

the head "Sales Promotion" during the last three years, is as under:—

1974-75	..	Rs. 640.67 lakhs
1975-76	..	Rs. 967.18 lakhs
1976-77		Rs. 1300.00 lakhs

(b) The expenditure under the head "Sales Promotion", is incurred on advertisements, publicity and additional incentives for promotion of passenger and cargo traffic.

(c) The expenditure on Sales Promotion is budgetted and approved by Air-India Board. Funds are allocated to various regions and the concerned regional heads incur expenditure which is, however, monitored by the Commercial Department in Air-India headquarters.

Calicut Aerodrome

826. DR. V. A. SEYID MUHAMMAD: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether a number of representations have been made to Government for the establishment of an aerodrome in Calicut;

(b) whether there is a proposal before the Government to establish such an aerodrome in Calicut; and

(c) whether there was a proposal to convert, as a temporary measure, the existing private aerodrome at Chelani into a Government aerodrome for flights of Indian Airlines?

THE MINISTER OF TOURISM & CIVIL AVIATION (SHRI PURU-SHOTTAM KAUSHIK): (a) Yes, Sir.

(b) A project for the construction of an aerodrome at Calicut was included in the draft Fifth Five Year Plan. However, due to increase in the cost of operation consequent on hike in prices of aviation fuel and also their tight fleet position, Indian Airlines had

to review their plans and found themselves unable to operate to Calicut in the Fifth Plan period. The project, had therefore, to be deferred.

(c) The question of reactivating a private airfield near Calicut was examined some time back. The matter was not pursued since improvements to this airfield involved substantial capital outlay.

Indianisation of Foreign Companies

827. SHRI P. K. KODIYAN: Will the Minister of FINANCE AND REVENUE AND BANKING be pleased to state:

(a) whether some of the foreign companies operating in India have not complied with the requirements of restructuring their equity holdings in accordance with the provisions of the Foreign Exchange Regulation Act; and

(b) if so, what action has been taken against such companies?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) Some of the foreign companies are yet to comply with the directives issued by the Reserve Bank of India under Foreign Exchange Regulation Act regarding Indianisation or dilution of foreign equity within the stipulated period.

(b) The Reserve Bank of India is taking appropriate follow-up action in all these cases. It is constantly monitoring the progress of compliance with the directives issued to FERA companies. In cases where the companies could not comply with the directives within the stipulated time limit, for some bona fide reasons, reasonable extension of time was allowed on merits. Companies, which fail to comply with the Bank's directive, are liable for penal action under the provisions of the Foreign Exchange Regulation Act, 1973.