to Branch Managers, disposal of loan applications within stipulated time etc. The Banks have also been advised to maintain a minimum credit : deposit ratio of 60 percent in respect of their rural and semi-urban branches separately. Implementation of various Government sponsored programmes such as I.R.D.P., D.R.I. etc. are likely to accelerate the flow of credit in rural and semi-urban areas.

#### Issue of Import-Export Pass Books

7899. SHRI YASHWANTRAO GADAKH PATIL : Will the Minister of COMMERCE be pleased to state :

(a) whether the scheme for Import-Export Passbook has been implemented;

(b) if so, the number of passbooks issued up to the end of March, 1986; and

(c) if not, the reasons for non-implementation of the scheme ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) The Import-Export Pass Book came into effect from 1st January 1986.

(b) No Pass Book was issued till 31.3.1986.

(c) Import-Export Pass-Books could not be issued for non-receipt of printed copies of Pass Books from Security Press, Nasik. The same have since been received and the licensing authorities have been instructed to issue the same to the eligible applicants expeditiously.

#### Stepping up of refinance support for farm mechanisation programme by NABARD

7900. SHRI YASHWANTRAO GADAKH PATIL : Will the Minister of FINANCE be pleased to state :

(a) whether National Bank for Agricultural and Rural Development has decided to step up the refinance support for farm mechanisation programmes and liberalise refinance support ;

(b) if so, the details thereof ; and

(c) the impact thereof on small and medium farmers ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :

(a) & (b). The National Bank for Agriculture and Rural Development (NABARD) has reported that it has increased its allocation for providing refinance to various banks in respect of their credit assistance in the field of farm mechanisation for the year 1985-86 to Rs. 200 crores from the initial allocation of Rs. 150 crores. NABARD has recently liberalised the conditions for providing refinance to lending institutions for the loans given to the farmers for the purchase of tractors. The main features of the liberalised tractor loan policy which has come into force from 18-3-86 are, as follows :

(i) The maximum repayment period of loan is increased from seven years to nine years.

(ii) The condition of minimum land holding of 10 acres of perennial irrigated land or corresponding acreage, as prescribed for different categories of land under State Land Ceiling Act, is relaxed to 8 acres.

(iii) For obtaining second tractor loan, the minimum eligibility period is reduced to three years from 7 years provided the borrower has repaid the earlier loan in full.

(c) According to NABARD as the additional refinance for farm mechanisation is not being met by diversion of credit available to the small and marginal farmers, the interests of the small and marginal farmers are not likely to be affected. On the other hand, the liberalisation now agreed upon, would enable more medium farmers to avail of tractor loans. Some of the small farmers in groups, can also now avail of loans for purchase of tractors by satisfying the prescribed medium land holding and other norms in a collective manner.

#### Tea Gardens

7901. SHRI PRIYA RANJAN DAS MUNSI : Will the Minister of COMMERCE be pleased to state :

(a) the total number of tea gardens in India and the States where these are located indicating the area covered by those gardens in each State ;

(b) how many of these gardens belong to big houses, multinationals and how many of these have become sick ; and

(c) the proposed steps to increase plantation, to bring about modernisation and to revive these sick units ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) The information is given in the table below :—

State	(As in 1984 Provisional) No. of Tea Estates	Area under Tea (Hectares)
Assam	808	214741
West Bengal	311	97518
Tamil Nadu	6783	36888
Kerala	4081	35003
Others	1498	13979

(b) & (c). There are around 500 companies owning around 13,481 Tea Estates. Of this, FERA companies owned about 151 Tea Estates. Some of the non-FERA Companies are also connected with large houses. Measures to increase tea production include optimization of inputs, improved irrigation and drainage facilities, infilling and rejuvenation of tea bushes and extension planting and replanting. Tea Development Account Scheme sanctioned under Income Tax Act is designed to provide an incentive for plough back of pre tax profits by tea companies for developmental activities and will also enable modernisation.

Darjeeling Interest Subsidy Scheme has been sanctioned for revival of tea gardens in Darjeeling which had been languishing. The tea industry, by and large, is doing well and incidence of sickness has now been reduced to a marginal level.

#### Non-operation of savings accounts in banks

7902. SHRI PRIYA RANJAN DAS MUNSI : Will the Minister of FINANCE be pleased to state :

(a) whether his Ministry is aware that a number of Savings Accounts have become non-operational in the banks for not having proper nominee and other problems after the death of the depositor ;

(b) whether any assessment has been made State-wise for any particular year of amounts of such accounts ; and

(c) whether it is proposed to enact a law whereby such amounts can be used for public welfare projects ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) & (b). Reserve Bank of India do not have information about the number of savings bank accounts which have become non-operational due to the death of the depositor. However, Government/Reserve Bank of India have been aware of the problem faced by successors of deposit holders in claiming deposits after the demise of the depositors. To eliminate

this problem, nomination facility has been allowed to depositors with effect from March 1985. Even without nominations, the banks endeavour to release the credit balances in the accounts of the deceased depositors to their successors on the basis of succession certificates, indemnity bonds and affidavits, sureties, etc.

(c) The amounts to the credit of non-operational accounts constitute part of the deposits with the banks and as such are deployed by them in accordance with the Reserve Bank of India's credit policy directions.

**Re-introduction of scheme of supply of index to exporters**

7903. SHRI V. TULSIRAM : Will the Minister of COMMERCE be pleased to state :

(a) whether Government propose to supply an index of export products as part of the import-export policy of Government ;

(b) if so, the time by which such an index will be supplied to the exporters ;

(c) the reasons for dispensing with is earlier together with the reasons for its re-introduction ;

(d) the details of losses/profits, both to the exporters and the Government ; and

(e) the first duration of the period for which the index will be issued ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) Yes, Sir,

(b) & (c). The task of formulation of index, which is voluminous, has been initiated. It is likely to take some time to complete it. The same will be notified as and when ready.

(c) Due to change in the structure of Import and Export Policy in 1978-79 it was dispensed with.

(d) Ministry of Commerce have no information.

**Vigilance charges against employees of NTC (WBABO)**

7904. SHRI D. NARAYANA SWAMY : Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that serious vigilance charges have been levelled against some employees of National Textile Corporation (WBABO) Ltd., Calcutta ;

(b) whether any enquiry has already been initiated by the corporation ;

(c) if so, the action proposed to be taken by Government in this regard ; and

(d) the particulars of the employees involved in this case ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) to (c). Complaints alleging irregularities and corrupt practices against employees of NTC (WBABO) are received from time to time. According to available information, the three cases involving serious irregularities, have been covered by CBI investigation/Departmental enquiry.

(d) Five officers have been placed under suspension pending enquiry. Four Board level officers are now no longer in service with NTC.

**Transportation of wheat and rice by road to benefit private entrepreneur at exorbitant rates**

7905. SHRI RAJ KUMAR RAI : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether Government are aware that when the stock of wheat and rice was available in sufficient quantity in Godown of Food Corporation of India in Delhi during November and December, 1985 road movement was ordered for Delhi from nearby stations of Haryana at exorbitant rates ranging between Rs. 9/- to Rs. 13/- per bag taxing the national exchequer to benefit the private transporters ;

(b) if so, the quantity transported by road, the expenditure incurred the rate per bag by road vis-a-vis by rail, the extra expenditure incurred on road movement and the stocks held by Food Corporation of India, Delhi ; and

(c) whether Food Corporation of India has paid 8 per cent Sales Tax on the wheat and rice stocks moved by road from Haryana to Delhi whereas this tax is exempted on road movement, if so, the extra expenditure involved in this ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A.K. PANJA) : (a) & (b). During November-December, 85, Food Corporation of India moved foodgrains by road from Haryana to Delhi as sufficient stocks were not available in its godowns in Delhi. As on 1-11-85, 63231 MTs of wheat and 11431 MTs of rice were available in Delhi, which were not sufficient to meet the monthly requirements for PDS/issues to the Roller Flour Mills and for open sale of wheat. A total quantity of 76064 MTs of wheat and 36817 MTs of rice was transported by road to Delhi in November-December 85 at the approved rates of State authorities ranging between Rs. 3.65 to Rs. 12'25 per quintal depending upon the distance. The movement was undertaken from the mandis which are not generally rake loading stations and was economical.

(c) The Purchase tax is payable by Food Corporation of India on wheat @ 4% and not 8%, while moving stocks out of Haryana, irrespective of the fact whether stocks are moved by rail or road. No tax is being paid by the Food Corporation of India on the movement of rice from Haryana to Delhi.

#### Post Office Cumulative Time Deposit Scheme

7906. SHRIMATI JAYANTI PAT-  
NAIK : Will the Minister of FINANCE be pleased to state :

(a) whether Government have scrapped the 10-year Post Office cumulative time deposit scheme ;

(b) if so, the reasons of abolishing that scheme ;

(c) whether some identical post office savings schemes are proposed to be introduced ; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). Due to its declining popularity. opening of new 10-year Post Office Cumulative Time Deposit accounts has been discontinued from 1st April, 1986.

(c) No, Madam.

(d) Does not arise.

#### Liberalisation of NRI investment scheme

7907. SHRI K. MOHANDAS : Will the Minister of FINANCE be pleased to state :

(a) whether Government have any proposal to further liberalise the Non-Resident Indian Investment Scheme ; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) & (b). Government have extended several facilities for attracting remittances from and investment by Non-Residents of Indian Nationality/Origin. All the Scheme introduced since 1982 continue to be in force. These include facilities for setting up new industries, investment in equity/debentures, government securities, bank deposits, etc. Furthermore, in the recent past, a number of procedural simplifications were initiated in order to avoid delays earlier stated to be encountered by NRIs while making investment in this country.

While the overall parameters of the NRI Investment Scheme remain the same, Government have permitted. NRI participation on repatriation basis in Diagnostic Centres, Shipping Industry and in Sick Units.

### Raising additional Resources by Public Sector

7908. SHRI B.V. DESAI : Will the Minister of FINANCE be pleased to state :

(a) whether reduction in food and fertiliser subsidy would push up prices of cereals and lead to inflationary pressure ;

(b) if so, to what extent ; and

(c) whether any remedial measures have been or are being taken ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) There is no reduction in the absolute amount of subsidy on these items in the Central Budget for 1986 87 as may be seen from the following :—

Subsidy on	(Rs. crores)		
	1985-86 (BE)	1985 86 (RE)	1986-87 (BE)
1. Food	1100	1650	1750
2. Fertilisers			
(a) Indigeneous	1200	1600	1700
(b) Imported	601	450	250

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

### Research Projects taken up by International Development Research Centre

7909. DR. B.L. SHAILESH : Will the Minister of FINANCE be pleased to state :

(a) whether the International Development Research Centre of Canada has decided to take up four new projects worth Rs. 8 crores for research in India ;

(b) if so, the details of these projects; and

(c) where these will be executed ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). The International Development Research Centre, Canada have recently proposed financial assistance to the extent of approximately Rs. 1.26 crores for four new projects for research in India. Of these, three project proposals have already been approved by the Govt. of India. Details of the projects are given in the Statement below.

## Statement

S. N.	Name of the implementing agency/ location	Approximate Rupee Value of IDRC assistance	Subject/purpose of the project	Remarks
1	2	3	4	5
1.	National Institute of Immunology, New Delhi.	Rs. 56 lakhs	Development of an anticonceptive vaccine that is safe, effective, long-acting, reversible and practi- cable.	Approved by Govt. of India
2.	Bharatiya Agro-Industries Foundation, Pune	Rs. 19 lakhs	Research programme aimed at introducing trees which are tole- rant to drought and unfavourable soil conditions in the rural areas of Maharashtra, Gujarat and Karnataka. These trees will meet the needs of the rural poor for fuelwood, fodder, shelter and at the same time improve the soil through nitrogen fixation and nutrient recycling.	—do—
3.	Tata Research Development and Design Centre, Pune.	Rs. 8 lakhs	Research project utilising rice husk ash for the development of low cost water filtration devices which can be fabricated by rural populations to produce drinking water of acceptable quality.	—do—



1	2	3	4	5
4.	Indian Institute of Technology Bombay & two collaborating Canadian institutions.	Rs. 43 lakhs  ----- Rs. 126 lakhs	Development of an improved reactor whose function is to produce biogas from industrial waste.	To be approved

**Delay in Granting Letter of Intent/Industrial Licence for New Cooperative Sugar Mills in Karnataka**

7910. SHRIMATI BASAVARAJESWARI : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) the total number of applications for grant of letter of intent/industrial licence which are pending before Government for setting up of new co-operative sugar factories in Karnataka ;

(b) since when they are pending ; and

(c) the reasons for delay in giving the licences ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A.K. PANJA) : (a) No application for grant of letter of intent/industrial licence is pending before the Government for setting up of new cooperative sugar factories in the State of Karnataka, at present.

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

**Delay in granting Industrial Licences for setting up of Cooperative Spinning Mills**

7911. SHRIMATI BASAVARAJESWARI : Will the Minister of TEXTILES be pleased to state :

(a) the total number of pending applications for grant of industrial licences for setting up of cooperative spinning mills in the country ;

(b) since how long they are pending ; and

(c) the reasons for delay in giving such permission ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) As per the information available, 5 applications for the grant of letter of intent for the setting

up of new spinning units in the cooperative sector are under various stages of consideration.

(b) These applications were received around 1 to 2 months back.

(c) Does not arise.

**Glut of Cotton in the Market**

7912. SHRI V. TULSIRAM : Will the Minister of TEXTILES be pleased to state :

(a) whether due to bumper crops of cotton in the country during the last two years, there has been a glut in the market in various States, particularly in Andhra Pradesh and Gujarat ;

(b) if so, whether keeping in view the bumper production, Government are hesitating to purchase the cotton at the fixed price and the farmers are facing great difficulty in selling their produce ; and

(c) if so, the quantity and quality of cotton so accumulated in Andhra Pradesh and Gujarat and steps being taken by Government to purchase it to save the poor farmers ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) to (c). The production of cotton in the country during the current cotton season i.e. 1985-86 is estimated at about 107.00 lakh bales as against the production of 101.5 lakh bales during the last cotton season. The total consumption is estimated to be 91.65 lakh bales in the current cotton season as against 91.15 lakh bales in the last cotton season. Therefore there has been/likely to be a surplus over the demand.

The cotton crop in Andhra Pradesh and Gujarat estimated at 13.25 lakh bales and 21 lakh bales respectively. Out of these, about 12 lakh bales in Andhra Pradesh and 16 lakh bales in Gujarat have already been marketed. The Cotton Corporation of India has purchased over 3.00 lakh bales each in Andhra Pradesh and Gujarat.

With a view to helping the cotton growers to off load their produce of cotton, the Cotton Corporation of India (CCI) has been directed to boost up its purchase operations in various cotton growing States including Andhra Pradesh and Gujarat. The CCI has also been directed to purchase kapas at the minimum support prices wherever the market prices of kapas tend to fall below the support prices announced by the Govt. of India. The CCI has been purchasing kapas of fair average quality at the minimum support prices and also kapas of the variety slightly below fair average quality subject to appropriate deductions from support prices on account of quality difference on the basis of fixed parameters.

Further with a view to help the cotton growers, Govt. of India, have released for export 10.00 lakh bales of long and extra long staple cotton, 52000 bales of Bengal Deshi and 25000 bales of Yellow Pickings during the current cotton season. The condition of minimum export price for export of cotton has also been withdrawn by the Government.

#### Financing of Spinning Mills by IDBI

7913. SHRI SUBHASH YADAV : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the National Cooperative Development Corporation has sanctioned a number of spinning mills in Karnataka, Assam and in some other States ;

(b) the number of such spinning mills sanctioned by the National Cooperative Development Corporation during the last three years ;

(c) whether it is also a fact that the Industrial Development Bank of India has failed to finance these projects in spite of repeated requests from the concerned authorities ;

(d) if so, the reasons for delay ; and

(e) when all such sanctioned spinning mills are likely to get finance from the Industrial Development Bank of India ?

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

(b) The National Cooperative Development Corporation has assisted 16 new mills, 7 in Weavers' Sector and 9 in Growers' Sector. In addition one expansion was assisted in the Growers' Sector.

(c) & (d). The Industrial Development Bank of India has reported that the Financial Institutions have so far sanctioned assistance to 37 Cooperative Spinning Mills in various States since 1982-83. Proposals from 9 Cooperative Spinning Mills are reported to have been treated as closed. In the context of the overall requirement of Spindleage against actual capacity available or under implementation, the Institutions decided in August, 1984 in consultation with the Planning Commission not to finance new Spinning Mills except a few proposals in the pipeline.

(e) A Committee in the Ministry of Textiles has been set up to review the progress and scope for setting up of new Spinning Mills based on the report of which, the Institutions would take a view.

12.00 hrs.

SHRI SAIFUDDIN CHOWDHARY (Katwa) : I want to make a submission. Today's "Indian Express"....

MR. SPEAKER : This is not correct. You have to give me something. You give me something.

SHRI SAIFUDDIN CHOWDHARY : No Sir. The Law Minister has attacked the Supreme Court in the Shah Bano...

MR. SPEAKER : You give me in writing. How can I do like this ?

SHRI SAIFUDDIN CHOWDHARY : How can a Law Minister do that ?

MR. SPEAKER : You give me in writing. How can I do like this ?

SHRI S JAIPAL REDDY (Mahbub-nagar) : In anticipation of notice !

MR. SPEAKER : Mr Saifuddin, you know perfectly well that there are certain rules. You have to give in writing.

SHRI SAIFUDDIN CHOWDHARY : Let him clarify.

MR. SPEAKER : I have to find out from him whether he said it or not.

SHRI SAIFUDDIN CHOWDHARY : All right ; I shall give it.

SHRI SOMNATH CHATTERJEE (Bolpur) : On a controversial issue like this, the Law Minister should not have gone outside the House and made a critical reference....

MR. SPEAKER : I do not know whether he said it or not. Now Papers Laid. (*Interruptions*).

SHRI BASUDEB ACHARIA (Bankura) : It has appeared in the newspaper...

MR. SPEAKER : It might be. Does not matter.

[*Translation*]

It is not a gospel truth.

[*English*]

(*Interruptions*) We shall find out. We shall find out what it is all about. If there is any cogency according to rules, then I will find out. (*Interruption*) What is it, Dr. Venkatesh ?

DR. V. VENKATESH (Kolar) : Teachers and parents' representatives from Karnataka have come here to demand Presidential assent to the Karnataka Education Bill pending for two years.....

MR. SPEAKER : No, no. Nothing doing. Dr. Venkatesh, it is not done like this, sit down.

Now Shri P. Shiv Shanker. Papers to be Laid.

12.02 hrs.

## PAPERS LAID ON THE TABLE

[*English*]

Review on the working of and Annual Report of Indian Tea and Restaurants Ltd. Bombay for 1984-85 and statement for delay in laying these Papers

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : I beg to lay on the Table :

- (1) A copy each of the following papers (Hindi and English versions) under sub-section (1) of section 619A of the Companies Act, 1955 :
  - (i) Review by the Government on the working of the India Tea and Restaurants Limited, Bombay for the year 1984-85.
  - (ii) Annual Report of the India Tea and Restaurants Limited, Bombay, for the year 1984-85 along with Audited Accounts and the comments of the comptroller and Auditor General thereon.
- (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-2555/86].

Rice Milling Industry (Regulation and Licensing) (Amendment) Rules, 1986

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A.K. PANJA) : I beg to lay on the Table a copy of the Rice-

**Milling Industry (Regulation and Licensing) (Amendment) Rules, 1986** (Hindi and English versions) published in Notification No. G.S.R. 611(E) in Gazette of India dated the 8th April, 1986 under sub-section 22 of the Rice-Milling Industry (Regulation) Act, 1958. [Placed in Library. See No. LT-2256/86].

**Notification Under Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and 1980, Finance Act, 1979, Central Excise Rules, 1944 and Customs Act, 1962 etc. etc.**

THE MINISTER OF STATE IN THE  
MINISTRY OF FINANCE (SHRI  
JANARDHANA POOJARY) : I beg to  
lay on the Table :

- (1) A copy of the Nationalised Banks (Management and Miscellaneous Provisions) (Fourth Amendment) Scheme 1985 (Hindi and English versions) published in Notification No. S.O. 922 (E) in Gazette of India dated the 30th December, 1985 under sub-section (6) of section 9 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970. [Placed in Library. See No. LT-2557/86].
- (2) A copy of the Nationalised Banks Management and Miscellaneous Provisions (Third Amendment) Scheme 1985 (Hindi and English versions) published in Notification No. S.O. 923 (E) in Gazette of India dated the 30th December, 1985 under sub-section (5) of section 9 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980. [Placed in Library. See No. LT 2558/86].
- (3) A copy of Notification No. G.S.R. 627 (E) (Hindi and English versions) published in Gazette of India dated 15th April, 1986 together with an explanatory memorandum regarding exemption to delegates coming to attend the Ministerial Level Conference of South Asian Association for

Regional Cooperation countries on Women in Development to be held in Shillong from 6th to 8th May, 1986 from the payment of foreign travel tax in respect of their international journey to any place outside India at the close of the said Conference under section 41 of the Finance Act, 1979. [Placed in Library. See No. LT-2559/86].

- (4) A copy of Notification No. G.S.R. 645 (E) (Hindi and English versions) published in Gazette of India dated the 17th April, 1986 together with an explanatory memorandum seeking to fix an effective rate of excise duty at the rate of Rupees 10 per Kg. for pan masala of value not exceeding Rupees 75 per Kg. issued under the Central Excise Rules, 1944. [Placed in Library. See No. LT-2560/86].
- (5) A copy each of the following Notifications (Hindi and English versions) under section 159 of the Customs Act, 1962 :—
  - (i) G.S.R. 614 (E) published in Gazette of India dated the 11th April, 1986 together with an explanatory memorandum making certain amendment to Notification No. 247/84-Customs dated the 27 September 1984 so as to specific 'Empowered Committee on Fishing Trawlers in the Department of Surface Transport (Ministry of Transport)' as the certifying authority in place of 'Messrs India Register of Shipping, Bombay'.
  - (ii) G.S.R. 615 (E) and 616 (E) published in Gazette of India dated the 11th April, 1986 together with an explanatory memorandum regarding exemption to black continuously plated solar selective coating sheets in cut lengths or in coils impor-

[Shri Janardhana Pujary]

ted for the manufacture of solar enery equipments from the whole of the basic additional and auxiliary, duties of customs leviabie thereon.

- (iii) G.S.R. 623 (E) published in Gazette of India dated the 14th April 1986 together with an explanatory memorandum making certain amendment to Notification No. 77-Customs dated the 17th April, 1980 so as to permit the Units in the Kandla Free Trade Zone to dispose of old capital goods which have been used for at least 3 years for sale outside the Zone to the Domestic Tariff Area.
- (iv) G.S.R. 631 (E) published in Gazette of India dated the 15th April, 1986 together with an explanatory memorandum making certain amendment to Notification Nos. 197-Customs dated the 2nd August, 1976, 153-Customs and 155-Customs dated the 1st March, 1986.
- (v) G.S.R. 632 (E) published in Gazette of India dated the 15th April, 1986 together witht an explanatory memorandum making certain amendment to Notification Nos. 187-Customs, 188-Customs and 190-Customs dated the 1st March, 1986.
- (vi) G.S.R. 633 (E) published in Gazette of India dated the 16th April, 1986 together with an explanatory memorandum making certain amendment to Notification No. 117 Customs dated the 9th June, 1976 so as to clarify that goods allowed for import under O.G.L and so imported under O.G.L. but warehoused in terms of the provisions of the Customs Act, 1962 would be

allowed duty-free clearance out of the warehouse, if a valid advance licence is produced by the exporter. [Placed in Library. See No. LT-2561 86]

- (6) A copy of the Annual Report (Hindi and English versions) of the Deposit Insurance and Credit Guarantee Corporation, Bombay, for the year ended the 31st December, 1985 along with Audited Accounts under subsection (20) of section 32 of the Deposit Insurance and Credit Guarantee Corporation Act, 1961. [Placed in Library. See No. LT-2562/86]
- (7) A statement (Hindi and English versions) correcting the reply given on 4th April, 1986 to Starred Question No. 573 by Sarvashri P.M. Sayeed and Santosh Mohan Dev about protests against tax raids on business houses.

#### Statement

In the statement referred to in reply to Starred Question No. 573 answered on 4th April, 1986 the following information was furnished :—

At Sl. No. 3 of Part (b) of the question, the amount of alleged tax evasion/seizure in respect of M/s Nagarjuna Fertilizers & Chemicals Ltd. was inadvertently shown as Rs. 5 crores. On verification it was observed that the total value of seizure/tax evaded was Rs. 2.59 crores. The following entry may therefore be substituted in the statement annexed to the reply.

Sl. No.	Name of Party	Tax evaded/ seizures made
Part (b)		
Sl. No. 3	M/s Nagarjuna Fertilizers & Chemicals Ltd.	Rs. 2.59 Crores

The error is regretted.

12.04 hrs.

12.4 ½ hrs.

## ESTIMATES COMMITTEE

[English]

## Statement

SHRI CHINTAMANI PANIGRAHI (Bhubaneswar): I beg to lay on the Table a statement (Hindi and English versions) showing action taken by Government on the recommendations contained in Chapter I and final replies in respect of Chapter V of Tenth Report (Eighth Lok Sabha) on the Ministry of Education and Culture—Elementary Education.

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## LEAVE OF ABSENCE FROM THE SITTINGS OF THE HOUSE

[English]

MR. SPEAKER : The Committee on Absence of Members from the Sittings of the House in their Fourth Report presented to the House on 24th April, 1986, have recommended that leave of absence be granted to the following Members for the period mentioned against each :—

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1. Shri Charan Singh	19th April to 7th May, 1986.
2. Shri B.V. Desai	19th April to 7th May, 1986.
3. Shrimati N.P. Jhansi Lakshmi	3rd to 28th and 31st March, 1986.
4. Shrimati Indumati Bhattacharyya	5th to 25th March, and 31st March, to 23rd April, 1986.
5. Shri Srikanta Datta Narasimharaja Wadiyar	12th to 25th March and 31st March to 11th April, 1986.
6. Shri Lala Ram Ken	21st to 25th March and 31st March, to 10th April, 1986
7. Shri A. Senapathi Gounder	31st March, to 23rd April, 1986.
8. Shri Mahendra Singh	15th to 29th April, 1986
9. Shri Sambhajirao Kakade	8th April to 7th May, 1986.
10. Shri S.B. Chavan	16th April to 7th May, 1986.
11. Shri Saifuddin Ahmed	3rd to 21st April, 1986.

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Is it the pleasure of the House that leave as recommended by the Committee be granted ?

SEVERAL HON. MEMBERS : Yes.

MR. SPEAKER : The leave is granted. The Members will be informed accordingly.

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12.05 hrs.

**COMMITTEE ON THE WELFARE OF  
SCHEDULED CASTES AND SCHE-  
DULED TRIBES**

[English]

*Eleventh Report*

SHRI K.D. SULTANPURI (Simla) : I beg to present the Eleventh Report (Hindi and English versions) of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes on the Ministry of Welfare—Atrocities on Scheduled Castes and Scheduled Tribes.

**BUSINESS OF THE HOUSE**

[English]

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT) : With your permission, Sir, I rise to announce that Government Business in this House during the week commencing 28th April, 1986, will consist of :

- (1) Consideration of any item of Government Business carried over from today's Order Paper.
- (2) Consideration and passing of :
  - (a) The Tea (Amendment) Bill, 1986.
  - (b) The Swadeshi Cotton Mills Company Limited (Acquisition and Transfer of Undertakings) Bill, 1986.
  - (c) The Muslim Women (Protection of Rights on Divorce) Bill, 1986.
  - (d) The Coal Mines Labour Welfare Fund (Repeal) Bill, 1986.
  - (e) The Delhi Apartments Ownership Bill, 1986.

- (3) Discussion on the Resolution seeking approval of the draft Ministers' (Allowances, Medical Treatment and Other Privileges) Amendment Rules, 1986.

SHRI SOMNATH RATH (Aska) : Our esteemed Prime Minister has suggested a five-point action to strengthen the functioning of the Public Service Commissions. There is need for sufficient delegation of financial and administrative powers on the lines of the Union Public Service Commission taking greater recourse to modern aids, including computerization and ensuring that Commissions were staffed at all levels by persons of proven integrity and institutionalization in all sections, by associating sufficient number of experts. I suggest that the State Governments should be asked to take care to notify the right number of vacancies in advance, and scrupulously resist the temptation of asking for supplementary lists later. It would be better if the Commissions could evolve their own internal review of methods and techniques, and also inter-act regularly with experts and consultants in related fields ; and selection of candidates should not be delayed. The composition of the Commission should be such as to command the confidence of all sections and communities.

