

tation letter Shri Biswas had immediately sent a cable to World Peace Council Helsinki on 7th January 1970 as "Please cable immediately quote cordially invite Mrs. Aruna Asaf Ali Stockholm Preparatory Meeting on Vietnam 17th and 18th January, all expenses ensured—Chitta Biswas?"

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN): (a) to (d). All India Peace Council sends proposals from time to time sponsoring delegations to participate in International Conferences, meetings etc. In all these cases 'P' form clearance is given subject to the normal scrutiny such as availability of institutional hospitality, etc. Enquiries made by the Government have not led to any information to substantiate the allegation that the All-India Peace Council has been sending delegations on the basis of fake invitations.

Kandla Free Trade Zone

10018. **SHRI P. G. MAVALANKAR:** Will the Minister of COMMERCE be pleased to state:

(a) whether the purpose for which the Kandla Free Trade Zone was created has been achieved; and

(b) whether Government have finalised plans to strengthen the Kandla Free Trade Zone by a suitable legislative measure?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE): (a) The purpose for which the Zone was created has been partially achieved; Government are making every possible effort to improve the performance of the Zone.

(b) The high level Steering Board set up under the Chairmanship of Deputy Commerce Minister is expected to look into all suggestions, including suitable legislative measures, if need be, to strengthen the Kandla Free Trade Zone.

Observation of Governor of Reserve Bank of India Regarding State Financial Corporation, Service to Less Developed Regions

10019. **SHRI RAJDEO SINGH:** Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of the observation of the Governor, Reserve Bank of India while inaugurating the conference of the representatives of the State Financial Corporation that the efforts of the State Financial Corporations to serve the relatively less developed regions appears to be "inadequate" and that the unsteady

trend in the assistance provided by them causes concern; and

(b) if so, what steps Government propose to take in the matter?

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN): (a) Yes, Sir. While inaugurating the Conference, Governor, Reserve Bank of India observed that the efforts of State Financial Corporations to serve relatively less developed regions appeared on the whole particularly inadequate, judging by the results achieved. The situation, therefore, called for urgent remedial measures.

(b) The State Financial Corporations Act was amended by Parliament in December, 1972 to enable the Corporations to play a more useful role in helping new entrepreneurs and cover larger categories of industrial concerns. At the Conference, and later on, the Corporations have been asked by the Reserve Bank of India to assess the assistance in each backward region *vis-a-vis* its untapped potential and launch special development programmes such as carrying out surveys, identification of projects etc. as a first step towards extending their financial assistance to these backward areas. The attention of the Corporations has also been drawn to the various incentives offered by the Central and State Governments as also by the all-India term lending institutions for encouraging units to set up in backward areas. In the budget proposals of 1973-74 it has also been announced that there will be a deduction equal to 20 per cent of the profits derived by an industrial undertaking set up in backward areas in computing its taxable profits. This concession will be available for a period of 10 years from the establishment of the industry. The ceiling on investment eligible for subsidy from the Central Government is also raised from Rs. 50 lakhs to Rs. 1 crore and the percentage of subsidy raised from 10 per cent to 15 per cent of the investment. The Corporations offer, in deserving case, financial assistance by lowering of margin from 15 per cent to 20 per cent with longer amortisation period upto 15 years and start-up period extending up to four years. The effective rate of interest is also at the concessional rate of 7 per cent for units in the small and medium scale sector.

PROs appointed in Calcutta Office of Tea Board

10020. **SHRI B. K. DAS CHOWDHURY:** Will the MINISTER OF COMMERCE be pleased to state the number of PROs appointed in the Calcutta office of the Tea Board from the year 1970 up-to-date