SHRI S.G. GHOLAP (Thane) : The following matter may be included in the Government Business for the next work.

Government of India has accepted a scheme to supply wheat free of cost to State Government to distribute to the labours under the RLEGP and NREP labours only.

The Government of Maharashtra has its own ambitious programme of Employment Guarantee Scheme to provide work to every adult who is in need of work and demands work. The scheme is in operation since 1972 and has tremendously spread all over the State generating on an average about 17 to 18 crore mandays (which is about 5 times the mandays generated under central scheme) for



which rupees two hundred crores were spent last year.

It is a fact that Central Government is not supplying wheat free of cost to distribute to EGS labours and therefore there is discontent among the labours.

The Government of Maharashtra has given a proposal and has requested to extend free supply of wheat to EGS labours along with RLEGP and NREP labours at a uniform rate of 1 kg. per day.

I request Central Government to take early decision to supply free wheat even for EGS labours so that Government of Maharashtra will be able to utilise the entire quantity of 1.60 lakh metric tonnes of wheat offered free of cost for 1986-87.

SHRI CHINTAMANI JENA (Balsore) : I would like to submit the following two very important subjects in the House for their inclusion in the business for the week commencing from 28.4.86.

Even though the Centre has taken firm decision for supply of drinking water to all the villages of the country by 1990 but due to mismanagement, lack of proper attention and timely repairs etc. thousands and thousands of villages in various States of the country debarred in getting drinking water, causing much hardships and difficulties to the millions of rural people, specially in this hot summer.

Due to severe type of cyclone, hailstorm and whirlwind of 3rd week of April, 1986, they have destroyed many high yielding paddy crops and various types of vegetable crops of eleven police stations of Orissa State. Many hundreds of public institutions including various types of schools, colleges either blown away or severely damaged and some are collapsed including thousands of dwelling houses, which made several people homeless. The telegraph and telephone cables and electric wires were destroyed and many poles of telephone and electric lines are uprooted and communication is totally disrupted. About 10 lakhs of people are affected by this.

SHRI ANOOPCHAND SHAH (Bombay North) : The following matter may be included in the Government Business for the next week.

Looking towards the present position of our country prevailing in almost all the States, it is felt whether we belong to one country or not. Everything is considered from State angle and not from national point of view. Sometimes Central Government becomes helpless to protect the national interests as far as the utilisation of resources available with a particular State are concerned.

So there is an urgent need to discuss the relations between State & Central Government. I request the Honourable Minister for Parliamentary Affairs to include following subject in the next week business. "Urgent need for cordial relations between State & Central Government for national development."

[Translation]

SHRI BALWANT SINGH RAMOO-WALIA (Sangrur) : Sir the following item may be included in the next week's agenda :

Recently, several Harijans who had undergone conversion, had ascribed it to the fact that even now their rights were not being protected and as such they were undergoing conversion. I would request that the Government may make a statement in this regard and there should be a discussion on this issue in the House.

[English]

DR. G.S. RAJHANS (Jhanjharpur) : The following matter may be included in the Government business for the next week :

Bihar is facing acute and unprecedented power crisis at present. The State Government has resorted to power shedding on a large scale in the entire State. In North Bihar, particularly in Mithila region, electricity is available for not more than four to six hours a week. As a result, irrigation of standing crops is at a standstill. It has also affected the drinking

[Dr. G S. Rajhans]

water scheme adversely in both urban and rural areas.

Due to heavy load-shedding work in almost all big and small industries has come to a grinding halt. It has resulted in the retrenchment of a large number of workers. The problem of unemployment is already acute in Bihar. Heavy load-shedding has added fuel to fire.

There has been a steep decline in thermal power generation in Bihar. Besides, there have been a number of cases of sabotage also. The Electricity Board has failed to check such incidents. It was hoped that Kanti power project would give relief to the people of Muzaffarpur, Darbhanga, Madhubani and Saharsa. But that hope has also been belied.

The present power crisis in Bihar is the worst in living memory. I would request the Central Government to take effective steps to solve the problem on a war footing. In order to tide over the present power crisis in Bihar, the Central Government should help in obtaining power from other States.

[Translation]

SHRI AZIZ QURESHI (Satna) : Mr. Speaker, Sir, the following items may be included in the next week's agenda :

1. Satna district of Madhya Pradesh is an important place from the point of view of religion, history and culture and is visited by thousands of tourists. Unfortunately, it is a very backward area from the point of view of communication and transport. Although Government have spent lakhs of rupees there yet neither S.T.D. facility has been provided nor a television centre has been set up in Satna district. Similarly, in spite of a big airport of the Central Government being there, Vayudoot service has not been introduced. Many important trains do not halt at Maihar which is a place of international fame and is a centre of religion and culture. Besides, no direct train is available from Satna to the capital Bhopal. Due to all these factors there is much resentment among the people of Satna.

I, therefore, demand that instructions may be issued for the establishment of a television centre at Satna, to link Satna with the entire country with STD line and to introduce Vayudoot Service at the earliest. Similarly, direct train service may be introduced between Bhopal and Satna and orders may be issued to halt all the important trains at Maihar.

2. Previously, Satna district of Madhya Pradesh was affected by drought due to failure of rains. As a result thereof, the crops were destroyed and a condition of famine prevailed there and the poor labourers and the farmers had to face starvation and unemployment, so much so that even fodder was not available for the cattle. Unfortunately, that region was lashed by hailstorms during the winter and the crops were destroyed due to frost. The poor there, the labourers and the farmers have become victims of starvation and unemployment. The Central Government should direct the Madhya Pradesh Government to start relief works there on war footing so that the problem of starvation and unemployment is tackled effectively. The farmers should be provided due compensation after getting their crops surveyed. Special assistance should be provided to those whose cattle have perished. The Madhya Pradesh Government should be provided special financial help for carrying out all these works.

[English]

SHRI C. JANGA REDDY (Hanamkonda) : The following matter may be included in the Government business for next week :

Azam Jahi Textile Mill is only one major industry in the District of Warangal. For the last 5 years it is under National Textile Corporation. From the day NTC took it over, it has been incurring huge losses. It is due to the outdated machinery, outdated technology and mismanagement by the officials of the Mill. This industry is providing employment to 7000 workers directly and 5000 indirectly. For one year the workers of this industry are afraid of its closure any time. Recently a Committee of experts

was appointed which might recommend closure of this mill. Already there is a large number of unemployed and there is no hope of any other industry coming up in the District of Warangal.

Hence I request the Government of India to provide sufficient funds to the Azam Jahi Mill, Warrangal for modernisation of the machinery and technology.

Number two is this :

The land belonging to Northern Railway near Varanasi Railway Station Plot No. 366/2, 364/2, 36511, 363 etc. is situated at Mukhdumpur Pargana Dehat Amanat Teh. Varanasi, Distt. Varanasi Nearly 100 acres are being sold by some private persons to the public. Due to this, the Railway Department has been able losing crores of rupees and people who are purchasing that land were cheated by them. In this way, this illegal transaction is going on since 1975. Some local persons made so many complaints to the Railway Department through local MPs. and prominent M.Ps. of the Opposition parties. Yet, no enquiry has been initiated in the matter. The District Magistrate, Varanasi also made enquiry and submitted a report through his letter No. 5696/19-79/72-75 dated 27.9.1973 to the Divisional manager Northern Railway, Gorakhpur to take action against the culprits.

SHRI H.K.L. BHAGAT : Sir, I have carefully listened to the points that have been made by hon. Members. I shall certainly bring them to the notice of the Business Advisory Committee which decides on the discussion of subjects. I would also like to point out in this connection that hon. Members have every right to move the motion but the matters are such that they could have mentioned them during the discussion on the demands for grants of the various Ministries and Departments. Also, there

are number of points which can be taken up by them directly with the Ministers concerned. In case they need any assistance from me, I will only be too glad to offer them whatever help I can.

12.16 hrs.

## RAILWAYS BILL, 1986\*\*

[English]

THE MINISTER OF TRANSPORT (SHRI BANSI LAL) : I beg to move for leave to introduce a Bill to consolidate and amend the law relating to Railways.

MR. SPEAKER : The question is :

“That leave be granted to introduce a Bill to consolidate and amend the law relating to Railways.”

*The motion was adopted.*

SHRI BANSI LAL : Sir, I introduce\* the Bill.

(Interruptions)

[Translation]

MR. SPEAKER : Have you got the Bill.....

SHRI INDRAJIT GUPTA (Basirhat) : We received it yesterday evening.

SHRI NARAYAN CHAUBEY (Midnapur) : We received it yesterday night.

MR. SPEAKER : There seems to be some mistake somewhere. Some of the hon. Members got it in the evening, some got it in the night.

(Interruptions)

\* Introduced with the recommendation of the President.

\*\* Published in Gazette of India Extraordinary, Part-II, Section 2 dated 25.4.1986.

12.17 hrs.

## FINANCE BILL, 1986 —Contd.

[English]

MR. SPEAKER : Now, further consideration of the following motion moved by Shri Vishwanath Pratap Singh on the 24th April, 1985, namely :—

“That the Bill to give effect to the financial proposals of the Central Government for the financial year 1986-87, be taken into consideration.”

Now, Shri Indrajit Gupta.

SHRI INDRAJIT GUPTA (Basirhat) : A few comments have to be made regarding this Finance Bill in so far as it signifies the conclusion of the Budget exercise this year. I say, the strictly budget exercise, because we have seen pre-budget exercise also; and I am not sure whether we are going to have some post-Budget exercise also, because, for one thing, the Central Pay Commission's Report is awaited. I think any day it may be published. And certainly, it will involve very large amounts of money which are to be paid by way of enhanced pay scales, allowances and so on, to the Central Government employees. That money has not been provided for in the Budget. It has to come from somewhere. And, in anticipation of that, the Minister may kindly tell us how he proposes to provide for this.

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) : You give some suggestion.

SHRI INDRAJIT GUPTA : Whatever you accept on the report of the Pay Commission you will have to find the money for it.

SHRI VISHWANATH PRATAP SINGH : That is true.

SHRI INDRAJIT GUPTA : Now, Sir, this time the Budget shows,—for which the Minister has taken credit also—that this year's revenue mobilisation shows minimum of new taxes. Rs. 406 crores is sought to be mobilised through additional

customs duties and Rs. 21 crores only by direct taxes. In addition to this of course the Railway Budget provides for Rs. 600 crores through enhanced railway fares and in the pre-budget hike of administered prices perhaps Rs. 1500 to Rs. 1600 crores may accrue to the Government. If we take the total receipts from all these sources, it comes to Rs. 49,212 crores. Out of this, only 46 per cent, that is, Rs. 22,696 crores is accruing from taxes, 14 per cent, that is, Rs. 6,846 crores is non-tax revenue, and 40 per cent, that is, Rs. 19,670 crores will have to be raised by loans, both domestic loans and foreign loans. So, what I want to say is that this policy, this trend of more and more indirect taxes and less and less direct taxes is a policy which will inevitably lead to excessive dependence on loans and on higher deficit financing, and it is bound to. And here the Minister this time has made much of a hue and cry of the fact that compared to last year much more has been allotted for the poverty alleviation programmes and so on, but I would just like to point out for the sake of comparison. If we take about a hundred million people—a rough figure—who will contribute to these domestic loans which the Government seeks to raise in the market, not more than hundred million people can contribute to that, then the interest they will get, payment of interest on these domestic loans will come to about Rs. 8,750 crores, whereas if we take the rural poor as 250 million, the poverty alleviation programmes for them have been allotted Rs. 1629 crores; it may be more than last year certainly, but if you compare with the benefit which a hundred million people are going to get by way of interest because they are contributing to the loans which the Government raised and compare it with only Rs. 1629 crores for poverty alleviation programmes which are meant to benefit 250 million people roughly, we can see which way the scales are being weighed.

Another point I would like to mention is that it is being said repeatedly not only by the Finance Minister, that the fate of the Seventh Plan will depend to a very large extent on the resources which you are going to mobilise from the public sector enterprises. Well, this is of course quite correct and it is being estimated

that about Rs. 35,000 crores at least will have to be contributed by the public sector if the Plan is to survive in its present form.

Now, Sir, I have pointed out earlier also that I do not think the Government so far has shown adequate interest in probing into the causes for the 'on the whole not very satisfactory' performance of the public sector enterprises and is not trying to see what remedial measures can be taken with the active participation and help of the workers also who are working there. So many exercises are going on in the Labour Ministry, Industry Ministry and Finance Ministry, we are participating in some of those meetings, but it is all on the surface, a sort of superficial discussions are taking place, but nobody wants to get down to brass tacks. Why is it? I am wondering why it should be so because, after all, the Government should be much more interested in the fate of the public sector specially when the Minister says that the whole fate of the Seventh Plan depends on it. So, I am just wondering, that is the point I wish to raise now, there are press reports which have not been contradicted so far that there are proposals under consideration to convert some of these public sector units into joint sector units, that is to say, to allow private equity participation in these public sector units. The transfer of shareholding and therefore, transfer of control is reportedly being considered in ten top profit-making public sector enterprises. Of course, they have to be profit-making because nobody is going to buy the shares of losing concerns. If private parties are going to buy shares, they will buy shares, only of those public sector enterprises which are making profit. The ten names which have been reported in the press are : NTPC, BHEL, ONGC, MMTC, Hindustan Aeronautics, National Fertilizer Corporations, Indian Petrochemicals Corporation, Madras Refineries Limited, Fertilizers and Chemicals and the Indian Oil Corporation. These 10 have been specifically named in the Press report and I would like to know from the Minister when he replies whether there is any truth in this or not.

12.25 hrs.

MR. DEPUTY-SPEAKER *in the Chair.*

Such proposals which may not have been, of course, finalised yet, whether they are under consideration or not. Because the whole thing is the crunch of resources and that may lead the Government to a, I should say, a path of least resistance, i.e. allow the private sector to come in and contribute and invest its money in the shares. And then, the question will arise, what about the control. Theoretically speaking, we are taught as students of economics, that about 50% of ownership of shares ensures both ownership and control. According to the MRTP Act, I find 33% of shares in a company is supposed to be enough to give control to any particular business house which holds 33% of shares in a company. According to RBI, the Reserve Bank of India, the definition of controlling interests is 25%. So; I would like to know to what extent, such proposals for throwing open these profit making public sector enterprises to private shareholders is going to be taken, if it is going to be taken at all and I do not know perhaps—I was wondering—is it because of the joint sector policy which is under active consideration, that this is the reason why the Government does not show enough interest in revamping the whole working of the public sector enterprise, because they are banking more on anticipated contribution, and not only in shareholding but in management also from the private sector. This is a very serious thing and it will mean a complete departure from the basic policy and I am sure, it will cause considerable apprehension and concern in the country including among the members of the ruling Party also because this is not the policy we have followed all these years. Any-way, please clarify what you are proposing to do.

Then, Sir, there is a huge amount of money lying with the banks, nationalised banks. We are not told how this money all these resources, bank resources are going to be geared for planned utilisation, for development purposes. There is, as yet, no clearly defined national credit policy. Banks are doing whatever they like. Many

[Shri Indrajit Gupta]

of the banks are under a sort of overall supervision of the RBI, of course. But because their credit policy is not strictly laid down and defined we are seeing that the number of frauds are increasing—bad loans, bad debts and writing off crores of rupees. We know big scandals and frauds have taken place. So, I should say that there should be a proper national credit policy, not only the loan melas which are proliferating but there should be a proper national credit policy. The aim should be to utilise in a planned way, these huge bank resources for planned development and particularly for rural development purposes. It is no use just saying that we have shortage of resources. But whatever resources are there, they must be utilised in a proper planned way.

Then, Sir I come to the question of raids. Of course, many friends, I see, have raised this matter already. Now, what I understood from the earlier announcement was that henceforth these raids—for which I have complimented the Minister earlier, on an earlier occasion also and I told him that he should not be cowed down and not be bullied by people who are shouting against these raids. The earlier announcement indicated that henceforth, these raids will be confined only to office premises, business premises....

SHRI VISHWANATH PRATAP SINGH : I want to clarify. So far as the power of raid and search is concerned that remains and it has not been curtailed. What was being extended was power of survey. So, the power of raid or search in a house or residential house is not curtailed at all. It is *in situ* and it will be used.

What was being extended was further powers of survey, normal survey, any search or raid, which was empowering the Inspectors to go into residential houses. So, while the present powers of search and raid are there and will be used against any evidence that we come against tax evasion, for survey purposes, we have now extra powers for normal survey of the business premises. We inspect and go and make survey. So, there is a distinction between survey and search and raid.

Search and raid powers are intact and will be used. Survey power which was sought to be brought into that residential portion that survey power remains. Search and raid powers remain intact even in residential houses. In the survey, any Inspector could have gone at any time and say "I want a survey". If a search of proper order is passed by a competent authority and after that search is made that power remains and we will use it against tax evaders.

SHRI INDRAJIT GUPTA : Up to now, were the raids not taking place only on the basis of *prima facie* case made out by the survey ?

SHRI VISHWANATH PRATAP SINGH. No. By information that we had received.

SHRI INDRAJIT GUPTA : The information you had received was obviously quite reliable because while winding up..

SHRI VISHWANATH PRATAP SINGH : That we will continue.

SHRI INDRAJIT GUPTA : In the debate in Rajya Sabha on 18th March, you had said that the recent tax raids of certain business houses was on solid evidence based on cold facts. The words you used are 'cold facts' and you pointed out that business houses including Kirloskar, Voltas and Bata India Ltd etc, had been indulging in tax evasion contrary to the opinion given to them by their own tax advisers and consultants. So, you have said, "Let it not be said that this is a Government hand in glove with crooks." I do not say, they are hand in glove with crooks. But I am worried about their being bullied and pressurised into position which do not exactly conform to this. You have already given up tax on inter-corporate dividends. There was a big hullabaloo on that by all these people.

SHRI VISHWANATH PRATAP SINGH ; I should intervene so that the impression may not seep in larger terms. We have the interests of the Unit Trust of India also. That is a public sector body. That we have to take on care,

SHRI INDRAJIT GUPTA : So in a way, I am glad to hear that the powers of raid and search have not been curtailed in any way.

SHRI VISHWANATH PRATAP SINGH : They will be used.

SHRI INDRAJIT GUPTA : And they apply not only to firms and companies but they apply to individuals also. Headlines given by some newspapers...

SHRI VISHWANATH PRATAP SINGH : That was misleading.

SHRI INDRAJIT GUPTA : Tax evading politicians have also been threatened. They should be. Why not ? All tax evaders should be treated alike. What I am worried about what has happened is, for example, as an aftermath of the Bata case, what do you mean now ? if anybody apologises, is he let off ?

SHRI VISHWANATH PRATAP SINGH : No.

SHRI INDRAJIT GUPTA : What else ? You have said in your press conference that a repentant sinner, a man who repents for his sins, he should not be further proceeded against. And this letter which you yourself made available to the press written by the Chairman of Bata Mr. Sabarwal, he says "Meanwhile, we acknowledge our mistake in having raised incorrect drawback claims." It is a polite way of saying of having cheated you of taxes. Having raised incorrect drawback claims they say, "Further, we request you to forgive us for the lapses. For, we know not what we do."

After that you have said "How to absolve Rs. 98,57,199/-?", which they have paid up fully now after being caught. And then they have said "Please forgive."

I want to know whether this standard is going to be applied to everybody, all tax evaders, once they are caught, if they apologise and beg your forgiveness, then you are prepared to treat them as repentant sinners and let them off the book. Is that the position ?

SHRI VISHWANATH PRATAP SINGH : I will give the position.

SHRI BHAGWAT JHA AZAD : Both confessions should be there.

SHRI VISHWANATH PRATAP SINGH : All the six months they were saying that Government has been raiding on filmsy grounds and that they are doing this and they have not enough evidence.

This clearly proves big corporate sectors confessing, 'We have done that.' That punctures the whole balloon, and justifies the Government stand.

SHRI INDRAJIT GUPTA : Of course.

SHRI RAM PYARE PANIKA : The action is justified.

SHRI INDRAJIT GUPTA : The follow-up of these raids and searches is what we were bothered about. The searches and raids are very good. It has established many things and it has pricked the balloon, as you say. But about the follow-up action we have grave doubts about what is going to be done. Some people whom you do not forgive, against them some sort of formal cases may be lodged. But nothing will come out of that. Those cases will drag on for years. There are many loopholes in the law. What I mean is : are you thinking of bringing any comprehensive law which will tighten up all the loopholes ?..

SHRI VISHWANATH PRATAP SINGH : Yes.

SHRI INDRAJIT GUPTA : The lawyers who are engaged by these big firms are capable of dragging on these cases for years, getting umpteen injunctions and stay orders....

SHRI VISHWANATH PRATAP SINGH : In July we are bringing a Direct Taxes Code where all the direct taxes will be in one code and where we will be plugging all these loopholes. And even Mr. Kirloskar has admitted that they have not taken earlier permission.

SHRI INDRAJIT GUPTA : Really I do not mean that during these raids people should behave in any inhuman way. That is what was being said and was being done. That is all right. You are giving the guidelines. People should be allowed to take food in proper time. He should send for a doctor if he wants to and all that. ...*(Interruptions)* After searching their school bags children should be allowed to go to school. That is there. I have read them very carefully. That is all right. There should be no objection to all that. But the follow-up action must be strict. And these people should not be let off so easily because we are not prepared to swallow this thing about the lack of resources while these people are allowed to get away, swindling the country huge amounts of money.

Then I come to one or two more points. One is about the trade balance. This is another source of big deficit. In 1985-86, it is now estimated, the trade deficit may at the end of the year go upto Rs. 8500 crores. It is complained that because of the high cost of our exportable goods, we are not able to get entry into these markets in competition and we are required to subsidise the exports. Export subsidies have to be given. The result is now the World Bank and the IMF, I think, are pressurising the Government for going in more and more for commercial loans although the Minister has said many times that we are not going to go on that path. But the pressure is quite obvious if one reads the economic journals and papers—the advice that is being given to us constantly by the authorities of the World Bank and the IMF to go in for commercial loans. In the last six years, such loans to India, that is, the commercial loans—I do not know, my facts have to be verified—amount to Rs. 9000 crores. These have to be serviced at high rates of interest and then repayments of the IMF loans are beginning from this year. So, all this taken together, may raise the debt service burden now to about 21% of our export earning. Whatever we earn by exports, 21% will go in repaying the interest on these loans which have been taken. If it is a fact, it is certainly a very serious situation we are facing. I mean this is a problem

facing many developing countries. After all we claim to be a little better placed and stronger than many other developing countries, but this is a bad enough position. It may not be as bad as it is in some Latin American countries. But it is bad enough.

So now pressure is on also for a realistic exchange rate for the rupee. We have repeatedly asked for assurances from the Government that we are not heading towards a formal devaluation of the rupee. In the last five years the rupee has already been devalued against the dollar to the extent of 39.06% against the Japanese Yen which has been devalued to the rate of 42.78 per cent. So, I would like to know how the Government proposes to deal with this problem.

He has raised the customs duty, I am glad, on some of the capital goods which are imported into this country. I do not think it is adequate—what has been done—because some harm has already been done in the course of the last year to some units like the Bharat Heavy Electricals, the Hindustan Machine Tools, the Heavy Engineering Corporation, and so on; they are making losses due to a huge amount of unused capacity, idle capacity, in these giant plants which have been set up with so much of our public funds for the production of machine tools and other capital goods.

Then there is Rs. 1,249 crores of bank credit which is locked up in those 75,000 units which are declared to be non-viable. This is almost equal to the realisation of what we expect from the hike in the petroleum products which was done before the budget proper. Almost that amount, near about that amount, is being wiped out by this fact that so much bank credit is locked up in those 75,000 units which are supposed to be non-viable units.

Then the budgetary support this time for steel, for electronics, for public enterprise, for petroleum and natural gas, for power, for tele-communication and for civil aviation has been reduced by about Rs. 1000 crores. These are all vital sectors, basic, nation building, economy-building, sectors.



After all, this debate is only a sort of review of the whole budgetary exercise. I do not want to take up more time; but I would like to say that the situation is extremely serious. We share the concern of the Government and there should be no attempt to minimise, because the whole country should be mobilised in different sectors, in appropriate ways, to tackle this problem.

Finally, he has announced some concessions. It is very difficult to follow all that, the mass of facts and figures. But I would like to end up by suggesting or requesting whether two small concessions can also be considered. I do not think they will cost the exchequer very much. One is this. Exemption of excise duty has been given already to unprocessed cotton belting. I am told that processed cotton belting is an item which is reserved for the small scale sector, but it is not given the benefit of this exemption. So, this exemption could be extended to processed cotton belting also which is an exclusively reserved item under the small scale sector.

I do not know what is the existing position about an item which is certainly not a luxury and which all of us are using here, that is, the spectacles. Here, both the lens as well as the frame are manufactured in the small scale sector. But there are duties, sales-tax and all that. Sales-tax, you may say, is a matter for the States to deal with. But, for example, in Delhi you can at least do something. I do not see why an item like ordinary spectacles or spectacles whose value can be upto a certain ceiling, level, should not be spared any kind of taxation--the lens as well as the frame. I think, all people nowadays, including the poorest people, have to use glasses, spectacles. You should consider giving them relief on a small item like this. It will not cost you very much.

This is all I had to say. Some problems I have raised and I hope he will deal with them in his concluding remarks so that the country can be given some indication in which way we propose to go in the course of the next year. I do not look beyond that at the moment because

there are so many things to tackle just now, including the Pay Commission's report which is coming. Where that money is going to come from, I do not know. There will, of course, be Supplementary Demands for Grants and all that. He should tell us about that because so many lakhs of his own employees are eagerly waiting now for the Pay Commission's recommendations.

SHRI BIPIN PAL DAS (Tezpur) : Sir, first of all I would like to congratulate the Hon. Finance Minister for presenting a very realistic and forward looking budget. He has been following consistent policies in framing the budget. He did not look so confident last year as he looks this year. I think, his last year's budget has given results and that gives him more confidence.

I would like to congratulate him also for announcing a series of concessions particularly to the small scale sector and the rural sector. The basic character of his budgets is that he has been pursuing consistent policies. I must also congratulate him particularly for his assurance that he will continue his raids and searches.

Before I go to the fiscal policies; I would like to refer to the price rise. There has been criticism in every quarter on this count and rightly so, particularly on the quantum of deficit financing. I do admit that the current price rise has hit almost everybody and naturally, therefore, there will be grumbling among the people. But I would like to ask only a few questions to our critics.

Firstly, in spite of price rise why is it that goods are selling? In spite of hike in petrol prices why is it that the number of vehicles are increasing everyday and every month? The market has neither collapsed nor has it become dull.

The second question that I would like to ask to our critics is that which country in the world today is not facing this problem. Price rise has become a world phenomenon.

My third question is, this is very important for the Finance Minister to

[Shri Bipin Pal Das]

know, this is basic, that is it not a basic fact of economics that the economic development or developing economy is always accompanied by price rise ?

In my opinion without some dose of inflation and deficit financing within manageable limits, economic development in a developing country is just almost impossible. It is not only unavoidable, it is indispensable. If the rate of inflation and deficit financing is allowed to come to zero, then I am afraid, the whole economy will come to stand still and becomes stagnant.

One more word about deficit financing. Before the first plan was launched, Prof. Nicholas Kaldor the renowned economist was invited by the Government to advise the Government and the Planning Commission on deficit financing. Our first plan was very very small, of the order of Rs. 2000 crores or so. Some people called it a First Aid Plan. Even then, at that stage of our economy Prof. Kaldor's opinion was that Indian economy had the capacity to absorb a deficit financing upto Rs. 800 crores over the five years. If that be so, the present quantum of deficit financing need not scare us at all when our public sector investment alone is proposed to be 180,000 crores of rupees in the 7th Plan.

Our economy has acquired sufficient strength and resilience and, therefore, there is no cause for worry. In my opinion, without taking risks and daring steps you cannot hope to make our economy more faster. The budget is not a housewife's balance sheet or a household's income and expenditure statement. It is something more and I shall not go beyond that.

In my opinion the fiscal policy has three main objectives. Firstly, incentive to growth, production and productivity. Secondly mobilisation of resources and, thirdly, narrowing down the disparities—both social and regional. We have to examine the Finance Bill from these three angles. I have long been of the opinion that mere growthmanship does not answer the requirement of our economic situation. I may refer to and I may ask the

Hon. Finance Minister to kindly have a look at it that in 1972 I wrote a paper on this subject and the then Planning Ministry was very kind to circulate that paper among the Members of Parliament, particularly among the members of the Consultative Committee. In that paper I explained the whole thing and so, I need not go into it today.

Growth must be combined with social justice. If we want to build a Minar or Tower of growth shooting high into the sky with a narrow and weak base that Tower may topple down any day. We must build a strong and broad foundation and base and thereupon go on building our growth structure just like a pyramid. The process may be little slower but it will be steady and stable. That is most important for a healthy and stable social and political order. I may draw the attention of the Government to what Indiraji said in the FICCI conference in Delhi in 1972. So far as production is concerned maximum attention and emphasis should be laid on mass consumption goods. That is very important in order to raise the people from below the poverty line to above the poverty line.

As regards mobilisation of resources the Minister has taken some steps. I may also suggest a few more steps. The public sector must be strengthened and made much more efficient as the main source of resources. Management must stand the test of efficiency and accountability or they must go. Secondly, limits should be put on income and expenditure. Thirdly, there should be ban on conspicuous consumption. Fourth, the luxury items should be only for export. Fifth, there should be minimum or no taxation at all on items like food, common cloth, cheap housing materials, common medicines and school educational implements. Further there should be no import of luxury goods. The raids and searches must continue and all wasteful expenditure should be cut down from administration.

Sir, the existing disparity in the society and among regions is staggering. It must be narrowed down. The hon. Minister has shown enough awareness about the need to give a boost to the anti-poverty

programmes. Sir, 37 per cent of our population is still below poverty line. The nation cannot reach 21st century unless poverty, that is, unemployment or under-employment is eradicated completely. The front wheels of a car cannot move forward if the rear wheels are either punctured or under brake. We have not only to accelerate the anti-poverty programmes but also lay greater emphasis on labour intensive projects rather than capital intensive projects. Fiscal and monetary policies must keep these things in mind.

Indirect taxation may be levied on items used by middle class and upper strata of society but not on items used by people who are below poverty line or marginally just above poverty line. I would also make a distinction between people below poverty line on one hand and the organised working class and lower middle class on the other. There is a vast difference. The real poor cannot speak, organise or go on a strike. They cannot put pressure or make a demand. They are just ignorant about what is going on in the developmental sphere, even about schemes formulated for their benefit. Let all classes who have got some share of fruits of development desist from making further demands for some time and let the poor get benefited.

Sir, many troubles in the country are due to regional imbalance. I hope the hon. Minister will take note of this. All our economic policies must aim at removing this imbalance. For example, Bihar has rich resources, but the people are poor. So also are Uttar Pradesh, Madhya Pradesh and other areas including North Eastern region. Let the developed areas develop further, but they should share the fruits of their development with the backward areas. The Government policy should be weighed heavily in favour of backward areas in the fields of agriculture, industry, infrastructure and so on.

Now, lastly. I will put only five or six questions to the hon. Finance Minister and that is about my area. Sir, we in Assam produce 56% of Indian tea and we were the first to produce tea. Why is it

that Assam tea has to pay more excise duty than any other tea in India? Secondly, why is it that jute price is miserably low in Assam and why not JCI buy jute directly from the growers and pay them the standard price? Why should they engage middlemen who buy jute at a very low price from the growers and then sell it in the market at a very high price? What is the JCI doing? It is their responsibility to buy jute from the actual growers at the fixed price.

Sir, what about the royalty on oil? We have been hearing that it will be announced. We have been hearing that it is coming, and the Government is going to announce soon the royalty on oil. But up-till-now nothing has been done. I want that the Finance Minister either himself announce it or ask the Government to announce the enhanced royalty as early as possible. Sir, gas in Assam oilfields is burning by million of cubic metres everyday. But no use has been made of it. They can use it for production of power, fertiliser, etc. It can be made useful for the good of the economy. Again, in the Assam Accord, a new refinery was promised by the Government. What has happened to the proposal? I understand that nothing has been done so far. I would request the hon. Minister to put it before the concerned Ministry.

Now, about the Tea Board, as I said, we produce the largest quantity of tea in India. But the Tea Board office is in Calcutta. We have been demanding that it should be in Assam. They have just now started one subordinate office of the Tea Board in Guwahati. But everything is controlled from Calcutta. It will be all right if the subordinate office is given full authority to function. But today everything is controlled from Calcutta. Why should our boys unemployed youth, tea growers, tea planters, tea brokers and all those people suffer because of this? I would like the hon. Minister to take this up with the concerned Ministry. I think that either the Tea Board office should be established in Assam or the local office in Guwahati should be allowed to function with full authority. Thank you.

## [Translation]

SHRIMATI USHA VERMA (Kheri) :

Mr. Deputy Speaker, I am grateful to you for giving me time to speak. I shall not take much time of the House and only place a few points before the House.

So far as the question of nationalised banks is concerned, it is true that the Government have provided sufficient facilities to the poor of the country under the 20 Point Programme but it has been seen in some cases that due to imposition of conditions by the banks, the poor people are not able to avail of the facilities provided by the banks. In some cases, the question of gratification have come to light. Unless gratification is given, they do not get full payment of loan from the banks. In case a loan of Rs. 10 thousand has been applied for, they get only Rs. 8 thousand. The hon. Minister should look into it and provide more and more facilities to the poor.

13.00 hrs.

[SHRI SOMNATH RATH *in the chair*]

Similarly, under the I.R.D.P. scheme, loans have been given to the people. But the people do not get full payment of loan unless they pay some gratification to those who provide the loans. In this way loan is provided after effecting much deduction in it. It has been seen that the needy persons make rounds of the banks to get the loans, but they do not get it in full. Although it is claimed by the Government that they are doing a lot for the poor yet they are not getting the assistance to the extent they should have got.

I have received complaints to this effect from the people of my constituency when I visited it. Besides the complaints from that area, people from all over the State are making similar complaints.

I would request the hon. Finance Minister to provide loan to the poorest of the poor liberally so that they may be able to get full benefits which the Government intend to give them. It has been seen that in majority of the cases, the officers are also involved in the bungling in the

payment of loan to these people and as a result the poor people are deprived of the benefit.

I would like to draw the attention of the hon. Finance Minister to the report of the Pay Commission also. The newspapers are publishing comments in regard to this issue these days. According to some newspapers, the report of the Pay Commission has already been submitted to the Government. May I know whether it is true? If not, when the report is likely to be submitted to the Government?

It is a matter of pleasure that the Government is exposing corrupt officers and blackmarketeers by conducting raids on their premises. I would like to congratulate the hon. Finance Minister for this action. But care should be taken to ensure that no harm is done to the innocent persons.

The Ministry of Information and Broadcasting had sent a proposal for setting up a high power T.V tower in my constituency Lakhimpur Kheri to the Ministry of Finance. I request the hon. Minister of Finance to sanction allocation keeping in view the long standing demand of the people.

I would also like to mention the alarming situation caused by the erosion due to the Sharda river in my constituency Meera. This year about 10 thousand acres of land of this area has been affected by the erosion caused by the river and residential houses of thousands of people have been destroyed due to this erosion. Every year this river causes havoc to life and property. Verbal and written requests have been made to the Government of Uttar Pradesh a number of times for solving the problems. About three months ago, many persons belonging to this area came here. Although their land had been affected due to erosion yet they waited here, but they could not meet the Prime Minister. No attention has been paid towards those people whose lands have been submerged due to the erosion caused by the river Sharda. Our Government is doing a lot for the poor. In this case also they should settle those people elsewhere whose lands have been submerged.

I have made much effort in this regard in my State and here also. I got the reply from the Government that they help only in those cases where people also take some initiative, and in other cases nothing is done. Our Government want to do a lot for the people of rural areas. But when the question is raised here, it is said that something should be done for the people of urban areas. The question is where to settle those people in villages whose lands have been affected due to erosion. There is not much land in cities to settle them there. I would, therefore, request the hon. Finance Minister that some arrangement should be made for them. When we raise the matter here, it is said that it is a State subject. But this problem cannot be solved by the State Government also. They plead that they lack resources. I would, therefore, request the hon. Finance Minister that more and more funds should be made available so as to solve this problem. Earlier also, when some people were settled there, Vermaji took them to the Prime Minister in 1977-78. After the meeting with the Prime Minister it was decided that pucca embankments would be constructed on those rivers which cause erosion. Only then the erosion can be checked. I request the hon. Minister to pay attention towards this and those embankments should be made 'pucca' ones. This work can be done only by the Centre because at the State level these types of works are being treated very casually. When asked, they plead that they are facing financial constraints. I, therefore, request the hon. Finance Minister to provide funds from the Centre for this purpose so that this problem is resolved.

Similarly, my area is facing transport problem. For this also, whenever the Transport Minister is asked to do something, he refers to financial constraints. Sometimes, it is said that it is a State subject. Population has increased much and alongwith it the problems of transport have also aggravated. Attention must be paid in this direction. Everywhere shortage of funds is referred to but special attention must be paid towards this problem. I request the hon. Minister that he must look into the transport problem of my area—be it the problem of

road transport or rail transport. More funds should be made available for this purpose and this depends on the hon. Finance Minister. Only then can this problem be solved. With this request I support the Finance Bill.

**SHRI SHANTI DHARIWAL (Kota) :** Mr. Chairman, Sir, while supporting the Finance Bill introduced by the hon. Finance Minister, I would like to express my views thereon.

—Mr. Chairman, Sir, Budget is a thing which should be prepared after taking all aspects into account and I think the Finance Minister has prepared this Budget with meticulous care. But in spite of it I do not know why so many changes have become necessary. Looking at these changes one feels that more efforts should have been put in preparing the Budget. Rules relating to search have been changed. After all, why this change has been needed today when many innocent and respectable persons, who had earned money with hard work and honest means had already been defamed because of the annoyance of certain corrupt officers. I would like to give example of one or two persons of my area whom I know personally and who are respectable and honest persons. Their premises were raided and a list of the things recovered there was prepared and published in the newspapers. In that list it was shown that a Rs. 1 lakh fixed deposit receipt was seized and a life insurance policy for Rs. 1 lakh was also seized. In this way the officers defamed the honest persons in the name of searches. Is it a thing which can be concealed that two scooters, one car, one refrigerator, one foreign television were seized ; but these things were publicised. My request to the hon. Minister is that these rules were amended at a time when so many raids had already been conducted and many people had been defamed. What about the persons who have been defamed.....

**THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) :** The rules have not been changed.

**SHRI SHANTI DHARIWAL :** If not the rules, the methods have been changed.

SHRI VISHWANATH PRATAP SINGH : Methods too have not been changed.

SHRI SHANTI DHARIWAL : Then what changes have been made ?

SHRI VISHWANATH PRATAP SINGH : They have been issued guidelines. You are under the illusion that some changes have been effected in the rules.

SHRI SHANTI DHARIWAL : Why issuance of guidelines was necessitated ?

SHRI VISHWANATH PRATAP SINGH : Guidelines were issued because these were requested for. Rules have not been changed.

SHRI SHANTI DHARIWAL : That is what I am saying, why change in guidelines was necessitated ?

SHRI VISHWANATH PRATAP SINGH : You may issue guidelines to those who are engaged in black marketing and other illegal activities.

SHRI SHANTI DHARIWAL : That is what I am submitting. These people go uncaptured. I want to submit that a lot of tax revenue is devoluted to the State Governments. Why do you not ask the State Governments to conduct raids every month at the residence of the officers. Ask them to submit figures to you. You have with you the Anti Corruption Department and the DRI Agency. I would like to know in how many complaints of harassment and receipt of monthly gratification from petty traders have you taken action. This should also be evaluated. It is correct that the way taxes are evaded, the number of raids should be increased fourfold but these should not be indiscriminate. The innocent people.....(Interruptions).

SHRI RAM PYARE PANIKA\*\*

[English]

MR. CHAIRMAN : I have not called you. It will not go on record. You can say that when your turn comes.

[Translation]

SHRI SHANTI DHARIWAL : My submission is that if black money is seized during the raid, that should be fully publicised and people should be informed that the premises of so and so was raided and this much black money has been found. LIC policies, fixed deposit certificate.... (Interruptions)

So far as raids on officers' houses are concerned, my submission is that State Governments should be asked to fix the minimum number of raids to be made every month so that black money is unearthed. You have announced concessions, which are welcome. The small scale industrialists were apprehensive in the beginning but subsequently, you have provided relief to them. My submission is that whatever reliefs are given to the small scale industrialists should be given in the beginning itself so that they do not get discouraged and may make progress. Otherwise they will go on thinking that axe can fall on them at anytime. You have given many reliefs to the big industrialists ; that is all right but at least there should be a guarantee that these concessions will lead to increased industrial production. If they agree to this, an assessment should be got made. If industrial production increases considerably, there cannot be any objection to giving concessions. Industries are getting more and more sick. It is also a matter of serious concern. In this direction also, you have done much and that is a welcome step but it requires further attention. To implement the schemes envisaged in the Seventh Plan, we shall be requiring Rs. 1.80.000 crores. This is also a moot point

whether we shall be able to mobilise this much amount. If we fail to do so we shall have to resort to deficit financing which can have a bad effect on the country. My submission is that capacity utilisation is not more than 65 per cent which means that we have spent thousands of crores of rupees on the 33 per cent capacity although the same is lying idle. We shall, therefore, have to ensure that we utilise the limited resources in increasing the capacity. Rs. 80,000 crores have been invested in the Public Sector. The situation has comparatively improved which is a matter of satisfaction. Even then will we be able to do what we are envisaging during the Seventh Five Year Plan. For this you should create a special cell and we should particularly pay attention to its management. I want to submit this also that good managers have been absorbed by the Private Sector. We should encourage them to join the Public Sector so that management is improved and we are able to make more profit.

The Government have introduced Self-Employment Scheme. There is criticism going on in the whole country that its procedure for selection of persons for the purpose of payment of loan is wrong. I am telling you according to my personal information that under the Self Employment Scheme, loan has been granted to the relatives—whose number quite often is as much as 10 to 25—wives of the Members of the Task Force Committee constituted for this purpose. Complaints have been made in this respect but no action has been taken on them. Similar is the case with the Set-Up Scheme. Under the schemes loans are granted to the wives and children of the employees working in the municipality—he may be a Commissioner or a Sanitary inspector—and the deserving people are deprived of this facility. Therefore, there is need to bring about some change in the procedure of selection. As regards I.R.D.P., stress should be laid not to provide cattle under this scheme. Land can be re-claimed and as such the land should be distributed among the people. Land is an immovable asset. It can neither be transferred nor can it be disposed of. The farmer will try to eke out a living from the land.

Under the scheme of providing cattle to the needy persons, two cattle heads are provided to them. But actually what happens is that the Bank Manager, B.D.O., veterinary doctor and sometimes the representatives of the people, because he is also a member of the purchasing committee, together with the Pradhan of the village distribute the amount among themselves. They get a receipt for two cattle heads or two buffaloes but provide only one. There are a number of such cases where people indulged in this type of malpractice and within no time have become millionaires. It must be investigated how they amassed so much wealth. Instead of providing cattle, reclaimed land should be allotted to them. The farmer needs land and if and is available he will give first preference to it and not to the cattle.

I shall take only two minutes more. At the time of taking loan from the banks, documents etc have to be prepared on stamp paper which are valid for three years. After three years, these documents are required to be renewed. What is the need of such a procedure? When co-operative banks are exempted from this limitation, the same should be done in the case of banks also. The time of the banks and the loanes is wasted unnecessarily. Their money is also wasted which can be avoided. Most of the audit objections concerning banks pertain to such cases. Therefore, when cooperative banks are exempted from this limitation, the same should be done in the case of banks also.

*(Interruptions)*

I have a last point. You will praise it. Mr. Chairman, by this time my speech would have been finished. Why are you doing this in my case.

*[English]*

MR. CHAIRMAN : There are many hon. Members to speak. Please give chance to other Members also to speak. Within one minute, please conclude.

**[Translation]**

**SHRI SHANTI DHARIWAL :** I would like to make one more request to the hon. Finance Minister. This is in regard to the black money. If anyone invests his black money to purchase land and instal plant thereon in a small village, the population of which is not more than 5 lakhs, he should not be asked to reveal the source of the money. This will help in stepping up of production. This scheme should be put to trial

**SHRI BAPULAL MALVIYA (Shajapur) :** Sir, will the owner of black money invest the money in purchasing land ?

**SHRI SHANTI DHARIWAL :** As regards loan, the power of small branches should be increased in this respect. The applicant for the loan will go to the bank manager, the bank manager will go to the regional office and the regional office will approach the Central office. Therefore, the power of granting loans should be decentralised. The person who applies for loan has to run from pillar to post to get the loan. In the end, I would like to support the Finance Bill introduced by you.

**SHRI MANOJ PANDEY (Bettiah) :** Mr. Chairman, Sir, I rise to support the Finance Bill, 1986. At the outset, I would like to draw the attention of the hon. Finance Minister to agriculture. I would like to reiterate a demand made last year at the time of discussion on the Budget. It is in regard to tractors and agricultural implements to which we have not paid attention. In India, one can purchase a maruti car for Rs 75 thousand but a tractor costs about Rs one lakh. When we talk of entering the 21st century, we must pay attention to intensive cultivation which is necessary for the development of agriculture. The co-operation of the Government is needed for providing implements and inputs needed for intensive cultivation. I would like to request the hon. Finance Minister, through you, to bring down the prices of tractors, and other implements required for cultivation so that even an ordinary farmer is able to purchase it and use it to increase his production. Nothing has

been done in this respect and we are lagging far behind. We rarely pay attention towards this issue. Whenever the issue of agricultural sector is raised, our attention is diverted to the organised sector and the industrial sector. The hon. Minister often points out that so much amount is spent on fertilizers every year and so much is spent on edible oils. I agree to all these things but if the prices of agricultural implements are not brought down to boost agricultural production in the country, the medium and small farmers will not be able to increase the production by ploughing with oxen. This will result in the falling down of production. I would like to make a strong demand that the prices of inputs should be reduced considerably.

The second point, which is very important, is that Government had envisaged in the Seventh Five Year Plan opening of Agricultural Science Centres in 100 districts of the country. The concept of Agricultural Science Centres is very good. Through these Centres, the farmers will be given information regarding inputs, banking finance and technical know-how. Our late Prime Minister had once said that the benefit of the experiments carried out in our laboratories must reach the farmers. It is due to this concept that it was proposed to open Agricultural Science Centres. This is a very good scheme. I would like to give a new suggestion in this respect. Whereas agricultural labour accounts for one fifth of our population in the country, a large number of farmers, who were small or marginal farmers earlier, are becoming agricultural labour because they are not getting even the support price. In Bihar, eastern Uttar Pradesh, Assam and Orissa, to which you belong, this is the rabi season and the small farmers of these areas are not getting more than Rs. 110 as the price of their wheat whereas the minimum price announced by the Government is Rs. 157 to Rs. 162 per quintal. In this way if we go on spending thousands and crores of rupees in the name of subsidy and fail to provide even the minimum support price to the small farmers, the number of agricultural labour will go on swelling every year. I think if 20 years ago the ratio between farmers and



agricultural labourers in a village was 40:60, it would now be 20:80. The hon. Members sitting here may be knowing that ten years ago the agricultural labour had small land holdings, may be 5 to 10 kattas, but now he has no land. They do not get the minimum support price. Although it is the responsibility of the State Governments to ensure that the farmers get the support price, yet it is not sufficient to say this here. After all, how will they get minimum support price? What is the use of our coming here? I would, therefore, request that minimum support price must be ensured to the farmers. If you ensure the minimum support price to the farmers as also remunerative price of their produce, there will be no need to provide subsidy of Rs. 2,000 to Rs. 2,500 crores for the next five to seven years. If the farmer gets Rs. 200 per quintal as the price of paddy and Rs. 220 per quintal as the price of wheat and a little raise in the price of sugarcane or if he gets a price commensurate with the cost of cultivation, I can assure you that then we will not need subsidy on fertilizers any more.

I would like to tell the hon. Minister that the farmer has made the country self sufficient in the matter of foodgrains by increasing its production three times. The farmers of India have made a place for themselves in the world. It is a good thing. Therefore, why should we not fix such price as may be remunerative for them and commensurate with the cost of production. This will eliminate the need to provide them with subsidy.

Mr. Chairman, Sir, about Rs. 2,000 crores are spent in importing edible oils. It is a good thing that the Government have reduced the price of mustard oil as also the duty thereon. I would request the hon. Minister that maize oil should also be treated as edible oil. At present maize oil is being extracted on a very small scale and the production of maize crop is also not very high. If maize oil is treated as an edible oil, it would give boost to the cultivation of maize. In other countries, maize is cultivated on a large scale. If we pay attention to the cultivation of maize in our country, its production can increase four

times to five times in comparison to other countries. If the Government undertake the cultivation of maize on large scale in the country, we can find a substitute to the edible oils.

Thirdly, the agricultural labourers should get themselves registered in the Agricultural Science Centres. Their registration is very essential. There has been no survey in the country to date to know the exact number of agricultural labourers. Sir, it is estimated that the number of agricultural labourers in the country will be around 14 to 15 crores which is one fifth of the population of the country. If their names are registered; it will be a good thing for the country and we will be able to organise that sector. It is also requested that the agricultural labourers may be given some monthly allowance. It will be a good thing. It will help in their progress and in this way the country will also progress. Therefore, the registration of agricultural labourers in the Agricultural Science Centres is very essential.

Mr. Chairman, Sir, my fourth point relates to the sugar industries. There is shortage of industrial alcohol in our country. We have produced only 67 lakh tonne sugar this year also, whereas our consumption of sugar is 80 lakh tonnes. If 100 lakh tonnes of sugar are produced every year in our country then the position will be comfortable. My submission is that we should pay more attention to the cultivation of sugar cane and should pay remunerative prices to the sugarcane growers every year. If possible, we should fix the price of sugarcane for the next five years and should also organise the schedule of sugar mills on that basis. Our sugar problem will be solved if we do this and we will not have to import sugar. It will be a big achievement.

In the rural areas, there is acute shortage of power. This shortage can be made up through sugar mills. If we instal high pressure boiler turbines in the sugar mill areas, we can supply energy to the entire rural area around the sugar mill which is badly needed at present.

[Shri Manoj Pandey]

Bihar has the largest mineral deposits in the country but the State gets the minimum royalty which is given at very old rates. In the NDC meeting matter regarding increasing the royalty was discussed. The hon. Minister should at least fulfil that.

About mica industry I would like to say that it should be given encouragement.

[English]

**SHRI BHADRESWAR TANTI** (Kaliabor) : May I draw the attention of the hon. Finance Minister that by this Budget, this time he has increased the prices of all the commodities but nothing has been given to the working class and the agricultural and tea garden labourers? They have been deprived of but they have not been given anything to survive. As I had already mentioned the other day, the five words "We, the people of India," do not mean the people of affluent class or the capitalist group but it equally means to the poor people also. They have a right to exist or survive.

After attainment of independence of the country, the Government have enacted many laws so far as the working class is concerned. The Equal Remuneration Act, Maternity Benefit Act, Minimum Wages Act, Payment of Gratuity Act, Plantation Labour Act, Workmen's Compensation Act, Working Journalists Act, Contract Labour Regulation and Abolition Act, Dock Labour Act, Beedi Workers Welfare Act, 1976, Apprentices Act, 1961, Boilers Act, 1923, Pleading of Labour Act, 1933, Employment of Children Act, Factories Act, Motor Transport Workers Act, all these Acts have been enacted. We are going on enacting laws in the name of working class but the Government has very hopelessly failed to implement the laws. Why? May I know that from the Finance Minister?

In my Constituency, recently in Assam, in Bogidhola Tea Estate about five labourers died. There is starvation death of five labourers in Bogidhola tea estate which has been closed for several months. In Assam, there are about 35 tea gardens and the remaining got closed for uncertain period

and the workers are dying for want of food and shelter. May I know from the Minister of Finance that what steps have been taken for the working class? Assam is earning 66% of the foreign exchange from tea. Assam is producing oil. It is producing the maximum amount of oil in the country. But in return, Assam has not been given anything properly and it is given a step-motherly treatment. That is why Assam remains a backward State in comparison to the other States of the country.

You have increased prices of petrol and petroleum products, But you have not increased the royalty on oil. Why? In terms of the Assam Accord you are duty-bound to implement it. What about the poor Central Government and public sector employees who have been suspended or dismissed from service? They have not been absorbed or reinstated in service. One particular case I may bring to your notice. Mr. Hiranyakumar Baattacharya the then Deputy Inspector-General of Police was falsely implicated to be involved in the Assam Movement on foreign Nationals issue and was dismissed from service. His case has not been taken into consideration in spite of the great effort made by the Government of Assam. It is a case of double standard that is being applied.

While the agitation was going on, central Government employees were transferred from different parts of the country to Assam. They have been given benefits in both the places. But the same facility was not given to the employees who were transferred from Assam to other places. May I know why this double standard?

The Assam tea garden labourers are the worst paid labourers in India. There are about 1300 tea gardens and 20 lakhs tea labourers are employed in it. Why is there no separate Ministry for Tea? There is a textile Ministry and there is Petroleum Ministry, but why not a separate Ministry for Tea? Sometimes it is tagged with the commercial Ministry and some times it is with some other Ministries. In this tea industry 20 lakhs workers are employed and still there is no separate Ministry.

The tea garden labourers are not getting benefits from the various labour laws like minimum wages, equal remuneration, maternity relief and other things. Equal remuneration is guaranteed under Art. 42 of the Constitution. Still they do not get it.

What are the human conditions of the workers under Article 42 of the Constitution? The workers in Assam get Rs. 10 a day. Is it possible for a workers to live in these hard days in Rs. 10? You are a master in increasing the prices. But you should also equally be a master to see the condition of the workers. This Equal Remuneration Act was enacted in 1976 but till this day the tea garden labourers in Assam do not get equal pay. Is it not your duty to see that the laws you enact are implemented?

Then take workers' participation in management. Art. 43A of the constitution provides for it. That is a provision of the Constitution. But where is the scope of the workers to participate in the management? In a welfare State like ours, i.e. in a welfare country, like ours, you should not be the master of enacting laws alone but also you should be equally the master of implementing the said laws will help seeing the conditions of the poorest of the poor in the country to improve their living conditions.

In terms of the Assam Accord Refineries are to be set up in Assam. The policy is that where there is oil, a refinery should be set up there. But you have not taken any steps for setting up refineries in Assam which has abundance of oil. You are taking our oil to the other States and are setting up Refineries there while the people of Assam are deprived of employment and other benefits out of that situation. Further, then, the Head Offices of tea garden companies are set up in Bombay, Delhi and Calcutta and not in Assam. If the Head Offices are set up in Assam, then the people, the Government and the working class will be benefited.

Now I come to employment of child labour which practice has been going on. Children are used in the industry and

they are paid just Rs. 2 or Rs. 3 per day. The law says that employment of child labour should be stopped, but the unscrupulous have been encouraged to employ child labour at the instance of the Government.

I humbly suggest that the Government is dutybound to look into the affairs of the people as a whole and not only of a certain class of people so that the country can progress.

With these words, I oppose the Finance Bill.

**SHRI CHINTAMANI PANIGHAHI** (Bhubaneswar) : Mr. Chairman, Sir, I am grateful to you for giving me this opportunity to participate in this debate. I am just trying to bring to the notice of the hon. Finance Minister only one or two aspects of our economic policy which needs serious considerations. I am quite aware that our hon. Finance Minister is seized of this matter because recently when he went to attend the IMF Conference, he had voiced the feelings of the entire third world countries, how the burden of foreign debt has been increasing from year to year and how it has become an instrument in the hands of those developed countries to exploit the third world countries, the developing countries.

India's total debt servicing on government account was Rs. 857 crores in 1982-83; it went up to Rs. 926 crores in 1983-84; and it went up further to Rs. 1,025 crores in 1984-85; by the end of the current financial year, the debt service payment is projected at Rs. 2,843 crores.

The outstanding liability of external loans from Plan to Plan so far as our country is concerned is as follows: at the end of the First Plan it was only Rs. 111.07 crores; at the end of the Second Plan it went up to Rs. 1,242.19 crores; at the end of the Third Plan it came to Rs. 3,709.19 crores; at the end of the Fourth Plan it went up to Rs. 6,684.37 crores; towards the end of the Fifth Plan it increased to Rs. 11,657.38 crores; and by the end of the Sixth Plan it has gone up to

[Shri Chintamani Panigrahi]

Rs. 24,004.39 crores. You can understand how it has gone up from Rs. 111 crores to Rs. 24,004.39 crores.

Here I would just refer to the great book of Dadabhai Nauroji which shook the entire country and even the foundation of the British empire. It is called 'The Drain', the outflow from this country during foreign rule.

In those days it was only 50 million pounds. For that Dadabhai Nauroji has to write a book of about one thousand pages. Mahatma Gandhi, Dadabhai Nauroji and the entire country joined in the Swadeshi Movement which shook the foundation of the British empire because the foreign rule was based on commercial exploitation. But Gandhiji knew the Mantra, the basic thing which shook the foundation of the foreign rule.

In that glorious context of Swadeshi movement we shall have to view the growing burden of external debt since independence and not in terms of percentages. It has gone up from 9% to 15%, get us took at our debt repayment position. Why I am highlighting it is because the Hon. Finance Minister himself is aware of it and he is speaking loudly about it. I am not speaking something new, our Minister is already aware of the gravity of this problem and he is trying to voice these feelings not only in this country, but outside also before those people. Therefore, I just want to highlight how things are becoming serious. Why I am highlighting this is because one of our great assets was the increase in the crude oil production which was giving us some savings.

I am just quoting from the World Bank figures. Sometimes it is better to quote the World Bank figures because our people believe in the World Bank figures, though there are reports that sometimes we see that the independence, sovereignty and integrity or the economic independence of a country is sabotaged from within from year to year. But still we believe in this thing. Therefore, it is better to cite what they have forecast.

They have forecast that crude oil production is not expected to increase at the same rate as before in our country. Secondly, repayment of the IMF loan and external commercial borrowings will increase sharply in the coming years. Thirdly, remittances from Indian migrant workers have been adversely affected in view of the slow development in those country. Fourthly concessional external assistance has become unfavourable in recent years.

The concessional external assistance which India got, was 43% in 1980 to 1982. This concessional assistance to India has come down to 27% in 1982-84 and it is going down further. In the 7th Plan also it is less and the Finance Minister is already aware of it. Therefore let us look to the question of remittances also. I said about debt. How much we have paid? I have not added Rs. 4887 crores from the extended fund assistance facilities we have gained from the IMF. It must be included to Rs. 24,400 crores another Rs. 4887 crores. Sir, because of these reasons our trade deficit has increased from Rs. 2725 crores in 1979-80 to Rs. 5838 crores in 1980-81. In the current year it was expected that at least we shall keep it within the limits, Now the recent figures have come, the trade gap has reached Rs. 8000 crores. By all possibilities, because we are having liberalised imports—by God's grace let us hope that the trade gap does not rise further; but the way we have adopted the liberalised imports—the trade deficit may go still further which is very dangerous to our economy. The World Bank has said that our exports should increase by 9 percent every year in the 7th Plan.

What is the total debt servicing by way of interest that we have paid? Interest we have paid till 1984-85 on these foreign loans from 1951-52 to 1984-85 is Rs. 4629 crores. Towards repayments if capital we have paid Rs. 6829 crores till 1984-85. Now the royalty, dividend and all that we are paying to the multi-nationals are also out flows from our country.

Sir, that has also increased. Upto 1980-81 it came to Rs. 1816 crores to the multi-nationals. You can understand the

way we are entering into this trap. No country has ever been built on borrowings and you will be surprised to know that Soviet Union when it was first established the entire capitalist world boycotted Soviet Union. They did not want to supply anything to Soviet Union. They had only six turbines for the Kniper dam. From that scratch they have become the mightiest power in the world. It is because of their sweat and hard labour. They have given their everything to see that their country is built up. Mahatma Gandhi was wise enough. Therefore, he said let us live within our means. That great Swaraj movement gave life and inspiration to every one. It made men out of dust. It is this type of Indomitable, undying and in conquerable spirit which builds a nation. Take the case of little Vietnam. It could face the mightiest of the might. They decided to fight to the finish and, as such, they ultimately survived the onslaught of the foreign powers. Their leader said as long as one Vietnamese lives we shall have to defend our country and see that the invading forces are crushed. That is how the nation is built and not by borrowing alone. Therefore, as the hon. Minister is aware of this threat we should try to see that in the Seventh Plan why we should increase our assets and resources by giving one day's voluntary labour. In Soviet Union they contribute one day's voluntary labour. That way we can create assets worth Rs. 20,000 crores every year.

Lastly a word about the problem of Orissa. Orissa is facing a severe power crisis. The hon. Minister is aware of this problem. We have brought it to his notice many a time. Out of entire generating capacity of 870 MW we are generating only 270 MW to 300 MW today. It is only God which has saved the Orissa State. It is high time that the proposed super thermal plants at Talcher and Ib valley be taken up in the Seventh Plan. The total need of Orissa will be 1200 MW in the Seventh Plan. Today we are generating only 300 MW. The world Bank assistance for Talcher has been cleared but it is stuck up with the Environmental Department. I hope the hon. Minister will give attention to this. I am grateful to him that he has always tried to help

and come to our rescue. I hope this time also he will give the assistance. Thank you.

[Translation]

SHRI DILEEP SINGH BHURIA (Jhabua): Mr. Chairman, Sir, I rise to support the Finance Bill. I want to congratulate the Finance Minister for bringing down the burden of interest to 22 percent which was 40 percent in 1981. It is a good beginning. I would say to the hon. Minister that now there is no need to take any loan. We have abundant man power in our country, which should be properly utilised. We should develop our resources with our own financial resources. Otherwise, if we accept loans from the World Bank, we shall have to comply with their directives. The World Bank provides only 40 to 50 percent loan required for a project. The remaining amount has to be spent from our own resources. It is not a good beginning and we should do away with this method. I want to say this also that the prices of the oil have come down and the oil producing companies are giving very wrong directives. My submission is that we should follow our own policies and we need not bend before anyone.

I would like to say one thing to the Finance Minister. In his Budget speech he had announced reduction of duty on polyester fibre but the result is that it has reduced the demand for cotton produced by the farmer after putting in hard work. I would request the hon. Minister to prepare our schemes keeping in view the commodities being produced in the country. The hon. Minister should think over the matter, particularly the production of cotton. When we go to the villages we find that the farmers have grown cotton after putting in a lot of hard work but there are no takers of the produce. Our schemes should be prepared keeping in view the production of foodgrains which our farmers are producing in the country.

My other point is about the public distribution system. Large quantities of foodgrains are lifted at the district level but what happens is that every thing goes hay-wirl in the absence of the supervisory

[Shri Dilip Singh Bhuria]

staff of the Central Government. You have left everything to the State Governments. If you cannot have the distributing agency, you should at least have the supervisory agency. The intended beneficiaries for whom the schemes are prepared, do not get its advantage. We are spending crores of rupees but in spite of it people do not get wheat, sugar and rice. Therefore, you should have supervisory staff. It should be our constant endeavour that the person for whom these commodities are supplied should get them.

I come from Madhya Pradesh. Last year 23 districts of the State were affected by drought. This year 12 districts have been affected by it. The Western Madhya Pradesh is in the grip of severe drought. The rainfall there was just between 5 to 9 inches. Presently, the foodgrains are available there but there is acute scarcity of water. Even after drilling upto a depth of 500 feet, water is not available. Hand-pumps are installed but they do not draw water. The area has been experiencing drought quite frequently. You have drought relief programme but it is not bringing the desired results. You should construct more and more ponds there for irrigation. The Narmada Project of Madhya Pradesh is lying in complete for quite a long period. Mahi Project, Manu Project and Jovat Project should be taken in hand so that water may be stored. If the rain water is stored, the same can be supplied later for drinking purposes. During the rainy season, the water flows into the sea. This water should be stored so that it can be made available to the people for drinking. A Central team had gone there and had studied the situation in depth. Relief works have been started which have provided employment to about 4 to 5 lakh people. I want to say that it is beyond the capacity on the State Government. It does not have the resources to handle this job. It has already spent large sums on the victims of Bhopal gas tragedy. Recently, the Government of India had given Rs. 51 crores to Madhya Pradesh Government in the name of scarcity. Madhya Pradesh is a poor State. Two third of its population consists of the

adivasis, the harijans and the backward people.

14.00 hrs.

My request is that you should provide maximum assistance for these people and also provide them employment. Drinking water should also be arranged for them. For human beings you have to arrange foodgrains. At the same time fodder for cattle too has to be arranged.

Mr. Finance Minister, Sir, rains are due in our State. Seeds for kharif sowing should be provided to the farmers. I want that the Central Government should help Madhya Pradesh to the maximum so that people there get maximum relief.

Another point which I want to raise is that you have prepared a scheme about backward industrial district. But your financial agencies follow the same set of rules all over India because of which no industry has been set up in Jhabua district. Your financial agencies should relax the rules for backward districts so that maximum number of industries are set up in the backward districts. In our district, cotton based industries can be set up. Labour is available in abundance there. They can get employment. Industrialists do not establish industries in our State because, according to them, financial agencies do not finance them on the plea that there is ban on it. You should relax the rules so that more and more industries are set up in the backward areas. You should also arrange to impart training to the poor. Only then the local people will be able to get employment and their poverty will be alleviated.

In Ratlam there is a Sajjan Textile Mill which has been lying closed for the last two months. In that Mill around 3 thousand 5 hundred to 4 thousand persons are directly employed and 5 to 10 thousand people are indirectly dependent on it. It has been lying closed for the last two months. No one knows where its owner has gone with the money. We request the Government to take over and run the Mill. It is the question of the livelihood of so many people. Their condition is

miserable at present. I want to tell my colleague sitting here that closing down of cotton based industries started from Bombay and is now spreading to the whole of the country. In this connection a scheme should be formulated whereby the National Textile Corporation should run a cotton mill whose owner is not prepared to run it. Thousands of people in Ratlam are sitting idle. They could not celebrate even Holi festival this time. I request that the National Textile Corporation should take over the Mill. Unless you run the Mill after taking it over, they will not be benefited.

Shri Panigrahi has said one thing to which I agree. We have so much manpower, technicians and people with good ideas. The economy of the country cannot be strengthened unless we encourage indigenous production. Ours is a long history to which we have also to make our own contribution. We should formulate scheme in our country according to our needs. I would request the Foreign Minister that whatever we are importing from abroad should be manufactured within our country. We shall have to produce all the things in our own country. The Soviet Union has made progress because people there do not use foreign made articles. In our country there is a competition to use foreign made things. This trend would weaken our country economically, we ought to instil feelings of patriotism among our countrymen before talking about Mahatma Gandhi, Pt. Nehru and Dada Bhai Naoroji. They should be taught to use indigenously manufactured goods even if those be more expensive. Our country cannot be strengthened till our people are not imbued with this feeling. Whatever commodities are smuggled into our countries, namely, watches, television and radio sets, polyester fibres and fabric—they must be made very expensive in order to make our country strong. The black marketeers should be curbed. The Government have made attempts in this direction and some have been apprehended but it is essential to deal with them more severely.

Since the bell has rung, I would conclude after extending my support to the Bill.

**SHRI RAM PYARE PANIKA** (Robertsganj) : Mr. Chairman, Sir, I am grateful to you for giving me an opportunity to speak on the Finance Bill. Sir, I have been listening to the debate since yesterday and I have read those speeches which I couldn't hear. Sir, it seemed that not only some hon. Members from this side but also from the other side are disappointed with the Bill particularly in respect to mobilisation of resources. The draft of the Seventh Five Year Plan is very comprehensive and I do not want to go into the statistics, as then the entire time would be wasted on this alone. It is given here how it is proposed to mobilise resources to the tune of Rs. 1,80,000 crores. Sir, I would like to take you back to the year 1980-81 when the congress party returned to power after the Janata rule had ended and you might remember the bad shape in which our economy was at the time they left. Agricultural production had gone down by 17 per cent and our Annual growth rate which was normally around 10 per cent had been reduced to 1.4 per cent. This happened during the Janata rule but since 1980 the economy has continuously improved. Today, I would congratulate the hon. Finance Minister for his prudence which is evident from the way the budget has been presented. I remember the day you were reading the Budget. No. hon. Member could make adverse comment against it which the opposition Members usually make. However, it is true that Babu Jagjivan Ram reacted but it was in favour of the Budget. He said that the Budget was practical, creative and would take the country towards self reliance.....  
(Interruptions)

These are the people who spread rumours. I have heard Shri Dandavate and others, from which it is evident the kind of Budget that the hon. Minister has presented. The people were waiting in the House to make adverse comments against the Budget but the hon. Minister did not provide any opportunity for it. This in itself speaks of the success of the Budget. What I would like to say is that the Budget reveals in a definite manner that there has been progressive improvement in the Indian economy. If you look at the infrastructure, at the power generation or



[Shri Ram Pyare Panika]

coal and cement production or even at the transport situation or any other sector, you would find that there has been progressive advancement. Every attempt has been made to put the derailed train back on the rails, and the effort has been successful. It is true that a lot of work has still to be done in some areas, for instance the public sector, where, as an hon. Member had pointed out yesterday, Rs. 42,000 crores have been invested. It cannot be doubted that due to administrative strictness, several public sector units have yielded good results, although the margin of profit has been less. But if this pace continues and the Government pays attention then certainly the situation would improve further. I would like to present two or three suggestions in this regard.

14.10 hrs.

[SHRI SHARAD DIGHE *in the chair*]

There are many reasons underlying the losses in the public sector units. The first reason is that nepotism has greatly increased here and it must be curbed. Contracts awarded on this basis increase corruption enormously. I am certain about what I am saying because fortunately, several crores of rupees have been invested in the public sector units in my area. Several projects are operating in my constituency. There are three Super Thermal Power Stations and several coal mines in my area. All the Central Government undertakings provide contracts only to those whom they want to show favour even if other parties have offered lower rates. Before negotiations take place or before finalising the award, some percentage of the contract amount or commission is settled. It is very important to look into this matter.

Secondly, there is a lot of talk about inefficiency and indiscipline in the private sector, which also must be strictly dealt with. Again, I agree with what our colleague said just now about the labour laws. The Central Government makes laws but they are not implemented by the State Government. The need of the hour is to enact labour laws and see to it that

they are at least implemented in the public sector because there is great deal of exploitation even in this sector. The labourers are transferred or kept on muster roll, or appointed as casual workers or on contract basis, and all the laws are just ignored and proper wages are not given. At many places, minimum wages are also not paid and they face a lot of difficulties. There is need to be strict with the private sector but we shall have to pay attention to the public sector as well to boost the morale of the workers who are responsible for increasing the production. Today, more than fifty per cent of the mandays are lost not because the worker go on strike or indulge in other activities, but because the management itself does not want that the factories should function properly. Therefore, the sickness in the mills is on the increase and the owners of these mills are growing richer. I would like to tell you that it is essential to control all this. Again, inflation has been the topic of several discussions during the current session. So far as the rising prices are concerned, you at once own the entire responsibility. But it should not be so. We were looking into the records a few days back and we saw that the Supply Departments of the State Governments were allotted their quotas of sugar, wheat, rice and other essential commodities from the Centre, but they did not lift it in time. There is no shortage of kerosene. Yet it is not easily available. So, there ought to be a machinery to look into it. The Central Government should not own the entire responsibility. In West Bengal or even in some Congress ruled states, you will find that the prices of essential commodities increase considerably because they fail to lift their quotas in time. This is because the high officials are in cahoot with the capitalists, even if they are foodgrain traders. Sugar is not available to any consumer before the fifteenth day of every month. Usually the consumer gets his quota after the 25th day. Only half of the sugar is distributed and it is said that the stock has finished. It is important to streamline the distribution system. The late Shrimati Indira Gandhi had formulated a twelve-point programme in the States. One of the points was that a ration shop should be provided for every 2000



units of population. What I want to emphasize is that it has not been implemented in any of the States. The public distribution system outlets were also to be opened in the remote areas, but the State Governments today, in spite of having all the resources, are not implementing the plan. Consequently, the price rise is increasing and you are being held responsible for it. I do not agree that you are entirely responsible for this. You will see that inflation has increased only by 4.7 per cent in our country. This figure would astonish the world.

**SHRI VISHWANATH PRATAP SINGH :** It is 3.6 per cent.

**SHRI RAM PYARE PANIKA :** For this I congratulate you. What I had said was rather on the high side. The way you are managing the economy is certainly loudable. If you look into the reports of eminent economists and that of the World Bank you would find that there has been a significant progress. What is required is to remove all the constraints that impede our progress. And if there are such constraints, others are responsible for them. Today, there is a lot of talk about the Centre-State relations. Allegations are hurled at the Central Government for not allocating resources adequately. But when the question arises of the proper utilization of those allocations, no attention is paid to it. In West Bengal, at present, only 14 per cent of the allocated amount has been spent on development works. You would be surprised to know that the funds allotted for poverty alleviation programmes have been misused. Attention should be paid at the lower levels. Instead of advancing the plea that it is the responsibility of the States, a monitoring cell should be formed at the Central level because we allocate scarce resources for poverty alleviation programmes. The State Governments should utilize the funds for the purpose for which they are sanctioned. I had been noticing recently that the money allocated for rural electrification schemes is utilized for other purposes by the Electricity Boards. Yesterday, an hon. Member had pointed out that the capacity utilization of the Electricity Boards was very low. In some States it is 51 per cent, in some it is 33

per cent and in some it is 25 per cent. In West Bengal perhaps it is even less than 25 per cent. Do the Central Government have adequate powers for looking into this matter? Although the Central Electricity Authority directs the Electricity Boards of the various States to operate in a particular manner in order to increase production, yet they do not follow those directives.

14.13 hrs.

[MR. DEPUTY SPEAKER *in the chair*]

I want to say that you must exercise some control over the Power Sector or such other Sectors which influence the economy of the country. It is now time for the Government to approach the Sarkaria Commission immediately. Not only the ruling party but also the opposition wants that the Centre should grow stronger. Again, it is essential to bring changes in the Electricity Supply Act. There are several other similar Sectors like the Irrigation Sector, where many disputes are pending. These should be settled. I would also like to point out that in the Fifth Five Year Plan, six kinds of areas were identified as backward. These were the hill areas, drought prone areas, the desert areas, the cyclone and flood prone areas. For the development of these areas and to end regional imbalances, a special amount was earmarked. So far as the hill and the desert areas are concerned some work seems to have been done but in the rest of the four sectors not much has been accomplished. So you should pay more attention to these areas. Under the D.P.A.P. Scheme, considerable amount of money was allotted in the beginning for initiating programmes in the drought prone areas and projects had also begun but now they are lying incomplete. They are lying incomplete in Uttar Pradesh and other States.

I would like to submit one more point. In the Seventh Five Year Plan some projects have been proposed to be taken up but there is an Act in the country which is coming in its way. There is the Forest Conservation Act. Schemes have been cleared for constructing dams and bridges at certain places but due to the Forest

[Shri Ram Pyare Panika]

Act they are lying incomplete. If the Forest Department takes two to three years in giving clearance to those projects which have been proposed in the Seventh Plan, it will not be possible to complete the projects. Under the tribal Plan, construction of roads, dams and other development works cannot be taken up. We agree that forests are important. Why do you not provide that afforestation should be undertaken in double the area denuded due to felling of trees. Otherwise, the development works in our area will be stalled and we will not be able to achieve the targets proposed in the Seventh Five Year Plan. I shall deal with the main points only. The Planning Commission has said in its report that the poverty alleviation programme is not being implemented in a proper way. The report is true. 40 to 60 per cent of money is being misutilised. We belong to the villages and the undeveloped backward areas. In spite of the efforts of workers like us, neither the functioning of banks nor the machinery of the Blocks could be streamlined. We have failed to curb the activities of the middlemen or the machinery.

Therefore, I would request that Government will have to take some measures. The report of the Planning Commission does not speak well. You will be surprised to know that under the Poverty Alleviation Programme, if a buffalo is given to someone in the Block, the same is taken away by some influential person in the village. We have taken up the issue with the D.M. a number of times but no action has been taken. The hon. Minister may be knowing that in Chaper blocks, some twenty two persons were provided such grant....(Interruptions)

**SHRI VISHWANATH PRATAP SINGH :** My house and his house fall in the same region. It is a hilly region. We know.

**SHRI RAM PYARE PANIKA :** That is why, as far as he is concerned, I knew him even before I was elected to the Lok Sabha. When he was the Chief Minister of our State, he moved by compassion towards the poor, accompanied Vinoba

Bhave. When Shri Vishwanath Pratap Singh saw that dacoits had unleashed a reign of terror, he without caring for the safety of his family, took many strong measures. I am well aware about his sacrifice and his qualities of heart. Therefore, there is no need to say anything about him. In an A.I.C.C. meeting, in which late Shrimati Indira Gandhi was present, he stressed the need to construct schools, Panchayat-ghars, roads, dams etc. Sir, one is not called great merely due to these things. If you read the character of lord Ram, you will come to know that Lord Ram did not build anything, he just put to the sword the demons, the unsocial elements. I firmly believe that with the introduction of these schemes, you will definitely be able to eliminate these unsocial elements and teach lesson to all those elements who want to disturb the economy of the country. We have full faith in you. The raids, which have been conducted in recent days, have a salutary effect on the people. Whenever we are confronted with opponents of this scheme or some capitalist, we are told that Raja Saheb is harassing us. You have taken timely action. On our demand, a slight change has been made that raids will not be conducted in the houses. All have welcomed it but Shri Madhav Reddi had criticised it yesterday. But he does not know that the States have got 36 per cent more funds due to this, which would ensure better development. He should have praised it. He is making contradictory statements. Since you have allotted me less time, I convey my thanks to you and hope that you will not deviate from the policies being followed by you. This is the right policy. Nothing can be done for those people who have expressed disappointment. It is natural because what they say here, they say half-heartedly. These are not based on facts. I have full faith that the economy of the country will improve progressively.

[English]

**SHRI V. KISHORE CHANDRA S. DEO (Parvathipuram) :** Mr. Deputy Speaker, Sir, we are today discussing the Finance Bill when there are rumours that there are pressures from various institutions, from various angles, to de-

value our rupee. There are also fears about our country being led into a debt trap because of the adverse situation that we are placed in. The hon. Finance Minister has himself stated that a deficit of Rs. 14,000 crores will have to be met in the 7th Plan from the revenue from the public sector. In the situation in which we are placed, unless the resources that we have, both human as well as natural and other resources which we have in the country, are mobilised to the hilt, it is very difficult for our economy to get out of the rut in which we are at the moment placed.

Sir, I am one of those who firmly believe that productive investment will have to be made in the rural sector and in the far flung areas where we have got mineral and other resources which are yet to be tapped.

Sir, the concept of giving loans to priority sectors or giving subsidies alone is not solve the problem. First of all, there is lot of pilferage by the time the money reaches the person to whom it is meant. I do not want to go into these points in detail. However there are instances where some of these loans have been misused and lot of them have been written off by the Banks also. Sir, it is not a good thing to write off loans given to this sector perpetually. In this discussion several hon. Members have already spoken and I don't want to go into every minute detail. I wish to lay stress on only a few points which should be considered by the hon. Finance Minister.

It is the duty of the Government to fulfil its social obligations also. By freezing the direct taxes, any increase that you want in revenue, will have to be met only from the collection of indirect taxes. Once it is recovered through indirect taxes, ultimately, the incidence will fall on the common man, on the consumer. So, the administered price rise which was unfortunately brought about before the budget including the price rise in petroleum and other products had its repercussions.

**SHRI VISHWANATH PRATAP SINGH :** For your information, the

latest figures have come, and the personal income-tax increase is 43 per cent over last year. So, there is no decrease, there is increase.

**SHRI V. KISHORE CHANDRA S. DEO :** I am glad that you have got 43 per cent more from your revenue collections of indirect taxes. What I am trying to say is, by freezing the direct tax, you have closed that option and if this 43 per cent increase is enough revenue for the Government, I have no quarrel with you. But besides this 43 per cent extra revenue which you claim to have got, if you want more revenue, you will again have to resort to indirect taxation which means, again the burden will have to be passed on to the consumer.

The next thing is about the functioning of the public sector. As I have already mentioned, the hon. Minister himself has said that this deficit of Rs. 14000 crores for the Seventh Plan has to be realised from the public sector undertakings. Now we also hear that there is a proposal for the Government to give ten of these public sector undertakings to the joint sector. If the Government wants to do this, then why don't you choose ten of your public sector undertakings which are not doing well and which are in the red? What is the point in introducing the joint sector concept in public sector undertakings where you are already making profits and are doing well? I take strong exception to this, and I expect the hon. Minister for Finance during his reply to mention whether the Government is thinking on these lines, to make the position clear. I do not mind your doing this in respect of undertakings which are in the red, from where the Government is incurring losses.

Sir, I would also like to make a reference about the convertibility of debentures as far as the non-resident Indian investment is concerned. This was meant to draw in a lot of foreign exchange in the country for the purpose of investment. This convertibility and non-convertibility is normally decided on basically two things—one is the rate of interest, and the other is with the equity. If the rate of interest is more than 13 per cent, then

[Shri V. Kishore Chandra Deo]

non convertible debantures are only given. Convertible devantures are issued only when it is linked with equity or when its interest is below 13.5 per cent. You have put a ceiling of 40 per cent with respect to convertible debantures which you have rightly done. But then this rule becomes completely nullified when non-convertible debentures are allowed to be converted into convertible debantures. The principal and the interest are repatriable. But if you also convert these non-convertible debantures into convertible debantures, then the capital appreciation out of the shares also will become repatriable. So, in this process actually more foreign exchange which flows out of the country will be much more than what is coming. So, I want the hon. Minister to clarify this point. This is my understanding of the entire situation and if this is the case, ultimately we will land up in letting more money out and a sort of frittering away of foreign exchange will take place instead of getting money for investments. This decision has been taken only three or four years ago. I would like to know the views of the present Finance Minister on this.

Then I would like to put in a word about sanctioning of money for various projects in the States. When a certain project is sanctioned and found feasible, the Government should go through with it. And if you don't go through the process within the specified time limit, then it is bound to result in cost escalations which, in certain cases, have been three-fold or four-fold. For example you take the steel plant at Vishakapatnam. Its original estimate was Rs. 2800 crores. Now it has gone up to Rs. 7000 crores. Now giving Rs. 400 crores or Rs. 700 crores is not enough. At this rate, I do not know, whether these projects will come up at all. In the mean time, we keep importing steel. We keep importing sugar and so many other things. The Government is yet to take a decision on sugar policy, I am told. During the past several years, a lot of sugarcane is being produced. A lot of farmers are finding it difficult to have market for the sugarcane. Yet, the policy is not yet finalised.

Time and again, the hon. Minister has reiterated in this House that the inflation rate has been very low compared to last several years or decades. It may be low. I am not trying to challenge that point. But I would like to know from him the rate of deflation in the agricultural sector also and the rate of inflation at the retail level because this is what ultimately affects the common man. The wholesale rate only concerns with traders and marketeers. What we are concerned ultimately is the inflation rate at the retail level and also the deflation rate at the agricultural level which has affected a major part of our economy which is agrarian in nature.

These are the points on which I would like to have clarification and I would not like to take much time of this House. As I told you, I wanted to make these few points which I thought important and I thank you for giving me this opportunity.

[Translation]

DR. CHANDRA SHEKHAR TRIPATHI (Khalilabad): Mr. Deputy Speaker, Sir, I support the Finance Bill. Undoubtedly, India is a country of villages and 80 per cent of the population lives in villages whose only means of livelihood is agriculture. A lot has been done for their development. Provision has been made in the Budget for raising the standard of living of the rural poor.

From the report, it appears that the production of foodgrains this year is likely to be 3 per cent more than that of last year. Similarly, the industrial production has increased by more than 7 per cent. Efforts have been made to make the Budget a balanced one and effort has been made to raise the standard of living of the poor living in the villages.

It is conceded by all that agriculture is not able to bear the burden of the people dependent on it and it is necessary to divert its surplus load to industry. I am happy that the hon. Finance Minister has tried to create a congenial atmosphere for this by giving incentives to small scale industries and large scale industries so that the pace of industrialisation is spec-

ded up and surplus load on agriculture is shifted to industry.

It was decided since the time of Pandit Jawahar Lal Nehru, the founder of modern India, that the economy of the country should be a mixed one where equal opportunity should be provided to the public sector as well the private sector. Efforts have been made since then to expand the activities of the public sector and it is a matter of pleasure that the public sector has spread its network in the whole country.

It is argued in favour of the public sector that its profits or capital formation will not be in the hands of a few capitalists but the profit and the capital formation will be utilised for the development of the country. There is need to improve the procedure of its implementation. I would quote one example.

The Railways is one of the biggest organisations in the public sector. If a need arises to lay a railway track of 2 km. length, tenders are invited for laying railway lines and generally the multi-millionaire capitalists manage to corner the contract. The poor man cannot compete. In this way a multi-millionaire is given a chance to earn crores of rupees. Also, such inferior quality material is used that the life of the railway track is reduced. In this way public money is misutilised.

In theory, many good arguments are advanced in favour of the private sector whereas in practice we see just the opposite policy. I would request the hon. Minister to prevent concentration of wealth in the hands of one person.

The Finance Minister has allocated large funds for the development of desert areas, barren land and hill areas and he has been quite vigilant in this respect. For this we are grateful to him. But along with it, in Northern India lakhs of hectares of land remain waterlogged which is known as Kachhar. If the living standard of the people of Kachhar area is studied, you will find that they are more backward than the people of hill areas and desert areas. They have neither

housing facilities nor any irrigation facilities for farming. So much so, that during floods, they have to live along with their families on roads, under trees and near embankments. With these Budget provisions and by adopting this procedure you cannot think of development of crores of the poor people living in Kachhar area. Therefore, I submit that on the line of Hill Development Board constituted for the uplift and development of the hill areas, a separate Board should be constituted for the development of the Kachhar region and funds allocated for it.

Sir, schemes like IRDP, DRDA and RLEGP started for the development of rural areas, though very useful for raising the standard of the poor, have not proved to be useful. Our Prime Minister recently visited his constituency Amethi and Sultanpur etc. He has himself seen that though on paper a pitch road has been shown to be constructed, but in reality there is no road at all. For providing drinking water, the Centre provides grants worth crores of rupees to the State Government so that the people living in the rural areas may have clean drinking water but the Prime Minister himself saw that one pump was just three feet deep in the ground. The question of drawing water from there does not arise. I, therefore, suggest that as you have provided for COFEPOSA to deal severely with the criminals, some law on the line of COFEPOSA should be enacted to punish those unscrupulous and corrupt officers who deceive and betray the country and who cause failure of the development schemes. If it is not done, then I think such laws should be excluded from the Statute Book.

For the progress of any country, heavy investment based industries are needed. During Shri Jawahar Lal Nehru's time, heavy investment based industries like steel, coal and energy projects were set up. They definitely formed the base for the progress of the country. But the production in such industries is utilised in two ways. The Finance Minister may kindly pay attention. One product is called socially irrelevant product and the other product is known as socially relevant product. For example, a steel factory

[Dr. Chandra Shekhar Tripathi]

produces steel. From that steel we can prepare almirah, refrigerator and room cooler as well as plough and other agricultural implements, tractors and rail tracks etc. What is needed in our country is that we should manufacture socially relevant products and necessary consumer goods from the products of the heavy investment based industries and not the unnecessary luxury goods. If we adopt this system, not only our country but the poor also will progress.

I want to draw your attention towards the banking system also. Recently, some 7 to 8 months back the Reserve Bank had issued a circular that Rs. 25 thousand will be given to unemployed graduates for running industries. In these days of soaring prices, you cannot construct a 20×10 ft. room with Rs. 25 thousand; wherefrom they will run the industry? Wherefrom they will purchase raw material and how will they run the industry? The Reserve Bank has also issued a circular that of the total amount of loans sanctioned by DIC, 50 per cent should be for industry. It is not at all possible to set up an industry with Rs. 25 thousand. Therefore, this limit should be increased to Rs. 50 thousand or Rs. 60 to 70 thousand.

Recently, we have come to know that a housing scheme for middle class and lower income group has been expanded under the urban development programme for which the Finance Minister has allocated funds. But what is happening is that at the time of registration, the price of the house for the middle income group or the lower income group is shown as Rs. one lakh but due to delayed delivery of the house its price is raised to Rs. 3 lakhs with the result that his caution money is attached and he does not get the house also. Purchasing the house at such an exorbitant rate becomes out of the reach of the applicant. Therefore, it is the duty of the Government to ensure that the flat is delivered at the price at which it was registered. If the price increases due to carelessness and indifference of the corrupt and unscrupulous officers, why should the applicant be punished for that.

I have also come to know that drinking water being supplied in the capital is dirty and unhygienic. The situation in this regard should also be improved. I had many things to say but due to paucity of time, I am concluding.

**SHRI GIRDHARI LAL VYAS (Bhilwara)** : I support this Bill. I want to draw the attention of the hon. Finance Minister that ever since Shri Rajiv Gandhi came into power, the situation had started improving. Everyone had started praising him that he was doing good work. In foreign countries also, he was being highly commended. All the surveys made went in his favour. But Mr. Finance Minister, Sir, what controversy have you created? It is because of you that the hornet's nest has been stirred. So far this has been the convention of the Lok Sabha that the Budget proposals should be announced in the Lok Sabha but you started announcing them outside the House and you imposed such high taxes on petroleum products, fertilisers and coal that prices of all the other commodities spiralled. The opposition people had nothing to speak against Shri Rajiv Gandhi and they did not utter a single word against him for full one year? But this programme of yours stirred a hornet's nest in the country. Therefore, I would say that you have done this without going into the depth of the matter. There was no need to impose the taxes because you have yourself stated that resources for the Seventh Five Year Plan are available. There was no need to impose these taxes but because the poor are to be helped more, you wanted to mobilise more funds for higher allocations under RLEGP, NREP, IRDP. That is why you have imposed these taxes. You should also see how these programmes are being implemented. Whatever subsidy you give is misappropriated by the bank employees. On the one hand you are running these programmes to alleviate poverty and on the other hand the programmes which were running smoothly have tottered due to increase in the prices of the petroleum products on account of which the prices of other commodities have skyrocketed. It has been vehemently opposed by the common man and our opponents. What have you gained by creating such an

atmosphere ? There is a great need to improve the present situation.

I may also submit another point. When you want to impose a tax or want to increase excise duty or custom duty, why do you then later on withdraw that ? You had increased excise duty on mustard oil at the rate of Rs. 1500 per tonne but yesterday it was reduced to Rs. 750. You are aware that when you increased the duty at the rate of Rs. 1500 per tonne, the prices increased accordingly. We started receiving brickbats from the traders and the people started charging the prices at that rate. But now you have reduced it to Rs. 750. It is not going to benefit the poor. Therefore, you should impose the taxes after giving full thought to all the aspects so that the common man on whom the burden falls due to your wrong policies is saved of this burden. In this connection special attention needs to be paid.

Similarly, you give subsidy worth Rs. 1200 crores on fertilisers and Rs. 2000 crores on foodgrains but how these subsidies are being utilised ? Scandals are taking place in FCI. Bunglings worth more than Rs. two thousand crores have taken place in FCI about which I have told earlier also. Why do you not get these scandals investigated ? The Government is giving Rs. 2000 crore subsidy. This entire tax has to be paid by the public. Similarly, you give subsidy worth Rs. 1200 crores on fertilisers but you are increasing the farmers' burden day by day and touts are taking advantage of this. Therefore, try to rectify the situation so that Shri Dandavate does not get the chance to criticize the Government. There should not be any ground to speak against the Government. Therefore, the present situation needs to be improved. If you improve it, everything will be all right.

You have made provision for conducting raids. Everyone appreciated that. Prof. Dandavate also praised the step but I do not know why in the meantime you brought another law stating that without the order of the commissioner no big person's houses will be raided when you are aware that there has been bungling

worth hundreds of crores of rupees in excise duty and foreign exchange, why there is any hitch in making raids ? There should not be any discrimination between the small and the big. The general public had praised this step and it had a good impact on the economy of the country. Therefore, this practice should continue in a proper way. Do not let the big people escape this dragnet through legal technicalities and niceties. Otherwise, you will earn a bad name. The new legal provision introduced by you is not proper. You should do the work in such a proper way that the country may be benefited to the maximum.

I want to say one thing specifically in connection with the banks. The banking system is not functioning properly. There have been fraudulent deals involving crores of rupees. The big persons have misappropriated a lot of money by cheating the banks in collusion with the big officers. You yourself have issued a statement in this regard. Therefore, Mr. Deputy Speaker, Sir, the Lok Sabha should have some control over the functioning of the banks, which has not yet been done so far. And it is due to this reason that these people are able to defraud the banks. The foreigners are also involved in it and get their share of the loot. Therefore, this system should be.....

[English]

MR. DEPUTY SPEAKER : You are having the control. The Minister is looking to you. This means this House is having the control. How can you say that we do not have the control.

[Translation]

SHRI GIRDHARI LAL VYAS : Therefore, you should extend your co-operation in this matter so that the system could be set right.

The poor people are supposed to be helped through the banks. It is doubtful whether justice is being done with them and this fact has been brought to your notice many times. The Punjab National Bank has realised five times the amount



[Shri Girdhari Lal Vyas]

of the loan, when under the Civil Procedure Code, exorbitant rates of interest cannot be charged. Yet the banks are charging five times the amount of money given as loan. And if they fail to realise this sum, the debtor's land and other assets are auctioned. On the one hand there is a talk about alleviation of poverty and on the other hand there is the question of survival of the poor people. How will the system function in this manner? The hon. Minister should pay more attention to this otherwise all our programmes will become useless and this wouldn't help at all. Similarly, the programme to provide subsidy is also proving to be a failure. Everywhere the big officials are misappropriating the funds allocated for this purpose. The bank officers, animal husbandry officers and the Block Development officers pocket the amount of subsidy among themselves. In this connection, I had suggested earlier also, that instead of subsidy, interest free loans should be given so that the beneficiary gets the full amount and he has not to pay any interest. Therefore, this system should also be improved. I think that the hon. Minister is not listening carefully.

[English]

MR. DEPUTY SPEAKER : He is already taking notes.

[Translation]

SHRI GIRDHARI LAL VYAS : I would like to say something about the zinc smelter. A huge zinc deposit has been discovered in Rampura Agucha but the zinc smelter plant has been installed hundred and thirty kilometres away from it. I have spoken about this a number of times. The plans formulated by the Government officials are not of any use. It would be quite expensive to transport the raw material to the plant. Water will have to be provided to the plant by constructing a 17 kilometre long embankment and then through a pipeline. And for providing electricity, a new thermal plant will have to be installed. If all these arrangements are made at the site of the mine, itself, then it would be less expensive. But if this is not done, the

Government of India would have to incur heavy expenditure. Government should intervene and instruct the Mining Department to set up the plant at Rampura Agucha where the mines are located so that proper arrangements could be made.

Similarly, several other programmes could be undertaken, which would be beneficial and would also save foreign exchange; but you are not interested in them. Mica deposits have been discovered in Rajasthan, Bihar and Andhra Pradesh. You have sanctioned the proposals for setting up Mica Paper Plants in Bihar and Andhra Pradesh but not in Rajasthan. You can earn Rs. 1 crore as foreign exchange through its export, but the Government is being deprived of this foreign exchange. Therefore, my request is that if such a factory is set up in this backward area, the people of the area will certainly be benefited. Again, cement, rock-phosphate, pyrite and other mineral deposits have been discovered there. If industries based on these minerals are established there, it would not only benefit the concerned region and its people but also the rest of the country.

With these words I support the Finance Bill.

[English]

SHRI K. S. RAO (Machilipatnam) : Mr. Deputy Speaker, Sir, I rise to support the Finance Bill. In fact good efforts have been made all these years in taking the economy to the heights and all the more in this last budget tremendous effort has been made by the Finance Minister and the Prime Minister in bringing about the speedy change. Even the opposition agree to the over-flowing zeal and determination of the Finance Minister in bringing about a social transformation very quickly.

Sir, the role of the Government invariably is to find out the ways or policies and programmes which can motivate the vast human resources of the country to work and create wealth and all amenities that are required for themselves and for the country. Though we have enough



appreciation for the efforts that are being made, I wish the hon. Minister to find out and make enough study as to how countries like Japan, West Germany and Korea could bring so fast a change in their economy and why it is taking lot of time for us in this country.

Sir, apart from making policies and programmes if they make frequent studies in finding out the reasons of delay and plug the loopholes, I am sure, we can achieve the targets at an early date. As has been mentioned by the Prime Minister, this country can reach the heights where we can compare ourselves to the most advanced countries of the world. Everyone will agree neither excessive wealth nor perennial poverty are going to infuse any hope or desire to generate wealth. So an optimum condition either by way of levying reasonable taxes or strict enforcement in all these matters can be arrived at with adequate study in this regard by the experts as well as the peoples' representatives who are very much connected with the conditions existing in various parts of the country.

Sir, apart from the Rs. 50,000 crores that is allowed in the budget much more effect can be achieved by proper utilisation of the Rs. 80,000 crores that are lying in the banks. Though allocations are being made in various directions for the benefit of the poor people I am of the opinion proper utility is not being done at the lower level. I request the hon. Minister to think in terms of starting rural training centres for the unemployed youth and the poor in rural areas particularly in fields like cottage industries, animal husbandry, Dairy Development, fish and prawn poultry, Dairy, Carpentry-modern methods of agriculture, etc. There is ample number of youth who are prepared to learn in all these areas. These people can also be connected to the financial institutions so that the real purpose of nationalisation of banks can be served.

Sir, we find all these days there is little improvement in the quality of recruitment in banks. These people should not only do accounting jobs but they must have social commitment. They must realise that their role is to bring a trans-

formation in the society and economy of the country. This requires knowledgeable people with professional skills and commitment. I wish once again the hon. Minister to think in terms of preparing a new generation who are committed, ambitious and enthusiastic to bring this change if necessary by making enough sacrifices in that direction.

Even the peoples' representatives also must be answerable and involved in implementation of these programmes successfully. While providing budgetary allocations to various Ministries. I like to request the hon. Minister to rethink whether the Ministries like Coal and Mines, Energy, Railways, Water Resources, Tele-communications, Civil Aviation, Textiles, etc. require any great budgetary support or whether it can be ensured that they can generate their own internal resources so that the demand for the allocations can be reduced. In fact, all such Ministries must be in a position to generate their own funds because they are also in turn producing and selling their generated wealth and services, whatever they are, to the society, in which case much of the budgetary allocations can be made to the social services or to those areas where amenities for infrastructural facilities are needed or proper distribution system of wealth to the poor and the under-privileged can be ensured.

When we find the trade deficits going up in a big way, I fear that if this is not restricted and if it is allowed to grow indefinitely, ultimately it may lead to a type of society where this countrymen will be made bonded labour to the developed countries. Those commodities which can be produced in this country should not be allowed to be imported. Import of such commodities will always lead to unemployment in this country and at a later date as the prices are going up in other countries and the devaluation of rupee is frequently taking place, the debt trap is increasing and our people will become helpless and they may have to under-sell their products. I would therefore request the hon. Minister once again to see that remunerative price should be made available or paid to the producers and avoid imports of such commodities. In regard,

[Sari K.S.Rao]

to excessive controls on certain commodities, a relook has to be taken and identify those areas where controls are required to be removed, and a balance can be struck so that things can improve and stabilise our economic situation. No amount of increase in internal borrowings will affect our economy and production of wealth whereas external borrowings will have a damaging effect on our economic growth. I wish adequate incentives are provided in those areas which will encourage the domestic earnings and savings. The Government should think in terms of those lines to increase domestic borrowings.

As regards imports, it is visible that huge amount is being spent on import of edible oils, sugar, pulses, fertilisers etc. This can be avoided by encouraging production of these commodities in abundance in our own country. If necessary, they can import the technology, but certainly not import of commodities.

Sir, we have a ceiling on the land in the rural areas. The rural people are not in a position to educate their children with their meagre income leave alone sending their children to distant professional colleges. While supporting the ceiling on land in the rural areas, I do not understand why the Government is not thinking in terms of providing a ceiling in urban properties also. In this context, I wish they should think, without affecting the enthusiasm and incentives of various sections of the people, in terms of generating more and more wealth for the nation in two ways—one is absolute ownership and the other is trusteeship. In case an individual is found to be misusing the funds of Trust, a provision can always be made to take over the Trust, which should not kill the incentive but at the same time ensure that this is not misused.

Mr. Deputy Speaker, Sir, while we are all for encouraging public sector, at the same time, I would like to bring to the notice of the hon. Minister that inefficient public sector units are draining away the resources of the nation thereby causing inflation and havoc to the economy. So, enough attention must be paid and imme-

diately measures should be taken to set right those inefficient public sector undertakings without further loss of time. It should be ensured that only those people who are committed, who can sacrifice for the nation, competent, knowledgeable and have professional skills, and not only the bureaucrats should head these organizations. So long as these organizations are headed by bureaucrats, they would continue to concentrate on administration without knowing the ins and outs of the technical problems of the public sector the public sector organizations are bound to run in an inefficient way. Necessary steps must, therefore, be taken in this direction without loss of time.

Above all, the human resources must be tapped in a big way; these are available in abundance in this country. In spite of the new Education Policy, it is not being thought of in a revolutionary way. Unless this is done, no amount of efforts in various directions or breaking our heads for allocating more funds to the various Ministries would help.

Coming to Andhra Pradesh, it has got a good farming community who are very receptive to modern technology and are very progressive minded. In case the farming community of Andhra is helped by giving proper incentives, remunerative prices for their produce and support of high technology, they would be in a position to improve the national wealth along with their own wealth.

Similarly, the unemployed poor youth of Andhra, particularly in rural areas, is very very receptive and enthusiastic to learn more skills, earn more and help themselves as well as nation. I request the hon. Minister to think in this direction also.

As regards export promotion, there is extensive potential available in Andhra. Government should think in terms of permitting the State Government to take up export by creating an Export Trading Corporation. Clearances of the projects, if not financial, at least technical must be given without any delay.

## [Translation]

SHRI MANVENDRA SINGH (Mathura): Mr. Deputy Speaker, Sir, I would first express my heartfelt gratitude to the hon. Finance Minister and welcome the Finance Bill wholeheartedly. Under this Bill, concessions worth Rs. 82 crores have been given in excise duty and import duty. Concessions in excise duty to the extent of 50 per cent have been granted in the case of mustard oil, rapeseed and refined oil. The concessions granted in the building of bodies of heavy vehicles like buses and trucks, bamboo furniture, lanterns and its parts, turpentine oil deserve to be commended. The concessions in duty granted in the case of special paper required for manufacturing match boxes, fishing nets, gunny bags will help the poor and is indeed laudable. The hon. Prime Minister deserves to be applauded for granting such concessions to the poor section of the society. The concessions in the excise duty on gunny bags would greatly relieve the farmers and the concession granted in the case of fishing nets would provide relief and encouragement to the small fishermen who belong to the backward section of society. The increase in the industrial licence ceiling particularly in the case of small scale units where the ceiling has been raised from Rs. 5 lakhs to Rs. 10 lakhs, would be very helpful to the small entrepreneurs, as the constraints that they used to face while setting up such units would be removed and they would be able to establish such units easily. In addition, this would provide encouragement to the unemployed graduates in setting up their small units and they could realise their ambitions quickly. The concessions granted by the hon. Minister last time, particularly in the case of skins and hides has greatly relieved the harijans and other backward classes. I would congratulate him for this.

The hon. Minister has also provided that raids would not be conducted in the houses of businessmen; only their business premises would be raided now. I would like to know whether this would not hinder the process of unearthing black money. The houses and banks

have been excluded from the raids. Some provision must be made in this respect as any impediment in unearthing black money would adversely affect the economy. Therefore, some provision has to be made in this regard.

Next, I would like to draw the hon. Minister's attention to rural development. Our country is predominantly an agricultural country. Cultivation of wheat and sugar is the main occupation of the farmers. The prices of these commodities should be fixed after proper evaluation because all the inputs needed for agricultural production, for example, manure, seeds, means of irrigation, labour charges, land revenue, tractors and other implements have become more expensive. Due to this the cost of production has increased and the farmers have to face great economic hardship. Again, due to increase in the prices of the consumer items, which the farmers have to buy from the market, the situation has become worse. I would therefore, urge that keeping in view the cost of production, the support price should be reviewed and it must be increased. Today, the farmers are overburdened with debt. If they are not given remunerative prices and the prices of all the commodities go on increasing, the farmer will be in great difficulty. Besides, priority should be accorded to irrigation schemes, tubewells and electrification. I shall stress on the need to construct village roads and hospitals. A Rural Health Service Commission should be constituted. It has been found that the doctors who are posted in rural areas, hills and in interior region do not join their duty and as a result the people of those areas are deprived of the medical facilities. Besides hospitals, the means of transport are also lacking. The condition of primary education and education in general is appalling. The condition of technical education and agriculture education is not satisfactory. I would request the hon. Minister that agricultural colleges should be opened in more and more districts. From the point of view of industries industrial units should be set up in every block so that employment is provided to the people and the development of villages takes place. The hon. Finance Minister has also made provision for drinking

[Shri Manvendra Singh]

water schemes. There are scheme like N.R.E.P. and R.L.E.G.P. functioning in villages. Besides, there is some short-coming in the Housing scheme for the Harijans which must be removed. The bank managers and the employees expect commission from those villagers who apply for loans from the banks. Strict instruction will have to be issued in this respect. I represent Mathura and as such I would like to submit two so three points in regard to that area. There is a proposal of constructing two bridges over Yamuna in Brindavan and Shergarh which is pending for a long time. The scheme for development of the Brij area is under consideration. This is a pilgrimage centre and is the Brij bhoomi of Lord Krishna. Beautification of Mathura, Govardhan, Barsana, Nandgaon and Gokul is very necessary. Development of places of tourist importance is also very essential. Provision should be made in the Budget for the development of all the pilgrimage centres in India. Similarly, provision should be made for sugar factories also. With these words, I express my thanks to the Hon. Deputy Speaker.

[English]

MR. DEPUTY SPEAKER : Two more Members are to speak after you.

[Translation]

SHRI RAJ KUMAR RAI (Ghosi) : I convey my thanks to you for giving me an opportunity to speak on the Finance Bill. Sir, almost all the sections of the House had praised the Budget with one voice earlier also. They termed it as a Budget which would ensure all round development of the country and accelerate the pace of development. Sir, I support the Budget. The hon. Finance Minister, Shri Vishwanath Pratap Singh and the Shri Janardhana Poojary, while formulating the Budget, have ensured that the poorest of the poor in the country are taken care of. In any country, if the interest of the poor is not taken care of in the Budget, it cannot be termed as a good budget. The Budget has been criticised on two to three points. The hon.

Finance Minister should not be afraid of these criticisms and slow down the process of conducting raids, because raids are conducted on big people who have vast assets and who do not want to contribute a part of their income to run the country and Government. They have vested interest in it. They have got good lawyers to defend their cases. They have their own newspapers. Therefore, they can criticise the Budget in such a way as to demoralise the hon. Finance Minister. In this way the programmes chalked out for the poor are stalled. It has been established that the Government is not going to bow before them and you are trying to take the country forward under the leadership of Shri Rajiv Gandhi. The way you are preparing the Budget and the blueprint that you are drawing for the development of the country, will help the poor of the country immensely to make progress speedily. Therefore, there is no need to get afraid of it ; on the contrary the process of conducting raids must be stepped up. If there are more raids, it would instil fear in the minds of the people. Persons like Shri Palkhiwala and Shri Bahuguna are criticizing that Raja Saheb and Poojaryji look like Saints but their hearts are black and these raids are being conducted with some ulterior motive. I had read their statements in the newspapers and journals from which it seemed that there could be no better way to discourage them. Therefore, I would like to support the Budget first.

[English]

The entire emphasis is on my command.

[Translation]

Shri Bahuguna has said that the Budget is very harmful and misleading. On the face of it, the Budget appears to be innocuous. He has said it straight away during the course of his interview Shri Bahuguna is annoyed with Raja Saheb because Shri Vishwanath Pratap Singh helped Shri Amitabh Bachchan to win the Lok Sabha seat from Allahabad. Therefore, he is opposing even his right steps.

Secondly, the people who have criticised the raids in their speech on Budget, have welcomed it also. I do not agree that those persons who welcomed it, consider the Budget a right one. People like us are neither an authority on economics nor have any knowledge about these technical matters. I am quoting Mr. Palkhiwala.....

[English]

“.....The shroud of secrecy, a feature of the past budgets, was absent this time. The promise of stability, given last year, had also in a large measure been fulfilled. The lower rates of individual and corporate tax had been continued. The much-needed reliefs to the middle class and to the poor were also welcome”.

They ought to be welcome. This is what Mr. Nani Palkhiwala says.

[Translation]

In this Budget there are two such features—Anti-Poverty Programme and National Integration—for which the former Prime Minister Shrimati Indira Gandhi lived and died and she will always be remembered for it. There are many things like N.R.E.P., Minimum Guarantee Programme, R.L.E.G.P. for which the Government have made provision of crores of rupees for the State Governments. They have allocated vast amounts for these schemes in the belief that with this amount, the State Governments will undertake programmes to improve the condition of the labourers and the poor so that they may be able to earn enough money after the day's hard labour to meet their both ends meet. It is a good thing. But it is unfortunate that the State Governments are misusing the fund. The funds which are being allocated to the State Governments under N.R.E.P., are being pocketed by the contractors and the officials. I represent east Uttar Pradesh but I know the conditions prevailing in the western Bihar also. This region is the most densely populated in the whole of India and is known for its poverty and backwardness. You can see the whole Budget and if you find a single such scheme under

N.R.E.P. in which the work has not been got done through the contractors, I shall be prepared to accept whatever condition the hon. Minister or Mr. Chairman impose on me. All the works are handed over to the contractors and whatever allocation of Rs. 4 to 5 crores is made under the programme, is being pocketed by the contractors and the rest is pocketed by the Government officials by way of commission.

Sir, if you permit me, I would like to say one or two things. These days it is imperative to pay attention to the security in banks. If any bank has not been robbed it is not because of the improvement in the law and order situation but because the dacoits have spared it. I had put a question to the Government in this House vide unstarred question no. 6376 whether it had been established from the dacoities committed in Allahabad and Kanpur that banks can function smoothly only if they have been spared by the dacoits and not due to improvement in the law and order situation. In response to my question the Government replied in negative on 11th April, 1986. When in the same question, I sought information regarding the bank dacoities in Uttar Pradesh during 1985, I was told that 8 incidents of dacoities and robbery took place in the public sector banks in Uttar Pradesh in which a sum of Rs. 26.39 lakhs was involved and 15 persons were stated to have been arrested. So far as the fraud in the banks is concerned, the Reserve Bank of India has informed that the present figures do not give state-wise information. However, as per the consolidated upto date information in regard to the 28 public sector banks, as many as 2157 cases of fraud took place during 1985 in which a total sum of Rs. 53.49 crores was stated to be involved. This makes it clear that Government is helpless against the people indulging in frauds and dacoity in the Banks. Therefore, Sir, I would like that arrangements for special security should be made in the banks so that the public money is not frittered away. In conclusion, I support the Finance Bill and state that you may also look into the matter of drinking water overhead tanks, removed during the Sixth Five Year Plan.

**SHRIMATI USHA CHOUDHARI** (Amravati) : Mr. Deputy Speaker, Sir, the Finance Bill presented in the House resolves many problems. I support the Bill and want to say a few words on this. We are aware that it is necessary that the Government should have economic success but what is more important than that is that the economic policies we are going to frame are not harmful for the society. Therefore, I do not have the courage to support the increase in the taxes on the lotteries, gambling and the races. I want to ask the hon. Finance Minister that he must reveal in his reply the money which the Government earns from activities like lottery sale. Irrespective of the income from the lotteries, it is a harmful tendency. There are certain things like these which are covered under our economic policy. We want to know from him about these things. May be that we are getting excise duty from liquor and earning profit from lottery sale but people at large and the women folk in particular will say that they are ready to accept one point less in the 20 Point Programme or a little lesser economic help but they are not ready to accept a thing which extinguishes hope and peace in life. This is the view of the people at large and women in particular. I, therefore, want to know how many poor people have benefited from it. Rather I would say that people with black money buy the tickets from the winners of lottery and convert their black money into white money. Therefore, we do want that we may mobilise resources but it must be done in a manner that it does not adversely affect the poor and brings money from the rich.

While supporting the Bill, I want to give certain suggestions. Whereas we want to bring the people living below the poverty line above this line, we observe that the rich are also becoming richer. Their hopes and aspirations are increasing. It is necessary to check that. We should bring the poor above the poverty line but at the same time we have also to see that upto what limit the rich should be allowed to rise. Put some restriction on this also.

My second suggestion is that just now an hon. Member stated that a new and

good housing scheme for the urban areas is being considered. It is a good thing, the Government should consider this but at the same time I would request that the Government should think of the rural areas too. In the cities, you provide flats with many rooms but the Government should think of providing clean, small flats in the villages also. The Government should formulate a scheme to provide small houses to the poor, common man, farmers and employees in the villages. For this, if necessary, the Central Government should take loan from LIC. The Central Government should at all costs prepare a scheme of this type and help the people by providing houses to them.

My third suggestion is that the poor villagers living in the rural areas do not have hospitals and schools for their children. State Governments have no funds to provide these facilities. For this also the Central Government should provide funds even if it has to borrow from the LIC so that the people in rural areas are able to get these facilities.

Mr. Deputy Speaker, Sir, a lot of discussion has taken place here about the farmers. Not saying much about the farmers I would say only this that the Government has recently enforced crop insurance scheme for fruits and foodgrain crops. We want that this scheme should be applicable to all the crops of foodgrains and fruits throughout India so that the farmers are able to get some relief.

Mr. Deputy Speaker, Sir, I suggest that a group insurance scheme should be implemented for the landless labourers.

I want to ask the hon. Minister that when the poor approach the banks for loans under the National Rural Development Programme under the 20 Point Programme, the banks refuse to advance them loans. But during the last two years there has been bungling of crores of rupees in the banks. Whether the Government will get this matter investigated which is nothing but fraud and give deterrent punishment and streamline the working of the bank? On the one hand the money is mis-appropriated and on the

other had the banks refuse to give relief to the poor. The Government should take some concrete steps in this direction.

Supporting in particular the long term fiscal policy of the Government, I want that when we are entering the 21st century for removing the economic disparities, our Government's economic policies should be reflected in the working of the banks. With these words I conclude.

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15.31 hrs.

#### COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

[English]

##### Eighteenth Report

SHRI R.P. SUMAN (Akbarpur) : I beg to move :

“That this House do agree with the Eighteenth Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 24th April, 1986.”

MR. DEPUTY-SPEAKER : The question is :

“That this House do agree with the Eighteenth Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 24th April, 1986.”

*The motion was adopted.*

— — —

15.32 hrs.

#### RESOLUTION RE : ELECTORAL REFORMS—*Contd.*

[English]

MR. DEPUTY-SPEAKER : On the last occasion the House was adjourned for want of quorum when the resolution moved by Shri D.N. Reddy was being discussed. I would like to inform the

House that already 8 hours and 11 minutes have been taken on this.

THE MINISTER OF PARLIAMEN-TARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT) : I propose that the time may be extended by 1.1/2 hours.

MR. DEPUTY-SPEAKER : Is it the pleasure of the House to extend the time on the resolution moved by Shri D.N. Reddy on 28th February, 1986, by 1.1/2 hours ?

SOME HON. MEMBERS : Yes.

SHRI S. JAIPAL REDDY (Mehboob-nagar) : I do not really remember what I spoke the other day. I better begin all over again.

As I mentioned the other day, there is a need to lift the level of debate on electoral reforms above the lines of party divisions. It is very gratifying to note that India has retained its democratic system though it has been only at a developing stage. In spite of interminable series of serious structural failure on the economic front, our democracy has not only survived but taken strong roots in our soil.

15.35 hrs.

[SHRI VAKKOM PURUSHOTHA-MAN *in the Chair*]

But we will have to take note of the fact that even this singular achievement of India polity is being threatened by increasing vitiation of electoral process. The menace of total perversion of electoral machinery is really looming large on our democratic horizon. Electoral reforms are no longer an academic issue to be debated ad nauseam in symposia and seminars but, in fact, a burning problem crying for instant action. The Election Commission, in its Report this year, talked of the threat posed by three kinds of power, namely, the money power, the muscle power and the media power. I may also add two more kinds of power to this list, namely, the magisterial power and the machinery power. It is, in fact, to put in nutshell 'M' to the

[Shri S. Jaipal Reddy]

power of five. If these five evil powers are to be checked, any talk of reform in my view, must start with the Election Commission itself.

Election Commission needs to be strengthened in regard to its composition, its machinery, its jurisdiction and its autonomy. To begin with its composition, in my view, it should be headed not by one but by three, and the choice of the persons for manning this Election Commission must not be left to the sweet will of the Government alone. I am of the considered view that the opinion of the Opposition and the Chief Justice of India and the Government must all be considered before the appointment is really made. Apart from this, it must be armed with an independent machinery of its own otherwise it has to operate again through the machinery that obtains at the level of State Government.

The Election Commission must be armed with the power to order a fresh poll in any constituency where it is convinced that more than ten polling booths have been captured.

Then, I may refer to the Code of Conduct. The Code of Conduct is more honoured in the breach than in the observance. Therefore, there is an imperative need to give legal teeth to this Code of Conduct. The directives of the Election Commission must be complied with otherwise these directives will become a total waste. I do not want to draw attention to the names of candidates but I may refer here to the recent Banka by-election. There a District Magistrate was to function as the Chief Returning Officer. He was posted there two days before the notification of the polls. And when I went along with another party colleague of mine to represent to the then Election Commissioner, the Election Commissioner said he was helpless because he was brought two days before the notification. I may further amplify that this District Magistrate had functioned as District Magistrate in the last Lok Sabha polls from the very same constituency and there were complaints galore against him

and he had to be transferred in the wake of those complaints and yet he was brought back before the notification of the by-election. Therefore I suggest that the District Judges and not the Executive Magistrates must be made the Returning Officers, with the power to regulate the law and order situation as well during the period of the election campaign. I may once again draw your attention to the same Banka bye-election. One I.G. was posted as Special Officer on duty only 10 days before the poll. We went and met the Election Commissioner and he said: 'I am not in charge of law and order.' I may bring it to your notice further that all the directives given by the Election Commission in this specific case were violated. He directed in writing that the personnel for manning election must be drawn from the Central undertakings. The Election Commissioner also directed that the CRP must be asked to do the patrolling. But, all these directions were flagrantly and blatantly contravened and the Election Commissioner was helpless. We know what the District Magistrates are capable of doing. In Bihar State itself I may draw your attention to another case. A C.P.I. candidate in the Assembly Election was first declared elected and within 24 hours another Congress I candidate was given certificate by the same Returning Officer. I hope you will appreciate the terrible inequity involved in the appointment of District Magistrates as Returning Officers.

Sir, I do not have to refer to the incalculable, almost infinite power, given to and exercised by the media like Television and Radio. We must be able to evolve a code of conduct with sufficient legal authority to see that these mass media at the disposal of Government are not misused for narrow and nefarious partisan ends.

Now I may refer to the Amendment brought forward recently allowing companies to make donations to political parties. Donations may be collected from the companies by the Government in the form of a cess. That amount may be pooled and the same may be distributed according to the set criteria among the various parties. If the companies are to be



armed with discretionary powers, then the Companies would give donations depending upon the ideological approach of the parties and on the power of patronage that the parties command. Therefore, this amendment is only to regularise corruption which is eating into the vitals of our election machinery.

Now I may refer to the functioning of our political parties as well. Sir, I am not opposing any particular political parties. I don't think that the structure of our political parties is sufficiently democratic with regard to their internal functioning. Therefore, there is a need to regulate the functioning of political parties and to introduce a method of compulsory audit of political parties through a piece of comprehensive legislation.

Now I come to the ceilings on expenditure. We know the notorious Amendment that was brought before 1974 by which the expenditure incurred by a political party or friends of the candidates, is to be excluded from the ceiling. This has rendered the Ceiling provision itself totally ineffective, if not ridiculous.

Sir, there is a need also to avoid frivolous candidates, non-serious candidates. One way of doing it is to increase the deposit amount at least 10 times.

The Prime Minister of India during the election period can go about in the helicopters and aeroplanes of the Indian Air Force. I plead that the Presidents of all recognised political parties be provided with the same facility. *(Interruptions)*. Why not? During the election, you say he is going as the Prime Minister. Am I to give lessons in this? *(Interruptions)*.

MR. CHAIRMAN Kumari Mamata, please take your seat.

*(Interruptions)*.

MR. CHAIRMAN : I will look after it, don't worry.

SHRI S. JAIPAL REDDY : So, Sir, I am of the view that in any polling booth where more than 80 per cent polling is recorded, polling in that polling booth must be cancelled.

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI A.K. PANJA) : Why?

*(Interruptions)*

SHRI S. JAIPAL REDDY : As it is, there is already a ceiling on the percentage of polling in a polling booth. It is now 90 per cent. I only plead that the same be reduced by 10 per cent. *(Interruptions)*. They would like to make a very non-controversial speech of mine very controversial.

*(Interruptions)*.

SHRI D.N. REDDY : In case there are irregularities in ten booths. Polling in the Assembly segments should be cancelled.

*(Interruptions)*.

SHRI S. JAIPAL REDDY : My last point, Sir, is that in regard to the delimitation, of constituencies, the number of seats in a given State may be kept as it is until 2000 A.D. Now, there is a need to undertake fresh delimitation and also to see that the reservation provision is subject to rotation from one constituency to another.

[Translation]

SHRI BALASAHEB VIKHE PATIL (Kopergaon) : Mr. Chairman, Sir, I am thankful to you for giving me time to speak on this important matter. A resolution to change our electoral system and to bring radical changes in the Election Commission has been presented before the House. Ours is a democratic country and it is, therefore, necessary that all the political parties function properly, there is no corruption in the elections and the poorest of the poor get the chance to contest the elections and win the same. In this connection I have two or three suggestions which I am submitting before the House.

Nowadays, all the parties talk of black money. All are in favour of getting the

[Shri Balasaheb Vikhe Patil]

election funds and party funds audited also. I am also in favour of this. But in addition to this, I want to suggest that why do all the parties not collectively suggest that when we have democracy in our country, the Government should bear the election expenses so that we do not have to take obligation of any friend or any company. You are aware that obligation of donations leads to corruption and many other unlawful activities. In the matter of giving donation—lawfully or unlawfully—by any company, the Company Law has now been amended. But even then I would like that though we want to implement socialist policies in our country and we want that even the poorest of the poor should be able to fight elections, yet it is becoming difficult for the poor to fight elections because of enormous expenditure being incurred by some of the candidates. Of course, the party gives some funds but even then in spite of help of good volunteers, the poor are not in a position to fight the elections because from which source he would spend money—who would donate for him and how will be arrange black money? When funds and volunteers are provided by the party then why not election expenses be met by the representative Government and a restriction put on the expenditure by other people. I feel by doing this our image will also become clean and corruption will also be reduced. Nowadays big companies want to take advantage of the situation. They will, then not be in a position to do so and it will help us in the implementation of our policy of socialism. Also, nowadays though we talk of national integration yet more and more regional parties are being formed. Therefore, I want to suggest that we should place the matter before the Election Commission. At present it is a regional party whose hon Member is the Leader of the Opposition in the Lok Sabha. In such situation we will have to think deeply about the position of the regional parties. If the regional parties emerge as the main parties, what will be the importance of the national parties? The regional parties fight elections on local issues and forget the interest of the country. This can be dangerous to the country. Then who will take care of the interests of the country?

Therefore, I suggest that the Election Commission should pay attention to this aspect as to how a regional party can be considered as a big party? In the case of a national party we can think on these lines. Besides, small political parties are also being formed. I would request that the Election Commission should not allow any communal party to function. They should be banned as otherwise our national and social unity and integrity cannot be safeguarded, which is essential for the progress of our country. The regional and small parties are not in the interest of the nation. Such parties exist in Andhra Pradesh, Tamil Nadu and other areas. The Election Commission should think about this matter.....  
(Interruptions).....

[English]

SHRI S. JAIPAL REDDY : Sir, Congress-I is an ally of regional parties and communal parties in Tamil Nadu and Kerala.

SHRI BALWANT SINGH RAMOO-WALIA : Is nationalism the monopoly of Congress Party? (Interruptions)

MR. CHAIRMAN : Please resume your seat. (Interruptions)

[Translation]

SHRI BALASAHEB VIKHE PATIL (Kopergaon) : The Congress is not a regional party there. You must have seen the election results..... (Interruptions)

[English]

MR. CHAIRMAN : You can continue.

SHRI BALASAHEB VIKHE PATIL : Sir, I am continuing. (Interruptions)

[Translation]

We contest elections. The Congress is in power at the Centre but in certain States, for example, in Karnataka, the Janata Party is in power and West Bengal is ruled by the Marxists. It is not that our party i.e. ruling party wields influence

everywhere. Different parties have been elected to power in different States and this is our democracy. What I mean to say is that a national party must be there. It is due to the absence of a national party that our democracy is in danger.

I would like to say something about delimitation. In any electoral reform, it is essential to discuss delimitation, because it was promised after a constitutional amendment that there would be no increase in the number of seats till 2000 A.D. If the number of seats is not increased even when the population is increasing, then what is the alternative? With the increase in population we should also increase the number of seats upto 2000 A.D. When we have imposed restriction till 2000 A.D., we must form a delimitation committee to consider the issue. The effects of Family Planning should be linked with the electoral process. Otherwise, the people would suspect that nothing is being done in the field of Family Planning. I want that attention should be paid to this.

Finally, I want to say that Government must accept the responsibility of bearing the expenditure in order to do away with the role of black money and to ensure that the poor are able to contest the elections. In this connection, I would appeal to all the sections of the House that they should agree to it, so that maximum electoral reforms could be effected.

**KUMARI MAMATA BANERJEE** (Jadavpur): Mr. Chairman, Sir, I cannot support the Resolution moved by Shri D.N. Reddy. I have heard the speeches of both Shri D. N. Reddy and Shri S. Jaipal Reddy. They had said that if this resolution adopted by the House, only then democracy would take roots in country. This would imply that democracy does not exist at present. If democracy does not exist, then how Shri D.N. Reddy and Shri Jaipal Reddy happen to be here? Those of use who have come here, have come only due to the existence of democracy. If you look at the situation in the whole country, you would see that in Andhra Pradesh, Telugu Desam is in power; in Karnataka,

it is the Janata led by Shri Hedge; Punjab is ruled by the Akalis headed by Shri Barnala; in Assam A G P. is in power; in Tripura it is Shri Nirpen Chakraborty and his communist party and in West Bengal it is the Marxist communist party CPI(M) which is in power. Still it is being said that there is no democracy in the country. If our democracy is not clean, election rules are not proper then how are the opposition parties being elected. Therefore, it is not clear with what intention he has moved the Resolution.

We will definitely speak about the situation in the States. It is essential to bring about reforms in the electoral rolls in the States. We have looked into the Parliamentary proceedings, in order to see what our Marxist friends have said. We shall certainly speak about the happenings in Andhra Pradesh, Punjab and Assam. We have to go to West Bengal if we want to see the conspiracy hatched by the Marxists to check democracy. There is need to check the electoral rolls in this State because several names from the voter's lists have been deleted and the list is often manipulated. The name of Shri Ashok Sen, the Union Law Minister does not figure in the list. Similarly, the name of Shri Prafulla Chandra Sen, the ex-Chief Minister of West Bengal does not exist in the list. Thousands of names have been deleted from the list and I would go to the extent if that this continues for some more time then the voters list would contain only the names of the Marxist comrades and none else. It is really shameful that the name of the Law Minister is not there in the list. The name of the person who frames laws, has been deleted from the list. How utterly shameful this is, yet these people speak against us in the House.

I would also like to suggest that you should issue identity cards to the voters. The voters lists in West Bengal include names of little children and the names of deceased voter also continues in the list if he happens to be the father of a Marxist. During elections, their votes are also cast. It is very surprising that false names should figure in the voter lists and bogus votes should be cast. Therefore, I would

[Kumari Mamata Banerjee]

suggest that identity cards should be issued to all the voters. If this is done then the situation could be tackled since names of children and deceased voters are also included in the list. If identity cards are issued, this could be curbed.

I also want to say that the people go to the villages only when elections approach and dump bricks and other materials for the construction of roads. They also distribute wheat, rice and Sarees to the villagers and ask for votes and pretend to be well wishers of the poor people. The amount granted by the Central Government under the 20 Point Programme and other programmes like I.R.D.P., N.R.E.P. and R.L.E.G.P. is not utilized by the State Government. This amount is spent during the elections. They go about the villages urging people to elect them as they are friends of the poor. They use the State Government machinery for canvassing. The person who prepares voters list or who is an enumerator is appointed as a B.D.O. The C.P.I.(M) comrade is made a supervisor after putting political pressure. The people who prepare the census are also appointed by the State Government. The B.D.O. cannot remain neutral. The supervisor of the C.P.I.(M) cadre goes from house to house cancelling the names of those voters who support the Congress and retaining the names of those who are the supporters of CPI(M).

SHRI SHAIFUDDIN CHOWDHARY (Katwa): I cannot understand what you are talking about.

KUMARI MAMATA BANERJEE : You will not understand, so remain sitting. I have seen the Parliamentary proceedings. In that, a CPI(M) member had alleged that the Congress Party does not have any treasurer. Shri Sitaram Kesari is the treasurer of our party. He is maintaining all the accounts but what is happening within the C.P.I.(M) party? Why isn't there a treasurer in the Marxist party?

16.00 hrs.

It is because it would bring to light all the funds at their disposal and their

sources as well. At first your office was housed in a mud hut. But within eight years, since your huge building has been erected in its place. Your party, at present, is housed in a five storey building. Where has this money come from? Crores and crores of rupees were collected only after your party came to power. If a treasurer is appointed in your party, then all this would come to light. That is why you do not keep a treasurer.

Booth capturing and bogus voting is a common feature in West Bengal. The police is not provided with my arms to deal with the situation. They are made to guard the booths armed with sticks only. Therefore, the police is not able to check bogus voting and booth capturing. All this must be stopped.

Mr. Chairman, Sir, I am grateful to you for giving me so much of time.

[English]

SHRI SHANTARAM NAIK (Panaji) : Although as per the resolution moved by Mr. D.N. Reddy we do require certain electoral reforms, but the way the resolution has been put, admitting certain things which do not exist, I think the resolution does not carry any substance although most of us may agree that electoral reforms are required in this country.

I would like to make a respectful submission as to what are the electoral reforms which may be considered. If we look into the law of elections, it will be seen that the Government has published this Election Manual so as to bring all the legislations in one handy book. But basically if you see, we have got these laws scattered all over, in the sense, that we have got the Representation of Peoples Act, 1950 covering certain aspects of elections. Then we have got the Representation of Peoples Act, 1951. Now absolutely for any rational mind there is no necessity of having two legislations of similar name with only one year difference to cover various aspects. We could have had a consolidated law on elections. I do not understand why there should be a Representation of Peoples

Act of 1950 and another Representation of Peoples Act of 1951 separately.

Similarly other provisions in respect of elections are also scattered. We have election laws scattered in the Penal Code, the Union Territories Act and the Prohibition of Simultaneous Membership Rules. We have got separate rules known as Prohibition of Simultaneous Membership Rules of 1950. Then we have the Delimitation Act, Registration of Electoral Rolls, 1960 and the Conduct of Election Rules. The way the entire gamut is spread over, as election laws deal with the common man, if the common man wants to go through it in his own regional language, wherever they are conducted or otherwise, he has to go through all this paraphernalia just to know what the basic provisions of the law are. Although the Government for convenience sake has published this manual, the laws are scattered. Therefore we should have an exhaustive study to have a consolidated law on elections because they are spread over.

Another thing I would like to highlight is : you see what are the things that are covered by Para 15 of the Elections Reservation of Symbols Order. When a split takes place in a political party the Election Commission decides which is the real party. That is the normal procedure of the election law. But this aspect of split in a political party has not been provided for in any election law. It has not been provided for in the Representation of Peoples Act of 1950 or of 1951 or other Rules, but it is only contained in para 15 of the Reservation of Symbols Order passed by the Election Commission under the law. It is an order, not a law as such, in the sense that it is not an Act of Parliament. This basic thing of a split in a political party ought not to have been contained in an order of the Election Commission but in a substantive law—either in the 1950 or 1951 Representation of Peoples Act. Secondly, a well-laid down procedure as to how we decide a split in a political party should be there.

Now, for instance, if a political party splits into two, then there must be well

laid down procedure as to how to proceed with. If, for example, supposing one of the group approaches the Election Commission saying that I am that political Party, my group is the real party, then there must be a procedure laid down. Where is the procedure ? If you read para 15 of the Election Symbol Order, it says :

“When the Commission is satisfied on information in its possession that there are rival sections or groups of a recognised political party each of whom claims to be that party, the Commission may, after taking into account all the available facts and circumstances of the case and hearing such representatives of the sections or groups and other persons as desire to be heard, decide that one such rival section or group or none of such rival sections or groups is that recognised political party and the decision of the Commission shall be binding on all such rival sections or groups”.

This all that speaks about such a major law of this country.

The other thing I would like to say is about the registration of political parties. That is again provided in this Election Symbols (Reservation and Allocation) Order, 1968. It is not contained in the main law. When a group of persons approaches the Election Commission, it recognises without any problem. The law says...*(Interruptions)* any association or any body of individual citizen of India, claiming itself a political party, is free to get registered which is claiming itself as a political party can approach the Election Commission under Para 3 and then get registered. In fact, there is a provision that the political group has to specify what are the principles, for instance, the political principles on which it is based. They have to mention it. But how many times, on what occasion, the Election Commission scrutinises this aspect ? What is the principles on which the party is functioning ?

The Congress Party is the well recognised party which rules this country.

[Shri Shantaram Naik]

Tomorrow, for example, I take a symbol in my name and go to the Election Commission for registration. There is no bar. There is no bar for me. I can just get my name, similar to the Congress, being registered. There must be some bar just like the Patent Trade mark and all other things. There must be a bar on any political party to take a name similar to that of a recognised political party so that damage is not caused to the other political parties. These are the few points which I want to put forth. I hope the hon. Minister will consider all these points.

With these words, I conclude.

SHRI G. M. BANATWALLA (Ponnani) : Mr. Chairman, Sir, there can be no two opinions about the need for electoral reforms. However, I would like to stress that this question of electoral reforms is a matter of continuous process. It is not something that can be achieved at one stroke of time. As election takes place, we gain more and more experience and we cannot rule out the need for electoral reforms in future from time to time. Since the electoral reforms is a question of continuous process, I must urge upon the Government not to wait for unduly long time to formulate its opinion with respect to all the reforms that are today needed. Atleast on those points on which Government has already made up its mind, they should be brought before the Parliament and we can go through them. As time proceeds, as more and more elections take place, we go on gaining more and more experience and therefore the process with respect to electoral reforms is a continuous process as I have submitted.

Mr. Chairman, we must look at all aspect connected with electoral reforms viz. the reform of the electoral machinery, electoral procedure and the electoral system. As far as the electoral machinery is concerned, because of the paucity of time, I would simply mentioned my points without elucidating them to the extent that I would like them to do so. However, I was submitting that as far as electoral machinery is concerned, there is an abso-

lute practical necessity to delink this machinery with the State. The officers appointed by the State Government or by the Central Government, they are responsible, they are in the service of the Government and go back to the service of the Government. When such officers are appointed, then the situation is not very desirable one. It is, therefore, necessary that the electoral machinery should be delinked from the Government.

Further, we must have a multiple member Election Commission. Article 324 already envisages such a multiple-member Election Commission and I hope the Government will take advantage of the provisions of article 324 and have a multiple-member Election Commission.

I must further emphasize the need for restrictions on the further appointment of the retiring or retired Election Commissioner to take up posts in Government after retirement or after ceasing to hold office. In the Constitution we find that such restrictions are placed on the Chairman and Members of the Union Public Service Commission and the Comptroller & Auditor General of India. However, the Constitution does not lay down any restriction on the eligibility of the Chief Election Commissioner and other Election Commissioners, the Regional Election Commissioners, for any further office or employment under the Central or any State Government after they cease to hold office. This has already resulted in certain unhealthy practices of a retired Election Commissioner being appointed as a Governor too. This is rather unhealthy. I do not want to cast any aspersion on the integrity of any individual as such, but as a matter of healthy precedent, I think that, when the Election Commissioner ceases to hold office, there must be restriction on his accepting any other post under the Government.

With respect to the electoral procedure, I must insist that the voting right should be extended to all our Indian citizens who are residing abroad. We have lakhs and lakhs of them abroad and I do not know why they should stand in a position of being disenfranchised merely because they are residing in a foreign

country for the purpose of their temporary work. Therefore, there should be proper procedure laid down to enable those residing abroad or working abroad and who are Indian citizens to vote and take part in the election procedure.

The voting age has also to be reduced and brought to 18 years. This would be in conformity with the times. If you permit me, Sir, I could go on elaborating on each and every item, but I am not doing so for want of time; I am just mentioning the point and passing on to the next.

I must also emphasise upon the need for electronic voting device.

Great care should also be exercised in the preparation of the electoral rolls. Specially, we have to learn from what happened in Assam. In Assam the way electoral rolls were prepared, lakhs and lakhs stood disenfranchised. Their names were removed in violation of the established procedure in which the electoral rolls are to be prepared. There are reports of the Election Commission and I have before me extracts from those Reports. I may refer to the Report on the General Election to the Legislative Assembly of Assam, 1983, by the Election Commission of India wherein on pages 4 and 5 there are repeated statements to the effect that it is not for the Election Commission to arbitrarily strike off any name from the electoral rolls once they appear so. The Election Commission even goes to say in those Reports that, if the name appears in the electoral roll, that is a *prima facie* evidence that all conditions precedent to having the right to vote have been satisfied. But what happened? The entries in the latest electoral rolls were sought to be linked to the electoral rolls of 1971, and then two lists were prepared—List No. 1 and List No. 2. Those persons whose names could not be linked to the electoral rolls 1971 were put in List No. 2 and thus great inconvenience came up. Time does not permit me to elaborate on all those things, but I must protest at the manner in which electoral rolls are prepared.

To conclude, I must say that the electoral system be made a proportional representative system. Here, we find under the present system that 49% is equal to zero and 51% is equal to hundred. Every vote that is lost is a vote that scuttles Parliamentary democracy. Our Parliament must truly reflect the nation and every section is represented.

We find the sad plight with respect to the improper representation of muslims here in the Parliament. Every section, I emphasize, must be fully represented in this particular House. I must emphasize upon the system of proportional representation.

I will conclude by saying that when reserving a constituency for the Scheduled Caste or the Scheduled Tribe, care should be taken that it does not amount to gerrymandering of constituencies with respect to other sections. There are today reserved constituencies in which we have a very sizeable number of muslims. They are deprived of sending their proper representatives, representatives of their choice because of this. I am in favour of these reservations; but while reserving a constituency, care should be taken to see as to what is the composition of the constituency.

SHRI A. CHARLES (Trivandrum): Mr. Chairman Sir, At the outset I may say that I am not in full agreement with the tone and contents of the Resolution now presented before this House. Sir, nobody would object to the need of electoral reforms in the country; but the way in which the Resolution has been drafted would give an impression that there is no free and fair elections in this country all through and that the whole electoral process is in chaos. This is quite contrary to the facts.

Our experience in the past has proved that in this region, ours is the only country in which democracy has taken deep roots. It must be to the credit of this great country that the people have exercised their franchise in a very free and fair manner. Of course, in a country like that of ours, which is the largest:

[Shri A. Charles]

democracy, fair and free elections are of utmost importance.

The framers of the Constitution of India were fully conscious of the importance of impartial elections and every care was taken while drafting the Constitution to ensure such an impartial election.

Part XV of the Constitution of India lays down the guidelines for the conduct of elections and according to this, the superintendence, direction and control of all elections, i.e., elections to the Parliament, State Legislatures, election to the office of the President, the Vice President of India etc., are vested in the Election Commission whose autonomy has been well protected.

Our experience in the past has proved that this has stood the test of time and that democracy has come to stay in this great country despite its complex problems. However, of late, it has to be admitted that there has been a gradual erosion of values in the body politic of the country and it is time to think of making suitable legislations to meet this situation and to ensure impartial elections which is the very foundation of a real democracy.

The Preamble of the Constitution of India says in very clear terms that India shall be a sovereign, socialist, secular democratic republic. The great struggle in which the whole nation is now engaged is to ensure to all its citizens these high ideals enshrined in the Constitution of India. Only an honest and uncorrupt Government, committed to the great task of building up a secular, socialist, democratic India will be able to fulfil the great dreams and aspirations of the millions and such a Government will come into being only if the people are allowed to exercise their franchise in a free and fair manner without any extraneous influence. The Election Commission has a great role in this context. The position of the Chief Election Commissioner is that of the Chief Justice of India. Although auto-

nomy has been protected under the provisions of the Constitution yet the past experience has revealed that for the proper exercise of the very sacred functions vested in him he has to be armed with more powers. To enable this necessary legislations will have to be framed as envisaged under Article 324 sub-clause (2) and (5) of the Constitution of India. It may also be considered whether it will be possible to make necessary legislation for the appointment of either one of the judges of the Supreme Court of India or one of the Chief Justice of the High Courts to this high office. Such a change will certainly enhance the position and prestige of the Chief Election Commissioner and he will certainly be able to discharge the duties of this high office without fear or favour. The Election Commission should also be empowered with dealing the election petitions.

Another great evil that has crept in the electioneering process is the excessive use of money—and quite often black money—for electioneering campaign. Elections to the House of People and State legislatures have become very expensive and an ordinary person with average income cannot even dream of facing an election without external support. There are already rules restricting election expenses but in actual practice there is no relation between the amount actually spent and the ceiling fixed for the purpose. Hence it is high time that stringent measures are brought forward for restricting election expenses. Unless it is done the value and purity of the election process will be totally lost and democracy will remain a mockery.

Another evil now seen in the elections is impersonation of voters. That is great fraud that has grown to great dimensions and quite often this has become the deciding factor on the result of the elections. In Kerala I specifically know that during the last elections one particular party had given secret instructions to their lower rank that within two hours of the starting of polling 10 votes shall be made by impersonation. In a Parliamentary constituency there are almost 1200 booths. So if on an average ten votes are cast through impersonation it comes to 10,000 votes.



So this alone will become the deciding factor in many cases.

Now a word about proportional representation. After the last elections in U.K. they have constituted a committee and a thorough study was made in respect of proportional representation. The study has revealed that there are inherent defects in the proportional representation system also. The splinter parties will get additional seats and as a result no single party will get the majority. So some via media between these two could be thought of.

Some friends have suggested electronic voting system. That can be tried. Then of late there is trend of religious, communal and linguistic feelings being aroused during the election campaign. I feel some legislation should be brought forward whereby parties which have religious and communal links shall not be allowed to participate in the elections.

With these words I conclude.

**SHRI PRIYA RANJAN DAS MUNSI** (Howrah) : Mr. Chairman, Sir, I will be very brief in my submissions. The first point is that if you want to make an election fair and at the same time to keep the development of the country continued, then my first submission to the hon. Minister today is, as you have separated judiciary from the executive, kindly take care that Election Authority is an independent authority without taking the day-to-day administrative authority to deal with the election. The District Magistrate or a Sub-Divisional Officer is to look after various developmental works in the district as well as the administrative matter of law and order. If they are asked frequently to look into the electoral process, election of the Panchayats, Municipalities, Assemblies and the Parliament and the by-elections, if you take the total time of their calendar, of a particular officer of a district, then they are basically betrayed and the nation is cheated because they are devoting fully for the development work and the country goes back everywhere pace by pace. So, no District Magistrate of the Development Authority should be entrusted with any task of elec-

tion at all. If you want to keep the concept of the economic development of the country, there should be an independent authority to deal with election and all the activities connected therewith.

My second point is this. To avoid booth capturing and other mal-practices during the election, as well as providing honour to the citizen while exercising his right to vote, all the voters of the country, come what may, should be given identity cards like visas or passports identifying their names, their religion, area and in every election they will get a stamp on the passport like those who have their passports stamped whenever they go abroad, on the pages of the passports. Similarly, pass book should be issued for every voter for identity and once has cast his vote in an election, obviously his identity will be established and there is no question of rigging or any other malpractice will arise. For this reason, if you have to spend thousand crores of rupees, you should do it and save the country. Let us admit this honestly and let there not be any dishonesty in this regard.

My third point is this. Sir, it is very difficult to contest the election within a short time. Even the Minister will have the choice to test his luck as any other Member would be in that position. In that case, we literally cheat the electorate. You give us a time of 21 days to contest the election and to me with 9 lakh people or more than that number it is not possible to contact them. Is it not cheating? We have to depend on media and we have to depend on middle men and we have to do many other expenses. Why don't give a clear 60 days time to meet the electorates and explain our plan and programme? But you give only 21-days' time and we just can't do anything within this three weeks' time.

My fourth point is that to represent a constituency the maximum strength of the voter for the Parliamentary seat should not be more than 5 lakhs. If you make it more than 5 lakhs and make them represent a larger number of people than the limit of 5 lakhs, then we can't do justice to the voter in terms of the services, developmental programmes and other areas of

[Shri Priya Ranjan Das Muns']

activities. For that, if you are to make alternate provision in the Constitution, if you have to make some other provision in the Constitution, do it. But for representing 9 lakhs or 15 lakhs of people is just not possible and we cannot do justice to them. Similarly, you have the Assembly segments.

Lastly, Sir, I have raised many times this question and I never got answer from the hon. Minister. I want to know whether on the day of the election in a particular constituency, the Superintendent of Police or the concerned Police Officials are supposed to listen to the directives of the Chief Minister or the Returning Officer of the Election Commission on that day. In my own constituency, I will explain what happened during the election. On the election day, the voters should be guided by the Police authorities. But in my constituency, the Police officials were beating the voters when they were in the queue to cast their votes. The observers were objecting to that. They said: 'No, we have got instructions from the Secretariat'. Then, I want to understand who is to decide the matter regarding the election—the election authority or the regular Government? Then in that case, it makes the mockery of the democracy. So, that point should be very much categorically clarified. Sir, about the election petition, I may submit that we file election petitions in such a long drawn process. It is another mockery of the democracy. Election petition like summary trial should be disposed of within 30 days. You must make a provision that the election petitions would be heard by a Special Bench of the High Court in every State. It should be made mandatory that after the elections, in every State, there would be Special Benches of the High Courts for hearing of election petitions. These Benches should continue for one month to dispose of the cases forthwith. There could be additional judges for this. They should decide the cases immediately, otherwise the procedure is very cumbersome and it takes a lot of time.

**MR. CHAIRMAN :** Please conclude now.

**SHRI PRIYA RANJAN DAS MUNSI :** As we gag the voters sometimes, you are gagging me today. I wanted to explain many more points. But I do not consider it illegal here.

**SHRI T. BASHEER (Chirayinkil) :** Mr. Chairman, Sir, the Resolution moved by Shri D.N. Reddy has given us an opportunity to air our views on the important subject of electoral reforms. The time is very limited and I do not know what I can say within this limited time. India is the largest democracy in the world. When we accepted universal franchise, there were people in this country and abroad who thought that in a country like India, the universal franchise would not work satisfactorily, because a majority of our people were not so educated; they were backward. But our experience in the last three decades has proved that in India, the people are very conscious of their rights; they are capable to elect their representatives, and protect the democratic systems and values in our country. The framers of the Constitution had put their trust on the people and that has been justified by our experience.

There have been repeated discussions in the House and outside about electoral reforms for a very long time, but the fact is that nothing concrete has been done in this regard. It is high time for the Government to come forward with some concrete steps to strengthen our democratic process.

My colleagues have made many points and I am not going to repeat them. The money power is a very disturbing factor in our country so far as elections are concerned. It is high time for us to find some solution for this problem. The electoral reforms are always connected with the regulation of the political parties, the working of the political parties. The multiplicity of parties in our country has a very bad trend so far as our democracy is concerned. In elections, it is not only the multiplicity of parties, the number of candidates is also very large. It is an unhealthy practice, so far as elections are concerned. I remember, that in Karnataka during the last Assembly elections, there

were more than one hundred candidate in one Assembly constituency to contest the elections. So, this makes the electioneering a joke. How many candidates will get their deposits back? The seriousness of the elections is lost because of such kinds of loopholes. So the Government must seriously think over this aspect.

Another thing which many hon. friends pointed out here is about the identity cards. This will be a very good idea especially in view of the so many unhealthy practices that are taking place during the election time. I think that the Government must come forward to implement this idea as early as possible.

I support Shri Banatwalla's suggestion that the voting age must be reduced. Now the voting age is 21. But as we all know, in many of the local bodies of the States, the voting age is only 18. For legal purposes also 18 is the age. We are claiming that there is universal franchise. Unless we lower the age from 21 to 18, applying this adult franchise will be meaningless. So, I think that the lowering of the age to 18 is also important so far as the electoral process is concerned. With these words, I conclude.

MR. CHAIRMAN : Shri Ramoowalia. Only three minutes please.

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI H.R. BHARDWAJ) : After all, there should be some time for me to reply Sir. I have told you that I have to be in the Cabinet on a very important issue.

MR. CHAIRMAN : You can go after the reply. He is given only three minutes.

(Interruptions)

SHRI BALWANT SINGH RAMOOWALIA (Sangrur) : In the meanwhile I would have finished really. I will not take more than two and a half minutes. Perhaps, the hon. Minister does not know my habit.

While discussing the subject of electoral reforms which are very vital for cleansing the public life, I will take only two and a half minutes.

Firstly, I am of the opinion that there should be some restriction on the number of candidates so as avoid over-crowding of the ballot paper. Certain steps should be taken so that a long list of contesting candidates is not there during the elections.

Secondly I also urge upon the hon. Minister to see that the practice of false enrolment of voters is stopped. Certain measures should be taken so that there is no false enrolment of voters. Sometimes voters are brought from other constituencies with the power of money. Elections are made successful and results are declared in favour of those persons who succeed in enrolling false voters and who have money power.

Lastly, I would like to suggest that there should be the practice of rotation of the reserved seats. The reservation policy is a very good idea and my Party fully supports the right of reservation of seats so that the Scheduled Castes and Scheduled Tribes are able to have some representation. But Sir, no constituency should be kept reserved for more than two terms. We find here that many constituencies are reserved since 1952.

[Translation]

SHRI BAPULAL MALVIYA (Shajapur) : Mr. Chairman, Sir, predominantly SC and ST areas are treated as reserved Constituencies.

[English]

SHRI BALWANT SINGH RAMOOWALIA : But rotation should also be there. With these words, I am concluding. I hope the hon. Minister is happy.

SHRI H.R. BHARDWAJ : Thank you very much.

Sir, at the outset, I must thank Mr. Reddy for moving this Resolution, be-

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cause it touches the fundamentals of democracy, that is the election process. And I subscribe to his view that in a democracy, like ours, which is a very vast democracy and most successful democracy, election process must be kept pure and unpolluted. So there is absolutely no controversy with regard to this aspect of the Resolution as put by him, in the House. But I certainly do not subscribe to his views that elections—a part of his Resolution comes which perhaps half way in the third line which says.

“Which are now vitiated by the corrupt and unhealthy influence of power, money, caste, religion and other forms of corrupt practices”.

Sir, so far as I am concerned, I do not subscribe to his views that the elections as a whole are suffering from this type of a disease, as has been said here, that we are completely vitiated. No. The position is the contrary that by and large, in most of the cases, in most of the places and in most of the occasions, elections have been fair. And that is the success of democracy. Even abroad, nobody has complained that elections in India have not been fair for that we are not going to take credit those who are sitting in the House, because we have blamed each other; but it is the wisdom of the great people of India in whom the founding fathers had put their faith and that is why, they said in the Constitution, “We the people of India”. That is their success. We individually do suffer from certain drawbacks and we must do some sort of introspection for that. How far, we can improve ourselves? The political content of our people is very wide, but those who are really involved in seeking the elections, they must purify them. The question is, let us look at the whole edifice of the election system in the country. I have before me, the Election Manual. I was really looking into various schemes of that Election Law. The Election Law is very sound. The Constitution says, once you notify the election, the entire powers reside in the Election Commission and Courts will not interfere. That Election Commission is fully indepen-

dent. There is absolutely no doubt about it. We are proud of our Election Commissions, one after the other, they have come out very successfully in all the elections. We have changes of Governments. We have changes of Governments headed by various political parties. Is it not the success of our election system and the people manning the elections?

There may be cases here and there where the political people or some bureaucrats or some Government officials may have mis-conducted, but by and large, everybody performs his duty at the time of elections in a very-very disciplined manner.

Now, with all these background, we cannot say that the election system is vitiated or it is vitiated with corrupt practices. I am really not very keen to have this word in the Election Law “Corrupt Practices”. You can have any other word instead of corrupt practices. You cannot say that everybody is doing corrupt practice in this system, and therefore the election system is bad. No. The corrupt practices are defined in the Representation of the Peoples’ Act. Whatever it is, you can give it. But if we, political people, say that we are all corrupt, that does not give a very dignified picture of this House. This is not the truth. The truth is that all of us have come through a fair election. In stray cases, one or two people are really out to undo what the others are doing or out to become successful at all costs. They may do it.

SYED SHAHABUDDIN : We are all gentlemen until proved to the contrary.

SHRI H.R. BHARDWAJ : That is the basic presumption about human beings. Unless, we contradict that—the human beings contradict that. All the hon. Members of this House must keep this in mind.

Therefore, let us not condemn ourselves. We must..

(Interruptions)

PROF. N. G. RANGA (Guntur) : Corrupt or irregular or both.

**SHRI H.R. BHARDWAJ :** I am only saying that my friend Shri Dinesh Goswami, I know, has come with a thumping majority in the mandate of the people. How can I say that he has come through the corrupt practices. I say, it is a peoples' mandate. Similarly Ramoowaliaji and others. This is a country where the people have shown what the pulse of the country was, at a particular time They have answered it. We may not have answered it, but they have. Times have shown this. Therefore, we must accept basically that the people know their duties, their rights, and the strength of their vote. Therefore, money cannot influence them. Otherwise, all these big houses would have been sitting here. These Harijans, Scheduled Castes, Scheduled Tribes and poor people would not have been here.

This is the success of the people of our country who are the real sovereigns here. They want justice to be done to the society That is why we elect the Government during the General Elections, without the influence of money. Everybody may try to bribe them, but they will not be influenced by bribe. I know it, you know it and everybody else knows it. Money has been rejected by the people.

Muscle power has also been rejected by the people. You may put any amount of police in the country. Any Government may do it. You will see that the police will not be able to check it. Muscle power might influence 1 or 2 occasions, somewhere. But the general conception is that neither fear, nor favour, nor misuse can deter the people of India from casting their votes successfully. That is the success of our democracy. Therefore, I would limit my submissions....

**SHRI BALWANT SINGH RAMOO-WALIA (Sangrur) :** Even the extremists could not do so in Punjab.

**SHRI H.R. BHARDWAJ :** Yes, Ramoowalia Ji; I am very grateful to you for saying that. The entire nation responds to what you have said : the people of Punjab are peace-loving. They have demonstrated it. Those who wanted to disturb peace in Punjab will know that

Punjab means business. It is a great province where I have lived 25 years of my life. I am a Punjabi myself. I am telling you : It is the California of India. Punjab will demonstrate it, viz that bad times come to every province on some issue or the other. But this is not really the issue.

Today we are discussing how best we can reform our laws, so that purity is brought about. Just as we are purifying the Ganga. Ganga is a very sacred river today. It was sacred, it is sacred and it will remain sacred. But there are some pollutions because of some drains etc. going into the Ganga. Let us check them. Let us purify the Ganga of the elections. Therefore, let us sit together.

We had certain proposals from Election Commission, one of which was on anti-defection The Anti-Defection law has been enacted. People may comment, for political reasons, adversely on these things. But this is a very important national achievement. Today we are free from that cancer of floor-crossing. That is the success of democracy.

Thereafter the Election Commission suggested: 'Let us have the auditing of party accounts.' That issue is being studied. We have the problem of booth capturing. That issue also is being studied. The Election Commission has suggested certain methods. We are discussing them.

We have also some suggestions on frivolous candidates. This time there was a peculiar phenomenon, viz. that we have 100 or 200 candidates in one Assembly or one Parliamentary constituency, making the ballot paper so large. That is the new phenomenon which cropped up in 1984. That also is to be considered. Various suggestions from hon. Members come, and we will look into them.

I must draw your kind attention to item 54 of the President's Address. It speaks about this categorically. I will only remind the House that it is there in the President's Address.

**SHRI D.N. REDDY (Cuddapah) :** That was the Presidential Address of 1985. More than one year has elapsed,

SHRI H.R. BHARDWAJ : Are you in a great hurry about the elections in 1989 ? Mr. Reddy, kindly listen to me. Sit down. We will speak later on. (*Interruptions*).

That is where I want to correct you. If you people have some sort of ideas, you give them to us. We have to discuss them with you. In all cases, whenever there are issues of national importance, we have always gone to the Opposition, and all parties have to discuss them. It is not merely a question of putting them in a more emphatic words. It is not the immediate necessity of tomorrow. You have to discuss them amongst yourselves. Your views will be very valuable.

SHRI D.N. REDDY : It has taken so long.

SHRI H.R. BHARDWAJ : How can you say it has taken so long ? You are mistaken. Perhaps your conception is not in tune with mine. I say that basically the law is very good. But you say that we have vitiated the entire thing. I am disputing your basic contention that all of us have vitiated it, and that we are all corrupt.

SHRI D.N. REDDY : That is not my idea.

SHRI H.R. BHARDWAJ : That is not acceptable. I am pointing out your sentence of your resolution. You may like to say something else on this, but I am telling you that excepting this proposal which has been initiated in the House by the hon. members, do you have anything else to say, please let us know. I am pointing out various things.

There is a suggestion about funding of elections. Very well. Let us discuss it. The Election Commission has not favoured it; he has favoured it in a limited way; he wants not in money; it should be given in kind to the parties because there is a problem with the Independents; we have hundreds of independents and how much money you can give away to everybody; they you know everybody will be a candidate; how far the political parties can be subsidised on this; that is also a

national issue. Each penny of the money of the tax payer when we spend belongs to us and we have to spend it the way you like. So, we will have to discuss how far political parties can be given funds or material at the time of elections; that is one of the suggestions pending with us.

Then there is a question of delimitation. I had answered it on the Floor of this House here and in the other House also that this issue was abandoned before the elections came in 1984; immediately before, there was a consensus. Let us amend the Constitution. But then it was decided, as a consensus of all the parties, we will take it up after the elections. Now in 1984 we had elections; we have derived certain experiences from these elections and we are going to utilize them and we have promised about it. In 1985, when the President addressed the Joint Session, they said in the first Address, he said, judicial reforms. We have put that. Now they are electoral reforms. I am so emphatic about it that we will discuss it with you immediately on these issues and you can rest assured, whatever emerges, national consensus will be respected and implemented. Why, after all, should we keep them in abeyance ? Then another issue was raised about the autonomy of the Elections Commission; this is an autonomous body. The Election Commission must suggest how much more power is required and what system is required to be strengthened and it can be discussed again. All these issues can be discussed. But the question is if you combine the whole process of elections, their major problem is to defuse money power, to defuse muscle power and to make the candidate who are running into large numbers in an incompatible manner C in a smaller number ; and only genuine candidates contest elections so that the others are not harassed on this account and people exercising their votes in large numbers. Besides this, if you have points, they may be political points, but not really reasonable points for consideration of the nation. People may have problems with your party because it is a Telegu Desam Party based on a language or a race. You can think over it seriously and if you read 123, then you may have problems in a larger pers-

pective. I cannot say that because after all it is the party which is respected by the people and voted to power. But I personally, as an advocate, feel that each one of you can be disqualified on this, because you have used the name of a language or a race. Therefore, you can be disqualified because your party is wholly based on an approach which is not permitted under the election system. *(Interruptions).*

You kindly consider my suggestion and advise your leadership.

*[Translation]*

SHRI NARAYAN CHAUBEY : When the said exercise would be completed ?

*[English]*

SHRI H.R. BHARDWAJ : Whenever you want, you write to us.

SHRI NARAYAN CHAUBEY : There may be many State elections in 1987 beginning, some in 1986 end.

SHRI H.R. BHARDWAJ : Have them earlier. You talk to the Minister of Parliamentary Affairs. He will fix it up.

SHRI DINESH GOSWAMI : You have mentioned that in 1984 there was a consensus for delimitation, but it was put off that the de-limitation may come up after 1984. Now the next Assembly election is going to take place in a number of States in 1987 and the process of de limitation will take about a year. Will you kindly initiate it ?

SHRI H.R. BHARDWAJ : You cannot have it so soon. One or two years are to be taken.

SHRI D.N. REDDY : A Joint Parliamentary Committee was appointed by you in 1980. Nothing happened.

SHRI H.R. BHARDWAJ : If you talk of 1970 or 1980, then there is no answer to that. I am telling you what positive you have said in the Floor of

this House and answering that. I am giving you an invitation, Mr. Goswami and everybody ; you get in touch with the Minister of Parliamentary Affairs and fix up a meeting, whatever you want to discuss. We are not shirking from that. We have given a commitment in the Presidential Address.

AN HON. MEMBER : When will you invite us ?

SHRI H.R. BHARDWAJ : Any day I can fix the date with you and then we can discuss. But so far as the Government is concerned, invitation will be extended to respective leaders, as has been done earlier. Sometimes you shirk from those invitations also. Therefore, I will respectfully say that this issue of electoral reforms is an issue of national importance. We all subscribe to the view ; the Government subscribes to the view that our democracy must remain a unique democracy in the world. Our people are poor but they are not illiterate. Their literacy has been tested in the pools beyond doubt so many times.

SHRI NARAYAN CHAUBEY : How do you explain 'unique democracy' ?

SHRI H.R. BHARDWAJ : It is unique in the sense that your slogans and your false propaganda about media power etc., do not mislead them.

SHRI NARAYAN CHAUBEY : Was it unique in 1977 also ?

SHRI H.R. BHARDWAJ : Yes, it was unique.

SHRI NARAYAN CHAUBEY : So, they were doing false propaganda at that time.

SHRI H.R. BHARDWAJ : If you dispute the wisdom of the people, then you cannot travel beyond Calcutta.

SHRI D.N. REDDY : At least tell us the time-limit ?

SHRI H.R. BHARDWAJ : I am not competent to tell you the date. But when we have given a commitment in

[Shri H.R. Bhardwaj]

the Presidential Address that we are going to introduce wide ranging electoral reforms, now it is a question as to when you want it. When you talk of improvement, there should be improvement everywhere including your party. Let us all be pure.

SHRI D.N. REDDY : First you reform yourself.

SHRI H.R. BHARDWAJ : We cannot reform ourselves by your medicine. Your medicine is far more dangerous.

SHRI H.K.L. BHAGAT : I do not think that we are all bad.

SHRI H.R. BHARDWAJ : I urge upon him to withdraw this Bill and let us sit together and decide this issue.

SHRI D.N. REDDY (Cuddapah) I am really grateful that the subject has attracted the attention of the hon. Members from both sides of the House. Many of them are senior to me and much more experienced. I am really grateful to them for the suggestions that they have made. I hope the Government also will take note of their suggestions and act accordingly.

To start with, I am very much disappointed that the hon. Minister of Law did not tell us when the reforms were going to be introduced. Recently we had a good fortune of taking part in a seminar conducted by the Rajaji Foundation in which the hon. Speaker of the House and the hon. Minister of Law also took part.

16.59 hrs.

[SHRI SHARAD DIGHE *in the Chair*]

We also had the good fortune of the advice of the Member who is now presiding, and we had a very clear discussion and some conclusions were also arrived at that meeting. To start with, I think there has been a consensus broadly that electoral reforms should be inducted as early as possible. I do not think there is any second opinion about that.

17.00 hrs.

Another factor on which we are all agreed is that the Election Commission should be very independent—~~independent~~ of the States, independent of the Centre. I think all the Members on both sides of the House are agreed on these two points.

I will only quote a few things. I won't take much time because all these things have already been pointed out by me as also by many of the Members. The three factors that are vitiating the present electoral system have been identified, as many Members has said, as the money powers, the muscle power and so on. Therefore, the Government ought to take immediate steps to rectify the defects by introducing some reforms.

Lot of comments have been made by the Members from the Treasury Benches that broadly they do agree with the substance of the Resolution but they are against the language used. I never meant that the whole electoral system is bad and that of all us have come here on the basis of an election which was not proper. It was never my intention when the Resolution was introduced in this House.

One hon. Member pointed out that a rot has set in. On that point exactly the Members have to agree that when rot sets in, the fruit immediately gets rotten in another two or three day. So, when you agree and identify that the rot has set in it should be the endeavour to rectify the rot and see that the election is pure and fair. Mere electoral reforms cannot make the elections absolutely pure, it depends upon us also.

I perfectly agree with the hon. Minister of State for Law that in this great democracy it is the people that have proved themselves above everything—highly democratic, highly wise—and we owe to them a lot. But my submission to the House is that it is the politician that has deceived them. For all the ills in the electoral process, it is the politician—whether on this side or on that side, that does not matter—that has corrupted not only the political field but every field, and



therefore, it is for the politicians to see that the things are rectified, the wrong that is done to the country is rectified as early as possible. In this respect I may be permitted to quote one of the eminent Judges of the Supreme Court :

"Offer and receipt of money for voting in elections is universally condemned but all the same vitally believed to be going on—accusations common but detections rare. There has been much debate and controversy among political parties and the Members on how to prevent such practices. Though the system involves both politics and law, it is more politics and less law. Politician hold power and make the laws."

So, it is for the politicians to see that the money power does not creep in and the rest follows only because you have got the money. Muscle power also can be a follow up of money power. I may point out to the House that the hon Minister for Law, while speaking in the Seminar, had agreed with few of the points. Unfortunately the Minister would not say exactly the same words here but I would have been very happy if he had repeated the same thing here as he said in the Seminar. He agreed on two or three very pertinent points which involved the whole issue. He said, he is for electronic machines in the polling process. He agreed for it. He said that identification cards is a must and he also said that the Election Commission should be independent. After all, with these three things most of the ills will be removed. I only wanted that the Government should commit themselves as to by which time they will at least start the electoral reforms and see that the next elections are clear and more pure than the last elections or even the elections before that.

Even Election Commission had agreed that money power is not a big factor 4 or 5 years before. But now in the last election they have pointed out that money power is a big obstacle in the due process of election. Rajaji in his wisdom and Jayaprakash Narain also have pointed out "Save democracy from money power" as early as 15 years ago. So, it is not

as though our fore-fathers or our founding fathers of the Constitution never thought that the process will come to this level. They gave us a constitution, and a first-class constitution but it has been amended so many times. They gave us a very good electoral process and it worked well for the first 10 years or 15 years. Recently from election to election, irregularities have been increasing. That is a pointer to all of us the election process should be purified and electoral law should be corrected as early as possible.

Sir, this matter has been time and again discussed in this House and outside. A Joint Parliamentary Committee was appointed in 1980. But nothing really came out of it. There was a long debate in and outside the House just like this and recommendations were sent to the Government but nothing came out of it. The whole process continued as before. As the Election Commission pointed out, the irregularities are becoming more and more serious from election to election ; and we should take due cognisance of this observation and take precautions by inducting electoral reforms to make elections free and fair,

A Member on the other side made two points. I was a bit pained when I heard him. He made two points. One was, to abuse the opposition parties by name. I did not interfere. I don't believe in disturbing other Members speeches. I only wanted elucidation about a point from the Law Minister. The hon. Member went on abusing the opposition parties. The second point that the Member made was this : He went on praising all the ex-Prime Ministers. That was his only contribution to the debate. I did not want to interrupt him. I am very sorry to hear a speech like that.

Just now another hon. Member has said so much against regional parties. It was a tirade against regional parties. Sir, regional parties are there to stay, not because of your pleasure, but because the people of these States have voted for them and they have come to stay. Whether the ruling party likes it or not, they have come to stay. There are other States

[Dr. D.N. Reddy]

also which have elected their own regional parties. The hon. Member said that members of regional parties cannot comment on the elections at the national level. That is just absurd. I don't agree with it at all. It does not deserve any reply.

Another Member asked, if election process is wrong, how could Jaipal Reddy and D.N. Reddy come here. Sir, that happened in spite of the bad electoral system. I got a majority of 66,000 votes. If the electoral process had been free and fair, I would have got 1,66,000 majority. All of us agreed that electoral reforms should be implemented. We are all agreed on it. Let us at least implement the points on which we are all agreed. So, I request the Government to call for a meeting of the leaders of the parties to discuss and implement the electoral reforms on which we are all agreed, because, this discussion has been going on far too long. We are not sure when you will do it. On many points we both agree, no, doubt. At least let the hon. Minister commit himself on the floor of the House when exactly the reforms will be implemented.

Then, regarding State funding of elections, I would like to say one thing.

It is true, if at all you must curb the money power, the State funding of elections should be introduced. But I must confess myself I do not know how best it should be done, and I am sure many of my honourable colleagues are confused on how to implement it; it is a matter for discussion. So, that can be thought of. But there are some points, for example, just as I said the hon. Law Minister would not have announced in a public seminar, though not in the House, that he agrees for introducing electronic machines in elections and identity cards, unless the Government approves of it. There is absolutely no reason why the hon. Minister has not announced on the floor of the House that these reforms will be implemented in the next elections. In spite of the reply by the hon. Law Minister, he could not fix up a date and commit himself anything on the floor of the

House. That is what I am pointing out to the hon. Minister. So, I request that if necessary, a Committee may be formed. Let that Committee meet and recommend the reforms and then you tell us on which points you agree, and announce them on the floor of the House. That is the idea of my Resolution and I never meant that all the elections are not proper and everybody is elected on false election and all that. No. The electorate is certainly very wise. As I said before, they are democratic. They have shown it time and again. Again they will teach a lesson to us if this election process is not made free and fair. Not only the election process, but on other points also people are watching us very carefully. Always the common man is our master. Moreover, the common man is very very clever now. We have to practise what we preach because the whole nation is in a very crucial stage and in so many States the problems are mounting. Let us all put our heads together. I appeal to you that irrespective of political parties, let the elections be pure and let this be the greatest democracy as it had been all these years, and let us prove that our election process is very pure, and first class candidates are elected and sent to this august House to look after the country's interests.

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT): If you permit me, Sir, I would like to say one or two words.

Sir, I must make it clear that we do not think that the hon. Member is actuated by any wrong consideration. He is actuated by the best motives and consideration to bring forward the Resolution. We are happy that he brought forward the Resolution and the matter was discussed in the House, a very large number of Members participated in that. I only wish to tell him that it is very difficult for any government to fix a date like this, in a matter like this. In a matter like this, it requires a lot of discussion, a lot of consultation and so on. The Government is quite keen and genuine about bringing electoral reforms. This, the Law Minister has pointed out and I am only repeating it, it was in the President's Address also. It is a commitment by this

Government, a formal commitment made by us. It is really difficult for us to put any date. That is the reason which I hope the hon. Member would appreciate. I quite understand it, I don't believe that the rot has set in. My feeling is that we do need reforms, we should bring them as expeditiously as possible. Certainly we need reforms, there is no doubt about it. I do not believe that the rot has set in. On the other hand I do believe that the electoral system has stood the test of time in this country, and in this country democracy has remained well established and very firm in spite of so many things. So, I do not believe that the rot has set in, but certainly we need the reforms, that is what I say. We wish all the governments of the regional parties who are elected, well. They were elected by the people, we respect the mandate of the people and we would always contribute to that fact. Members are free to have their opinion about the regional parties, they are free to oppose them, they are free to support them, but so far as the Government is concerned, we respect the mandate of the people, and I wish to assure the hon. Member that we are quite sincere and genuine about bringing electoral reforms. Some of the points which were made are also relevant. I would, therefore, under these circumstances request him that we should not make this as a party matter. He is keen about fair, pure elections, and so on and so forth. Personally I have been seeing elections, fighting elections for a long time. I do not believe, we ever spent any money to purchase any votes, we have never done it. But I would tell him that we are all keen about it and in that spirit I appeal to him to withdraw his Resolution and we shall bring the electoral reforms.

MR. CHAIRMAN : Are you seeking leave to withdraw the Resolution ?

SHRI D.N. REDDY : I would request you to give me permission to quote the Prime Minister in one of his speeches recently. Sir, I may be permitted to quote the Prime Minister in one of his speeches :

"The country needs a politics of service to the poor. The country needs a politics based on ideology and pro-

grammes. To bring this about, we must break the nexus between political parties and vested interests. We will change the electoral laws to ensure cleaner elections. We will make political parties accountable for the funds they receive. We will wage an ideological war against those who exploit the poor in the name of caste and religion."

It is the Prime Minister's speech, I am quoting.

SHRI H.K.L. BHAGAT : Let us agree to what the Prime Minister has said.

SHRI D.N. REDDY : I am prepared to withdraw it, if the hon. Minister commits himself on the floor of the House that before the next elections, he is going to bring the reforms.

SHRI H.K.L. BHAGAT : So far as I am concerned, I agree with what the hon. Prime Minister has said. Let us all agree to it and let us all apply our mind to bring the electoral reforms.

I request the hon. Member to withdraw the resolution.

SHRI D.N. REDDY : I will be happy to withdraw the resolution, if the hon. Minister commits himself .....

MR. CHAIRMAN : He has made the position of the Government clear. Now what do you want to do ?

SHRI D.N. REDDY : I want a commitment from the Government that they he will introduce the electoral reforms by such and such date. Let it be before the next elections, 1990.

MR. CHAIRMAN : Do you want me to put the Resolution to vote of the House to withdraw the resolution ?

SHRI D.N. REDDY : I will draw the resolution if the hon. Minister commits himself that the reforms will be implemented before the next elections.

MR. CHAIRMAN : So, I take it that you are pressing the resolution. So, first

[Mr. Chairman]

of all, I dispose of the amendments which were moved by Shri Mool Chand Daga.

I shall now put the amendments No. 3, 4 and 5 moved by Shri Mool Chand Daga to the vote of the House.

*Amendments Nos. 3, 4 and 5 were put and negatived.*

MR. CHAIRMAN : Now, I shall now put the resolution moved by Shri D.N. Reddy to the vote of the House.

The question is :

“This House is of the opinion that there is an urgent need for electoral reforms so as to cleanse public life, and ensure free and fair elections which are now vitiated by the corrupt and unhealthy influence of power, money, caste, religion and other forms of corrupt practices and, therefore, recommends to Government to initiate wide-ranging discussions with all political parties, so as to arrive at a consensus for immediate implementation of poll reforms, which may reflect the popular will, of the people in a truly democratic manner.”

*The motion was negatived.*

MR. CHAIRMAN : We go to the next resolution of Shri Balwant Singh Ramoowalia.

17 17 hrs.

RESOLUTION RE : CONFERMENT OF SAME RIGHTS AS ENJOYED BY INDIAN CITIZENS ON PERSONS OF INDIANS ORIGIN LIVING ABROAD

[English]

SHRI BALWANT SINGH RAMOO-WALIA (Sangrur) : Mr. Chairman, Sir, I beg to move :

“With a view to strengthen the emotional bonds of persons of Indian origin living abroad with the people of India and their culture, irrespective of

the fact whether they have acquired the citizenship of the country in which they reside, this House urges upon the Government to bring in suitable legislation and/or amendment to the Constitution to confer on them the same rights as are enjoyed by the Indian citizens including the right to vote and to contest elections to the Parliament and the State Legislatures.”

Sir, the major object of the resolution moved by me is that there are sentimental ties and sentimental bonds of the people of Indian origin who are, though living abroad—whose parents or whose family members or even though the whole family is living abroad with some of their relatives who are living in this country. Sir, these are the sentiments which have strong impact on the people living abroad though their forefathers left this country or they left this country. Sometimes, suppose the Prime Minister of this country—even during Mrs Indira Gandhi's time, when she visited—Shri Rajiv Gandhi visit any country outside, the people of Indian origin stand in queue and wait for the Prime Minister for hours and hours, though they have the citizenship of that respective country. The people having passports and citizenship of another country feel it proud and they explain it with pride that our leader is coming to this country, we are receiving the leader of our country. Sir, these ties and these relations should be strengthened.

What is happening now ? People of Indian origin who are in other countries were compelled to opt for citizenship of that country due to one or the other reason.

But sometimes the situation is such that families are divided. The laws of our country are not justifying the sentiments. Suppose a person has gone abroad, he wants to make business in this country, he is permitted to invest money up to any extent in this country though under non-resident Indian category, he is living abroad and he can go for business in this country to any extent. But restrictions have been put that he cannot purchase agricultural land or sell agricultural land in this country. He cannot go in business

of agricultural type. This is a discrimination against the people of Indian origin living abroad.

If people of Indian origin holding passports of other countries, even close relatives, even father, mother or brother, he or she can neither purchase nor sell any type of agricultural property on behalf of non-resident Indians.

Lately, it was decided by the Government that agricultural property purchased by the Indians living abroad, or by their relatives or father or mother before 1st January, 1974 will not be permitted as a legal property. But after certain review, it was decided that property purchased up to 30th June, 1980 will be a legal property. After that, no permission will be given to any purchases which were made.

This is discriminatory. I want to urge upon you that our Government should not allow a process which delinks the persons of Indian origin from the mainland, from their motherland and from our country. Even there are large a number of people who live abroad whose children are born there. But they are sending their children to this country for education and whenever we visit foreign countries, in every family, the major emphasis is given on one point, that we do not want to be totally cut off from Indian traditions, Indian culture, our original way of life, original system and I know in many families, if they are Gujaratis, Punjabis and Bengalis, they may live in U.S.A., Canada or Britain, they have made special arrangements to teach their children how to speak their mother tongue Bengali, Gujarati, Marathi or Punjabi. From here we can well assess their sentiments, how strong sentiments they do have, to keep their family, their children, their coming generations, in touch with Indian civilisation and India.

A large number of remittances are sent by the people living abroad to this country. Remittances which are sent are scrutinised up to a certain level as to from where you got this money, how much has been sent, what is the number of draft and what is the address of the sender. This way or that way, harassment and

embarrassment is caused to the person who gets the money by the Inspectors. After all they get only legal money through cheque or draft from his relative abroad.

Keeping in view that we should not close our doors, we, the Indians of this country, should not reduce the area of the circle of relationship between people living here and the people of Indian origin living abroad. I urge upon the Government that they should confer upon the Indian people living abroad the right of citizenship though they might have acquired or they might have obtained the passport of any other country.

PROF. N.G. RANGA (Guntur): Are there any precedents for it to have dual citizenship?

SHRI BALWANT SINGH RAMOO-WALIA: Yes, I will quote.

Bangladesh and Pakistan are the two countries which have already given such facilities. I only urge to facilitate the people of Indian origin who live abroad so that they can play an active role in the development of our country also. That is No. 1. Then it will also enable them to keep their cultural ties intact with this country and the next generation may feel proud to be Indians.

With these words I urge upon the Government that they should accept the resolution to facilitate the people of Indian origin living abroad have the right to vote, the right to contest election and the right to have the same rights to be enjoyed by them which are usually enjoyed by Indian citizens here in the matter of property and in the matter of other facilities and other rights.

Thank you.

SHRI A. CHARLES (Trivandrum): The term 'Indian origin' is very vague. Can we have a definition of it from him?

MR. CHAIRMAN: You speak when your turn comes.

Now motion moved :

“With a view to strengthen the emotional bonds of persons of Indian origin living abroad with the people of India and their culture, irrespective of the fact whether they have acquired the citizenship of the country in which they reside, this House urges upon the Government to bring in suitable legislation and/or amendment to the Constitution to confer on them the same rights as are enjoyed by the Indian citizens including the right to vote and to contest elections to the Parliament and the State Legislatures.”

Now notice of amendments has been given by Mr. Mool Chand Daga. He is not present. So I take it that they are not moved.

Shri Vijay N. Patil.

SHRI VIJAY N. PATIL (Erandol) : Mr. Ramoowalia has put forth a very good idea, but it is not a practicable idea...

PROF. N.G. RANGA : That is it.

SHRI VIJAY N. PATIL : If you read the history of the world, different countries in different continents have tried to maintain their identity mainly through political power and then geographical entity, and cultural difference and other kinds of differences. We have seen in this world a country with a population of even 1 lakh like New Vanvetu which is a part of our Commonwealth and a country of the size of China. They are different countries. When a country has got more population like China or India, it is a natural thing that people will try to move out to other countries for the sake of trade or for seeking better opportunities and even for other reasons.

We have a golden past, a long heritage and history, and our people have travelled thousands of miles before people from European countries and other developed countries could do so centuries ago. They are settled there. They are also people of Indian origin. So, I do not

know what is the idea in Mr. Ramoowalia's mind by meaning the people of Indian origin. Whether people who migrated from India 2000 years ago and settled in Indonesia and other countries or whether people who migrated 20 years ago and their children are born there and they become voters in those countries also can vote in India, if they are given the citizenship and if they are given the right. The world has become very small. You can take breakfast in Chandigarh. Mr. Ramoowaliaji and can go to Singapore for lunch in the afternoon. So, when it has become so small that does not mean that politically we are losing the identities. We are coming closer economically and culturally. Every nation is proud of its political identity, its independence and sovereignty. In that case, if the person has acquired the citizenship of some country, there will be no meaning in the international law also. He has referred to countries like Bangladesh and Pakistan. I do not have much knowledge about the dual citizenship. But as we see in the international law and in our laws also, the Citizenship Act, even we refer to British Citizenship Act. We do not find such kinds of provision.

Now-a-days, you can find with the increased trade and our people residing in so many countries—in one family I have seen in Tanzania, there are citizens of different countries. The sister is citizen of U.S.A. The brother has settled in U.K. He has become a citizen there. The parents are citizens of Tanzania, a country in the African continent and like that. They are still maintaining their emotional bonds with India. They have got India Club there. Sometimes they would try to have clubs in the name of States also and many of the Gujarat people have gone there. I quote one village in Gujarat. It is called Dharmas. One individual from every family is residing abroad, just like people from Punjab, they go abroad for business. Here also, people from Gujarat, they go in large numbers. But we have not heard from them that for maintaining the bonds, “we require the citizenship ; we require representation ; we should be allowed to contest the elections in India”. It is not the case. Sometimes, of course, people would like to send their children for getting education in India, if they are staying,

on business, in under-developed countries where proper facilities are not available there. But even that is not the case in other countries. I have occasion to visit Indonesia. There I have seen Gandhi Memorial School. They are maintaining our heritage; they are observing our culture; they are pure Indians living by the habits. But they are completely happy with the Indonesian citizenship. The fact remains that when a man moves from one State to the other State, even he tries to settle there, if he finds good opportunity. Even in India we find that people who migrate from villages to cities and they settle there. Their children would not like to go to the villages where the parents once used to live—20 or 30 miles away. Here in this case, would those people who have gone thousand of miles away like to come back only to contest elections and to have emotional bonds? By contesting elections or getting representation or acquiring double citizenship, including the citizenship of that country, emotional bonds will not be developed. We have got different methods, different modes, of maintaining our relations with our Indian brethren abroad. We are propagating our culture, showing our cultural richness, to other countries through our Trade Fairs. Recently we had one Fair in Paris. So, it is not necessary to bring any such Resolution for giving double citizenship to the people who, by their own will, by their own desire, have already settled in different countries. Previously our people specially scientists, used to go abroad for better opportunities. Now we have started giving them good opportunities here itself, so that they can stay in India. As you know, in the beginning when our hon. Prime Minister started a new Ministry called the Ministry of Human Resources, people were sceptical and some people even criticised that this was not a very important Department. Now we find that we do not allow our unemployed graduates, our young talented people, to remain idle, we want to utilise their talents and training suitably and in our country itself. We know that kind of difficulties those Indians who are now settled in our neighbouring countries, specially in Sri Lanka, are facing. Thousands of years ago they went there. They are now citizens of Sri Lanka. Even then, the ethnic problem

has been started there and it is unfortunate that the ethnic trouble has not yet calmed down. We sympathise with such people. But we cannot say that we will bring them here and we will give them citizenship. To those who want shelter in India, we can provide temporary shelter, but we have to see that they go back to their country where they were born and where they have got the citizenship. If you go back to history, you will find that some hundreds and thousands of years, ago, right from Mangolia people travelled down to the Indian sub-continent and settled in Punjab and Sind. Will it be possible for us today to say that those Punjabis whose forefathers came from Mangolia should be given Mangolian citizenship and they should also be given the right to contest elections and all that? Some Aryans came from some areas which are now in Russia and settled in north India. Now are we going to say that they should be given the citizenship of Russia and if they wish, they should be allowed to contest elections there? It will not be possible. Therefore, bringing Resolution of this kind only means that we should evolve some other methods to increase our ties with the people of the Indian origin so that India can be benefited and those who love India and who are of Indian origin can also get some advantage. We can take the help of the External Affairs Ministry here; we can request the Government to appoint the more and more Attaches whether our Indian brethren are more in number like in Great Britain, in African countries, and in our neighbouring countries our staff strength in the Indian Embassies can be increased. Those who want to maintain liaison with India can be allowed to come here more freely. If they want to establish some business, as we have the transfer of technology with other countries, sometimes we allow the establishment of industries with the foreign equity shares.

If the Indian people who have the citizenship of other countries want to come to India with a kind of venture or with a kind of investment, in that case we can urge Government to give them more opportunities, to give them special concessions instead of asking for citizenship or even representation and voting power.

[Shri Vijay N. Patil]

I am not in agreement even with what Mr. Banatwalla suggested earlier that the people who have gone abroad and are staying abroad should be allowed vote when the elections are there in India to Lok Sabha or to the State Assemblies. The things which are not practicable or desirable in the present context should not be allowed.

Of course, even with the countries where our Indian people are not in large number, when it comes to economic cooperation, sharing of common resources and common development, we have taken new stands. Some decades ago, the developed countries started the body by the name European Economic Community.

Our Prime Minister Shri Rajiv Gandhi has started the SAARC and to start with we have got the membership of seven countries and in this sub-continent, in this area we can share so many things in common. Sharing the hydel energy from rivers flowing from Himalayas, sharing the information given by the satellites through remote sensing for knowing the cyclonic information, whether or not rains are advanced, can be done by all the countries who are our neighbours. We can share the communication through one or two satellites and we can reduce the expenditure on such kind of facilities which can be used in common.

So, for that purpose it does not require a person from Bangladesh, from Sri Lanka or from Pakistan or for that matter a person from Afghanistan and other countries who once upon a time was an Indian should acquire the citizenship of India if he so desires. It is not necessary.

What a man wants is a comfortable life, a pretty good house to live in and if possible the maximum luxuries of modern life. These things can be obtained through economic cooperation. It is not a thing which is acquired through sharing of political power. We do not want political power to be made more complicated.

In different countries, in our adjoining countries also we have different kinds of

democracy and different kinds of Government whom we just tolerate but do not agree with the form. We believe in democracy. But that does not mean that every man can come and contest here and at the same time they can be given the citizenship.

What will happen if my cousin brother staying in Kenya contests the elections in Parliament and when the Parliament is in session he has to come from there. What if he also acquires the citizenship and becomes a member there? In this country itself a man cannot remain the Member of two Houses. He can either be a Member of Parliament or he can remain a Member of a State Assembly. So what will happen to a person who is a citizen of other country, a political representative over there and come here to contest and by chance gets elected. This will create many complications. We do not want any complications. We have got our own problems. Ours is a big country with huge population and having a federal structure. There are people especially in your party who want to propagate the idea of giving more and more powers to the States. We have already given lot of power. Whatever is required to be kept with the Centre is with the Centre, but even with that, when the Government in one State is not of the party, which is in power at the Centre, some misunderstandings develop, and people start saying more autonomy should be given to the State Government.

Ours is a Sovereign Democratic Republic. If you want people from other countries to be allowed on the pretext that they are of Indian origin, and their forefathers were staying in India, that will not be a proper idea. The idea is commendable, but it is not practicable, and when the thing is not practicable, it is not proper to insist more on that. As I have already said, we should find out different modes of bringing our brethren closer to the Indian culture. They should feel proud of India. It should not be understood—as it is understood in some countries—that Indians are only shopkeepers. I have heard that people know of India as a country of shopkeepers. Our Patils, Shahs and Mehtas have got shops



in the centre of the big towns abroad. So the people of that country think that Indians are only shop-keepers. Indians are not only shopkeepers but they are also scientists, fighters, adventurers, etc. Our people have gone to Antarctic. The expedition to Antarctic has been successful. We have got our foothold over there. So, we should give proper image of India and we should utilise our brethren to give proper information about India to the people of that country. Whatever wrong information has been spread by some people, who do not like to see the development of the Indian people through democratic process, and who try to malign Indians through the strong media at their disposal, we should try to counter that with the help of our brethren abroad. For that purpose whatever is necessary the Central Government and other voluntary agencies can be utilised instead of asking or allowing those brethren to come here and contest. We have already got lot of contesters here. In this country you find in some constituencies there may be two-three parties in the fray but there may be fifty or hundred individuals contesting individually. Do you want to add to that number? It is alright if a big man like Mr. Rath is able to contest from a parliamentary constituency in Maharashtra. But if Vijay N. Patil goes to Orissa and contests an election, who will vote for him? The people living in any part of the country want to know whether the candidate has been working for the people living in the constituency from where he is contesting the election. So, in that Constituency, people would ask what he has been doing for the last 10 or 15 years and what he is going to do for the next five years. What will happen if somebody contests the election from Africa or United Arab Emirates and, of course, he is a citizen of India and he wants to contest from a constituency. But what will the people think of him? The man is contesting from thousands of miles away. The Bhojpuri people had gone to Mauritius and after 300 years if one of them is coming back to India and asking the people in a particular constituency to vote for him, then the people would say that after election he will go back to Mauritius. So, is it practicable or is it possible? It is not possible. That is

why I think your idea is good but it is not practicable. With these words, I thank you for giving me the opportunity to speak on this subject.

SYED SHAHABUDDIN (Kishanganj) : Mr. Chairman, Sir, my friend Mr. Ramoo-walia has brought forward a Resolution which amounts to preaching polygamy in the era of monogamy. I have some knowledge about the way the foreign Governments function or the modern States function with regard to the grant of citizenship. They are increasingly very jealous of this right of citizenship; it is not easily granted to persons who are foreign origins. In many States, they tend to place certain conditions, sometime very impossible conditions. I do not know off hand of any State, of not in the contemporary world, which agrees to the grant of dual citizenship or to the very concept of a double nationality. Sir, as far as the voting right of the persons of Indian origin living abroad, who are Indian nationals, are concerned, they are to be treated on a different footing altogether. I had a long discussion with the Election Commission on that point and they pointed out certain practical difficulties in providing the facility of franchise to the Indian nationals who are residing abroad and I had the privilege of bringing forward a Private Member's Bill in the Rajya Sabha, in my last term in order to secure voting rights and I suggested a method or delimiting pattern of constituencies that can be viewed for those persons who are Indian nationals living abroad. For example, if Indian Nationals living in the Gulf region or West Asia numbered more or less comparable to the size of a constituency within India, then those Indian nationals could be constituted into a constituency for representation in the Indian Parliament, that is to say, those Indian nationals living abroad in a given pocket, could elect a representative to the Indian Parliament. That is a different matter. Here, Sir, we are talking about all rights, equal rights as enjoyed by the Indian citizens to be extended to another person of Indian origin who is living abroad and who is a foreign national. Frankly I find that it is very difficult to accept the idea or even to commend the idea and I do not think it shall be acceptable even

[Syed Shahabuddin]

to the countries which are today acting as hosts to persons of Indian origin. Then, there can be a number of practical difficulties. It can be sometimes clash of interests. It can lead, on occasions, to a clash of jurisdictions, it can lead to a conflict of laws and indeed, it will be very difficult to ask any person to acquire the technique of riding two boats at the same time. Therefore, I am inclined against the very concept of this Bill, not that I, in any way, devalue the emotional ties felt by persons of Indian origin with the mother country; at least for the first few generations it is there. If I may say so, to the best of my ability, when we speak of persons of Indian origin, we were speaking of persons who either they themselves or their parents, or their grand-parents—I do not think, they go further than that—migrated to a foreign country. I am absolutely certain that in normal circumstances, the ties of kinship persists, the cultural ties do play a role, people do have a feeling for the mother country. But after that people become absorbed in their milieu, in their environment, in their economy, in the life of which they have become part and parcel and slowly they do not have very palpable ties or really very strong interests in the mother country. It is not only in India. This is so for all people of the world and people have been migrating throughout the world from one part of the world to the other. It is nothing new. One can, of course, argue that the State boundaries have stiffened in the modern times, whereas they were not so stiff and so precisely defined in the ancient times. One can argue that, but, by and large, people do tend to get absorbed in the host milieu. This is a fact of life and that is a fact of human nature.

When we speak of the same rights, this includes the Fundamental Rights also. To me immediately the question comes in which court do you enforce the Fundamental Rights? In which country? How do you enforce? What jurisdiction do you have? What instrumentalities do you have? Simply, you have none. Even if you do grant Fundamental Rights to an Indian national, who is also a foreign national, and they are violated, let us say

by the authorities where he lives,—obviously, they cannot be violated by anybody living in India—then you have no jurisdiction to protect his Fundamental Rights. It would be an exercise in absurdity to think that the Government could protect the Fundamental Rights of an Indian citizen, who at the same time happens to be a foreign citizen and living in a foreign country and is oppressed by that foreign State. It becomes an impossible situation.

Similarly, let us talk of the economic situation. Surely, there is a right to invest, but there is also sometimes the duty to invest, duty to pay taxes. I would like to know if the persons of Indian origin,—who were foreign nationals were at the same time granted Indian citizenship, and were made to subject to Indian taxation system in order to fill the coffers of Mr. Poojary, who is sitting in front of me, and to give him more money for the poor of the country, will they willingly subject themselves to the Indian taxation authorities? Nobody will accept that double taxation. The host country would not forgive them their taxes, and the Indian Government even if they imposed taxes, would not be able to collect them. Therefore, there also I find a tremendous difficulty.

Let us talk of the political aspect. I am reminded of a situation in which a conscription takes place. A nation faces an emergency and there is a conscription. I can visualise situations in which the conscription would act at cross purposes and shall subject Indian nationals to fight foreign wars on behalf of the foreign countries, wars which we might denounce as a nation. For example, American attacked Libya. Suppose the Americans were to use American citizens of Indian origin in their aggression against Libya. Here is an Indian State denouncing this act of aggression, and here are the Indian citizens, who happen to be American citizens also are fighting American wars against Libya.

18.00 hrs.

Again we are led into a terribly absurd situation. This also bears the other way

round. Citizenship also means to ~~bears~~ arms. Can we be permitted, as a State to call upon our nationals, who also happen of the other States, against the will of the host State to bear arms for our country in a time of distress?

Finally Sir, as far as the cultural aspect is concerned, assimilation will become extremely more difficult because psychologically a person of Indian origin who is enjoying all the benefits of foreign citizenship, who at the same time is being allowed to have Indian citizenship, will be less inclined towards assimilation and identification with the culture of the country that he has adopted and to that extent, he will become less acceptable in that country.

Mr. Chairman, I am not so generous as my friend Shri Ramoowalia in granting Indian citizenship to persons who have deliberately, willingly, voluntarily, working out the costs and accounts, decided one way, decided to merge their destiny with the country of their choice. I wish them well. I have no grudge against them. I do not consider them unpatriotic I am very happy to live with that situation. But I cannot permit them double nationality, or as I said, an attempt to ride two boats at the same time.

My daughter was born in America. I made the option of giving her an Indian citizenship and getting her an Indian passport. When she was 18, I told her, "Daughter you are free. You can choose American citizenship if you like, because this will make your education and later even your marriage, easier" She refused.

MR. CHAIRMAN : Shri Poojary.

18.02 hrs.

PAPERS LAID ON THE TABLE—*Contd.*

[*English*]

THE MINISTER OF STATE IN THE  
MINISTRY OF FINANCE (SHRI

JANARDHANA POOJARY) : I beg to lay on the Table a copy each of Notification Nos. 258/86-Customs and 259/86-Customs (Hindi and English versions) published in Gazette of India dated the 25th April 1986, together with an explanatory memorandum regarding exemption to crude palm kernel oil when imported for the manufacture of fatty alcohols from the basic customs duty in excess of 30 per cent *ad valorem* and from the whole of the auxiliary duty of customs leviable thereon under Section 159 of the Customs Act, 1962. [Placed in Libray. Sec. No. LT-2565 A/86].

#### BUSINESS ADVISORY COMMITTEE

[*English*]

#### Twenty-third Report

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT) : I beg to present the Twenty-third Report of the Business Advisory Committee.

18.03 hrs.

RESOLUTION RE : CONFERMENT  
OF SAME RIGHTS AS ENJOYED BY  
INDIAN CITIZENS ON PERSONS OF  
INDIAN ORIGIN LIVING ABROAD—  
*Contd.*

[*English*]

MR. CHAIRMAN : Shri Harish Rawat.

[*Translation*]

SHRI HARISH RAWAT (Almora : Mr. Speaker, Sir, the wordings of the Resolution moved by hon. Shri Ramoowalia seems to be quite innocuous, but its consequences will not be that simple.

[English]

12.03 hrs.

MR. CHAIRMAN : You may continue next time. The House now stands adjourned till 11:00 on Monday.

*The Lok Sabha then adjourned till Eleven of the Clock on Monday, April 28, 1986/  
Vaisakha 8, 1908 (Saka).*

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