

[English]

**Proposal to Provide Cash Credit to Andhra Pradesh Government and Civil Supplies Corporation Ltd. of Andhra Pradesh**

6315. SHRI E. AYYAPU REDDY : Will the Minister of FINANCE be pleased to state :

(a) whether Government of Andhra Pradesh requested the Reserve Bank of India to provide cash credit to the State Government and the Civil Supplies Corporation Ltd. of Andhra Pradesh on the valuation of the stock at the procurement cost instead of issue price in view of the special circumstances prevailing in Andhra Pradesh on the ground that the issue price was the subsidised price;

(b) whether the RBI is insisting on providing cash credit only on the basis of the issue price even through the procurement price is much higher than the issue price;

(c) whether Union Government have been requested to advise the RBI to provide cash credit to Andhra Pradesh Civil Supplies Corporation Ltd., on the basis of procurement price; and

(d) the reaction of Union Government to the request of Government of Andhra Pradesh ?

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

(b) The request of the Government of Andhra Pradesh was examined by the Reserve Bank of India and the State Government was advised that in accordance with the established norms, stock food-grains, for the purpose of bank credit should be valued at the cost of procurement or issue price whichever is lower. The State Government was given time by RBI upto the end of March, 1986 to undertake necessary correction in the valuation procedures.

(c) and (d). The question of food credit on the basis of valuation of stocks

was taken up with Reserve Bank of India who have not favoured any change.

[Translation]

**Cases of LIC'S Staff Pending in Supreme Court/High Courts**

6316. SHRI SATYANARAYAN PAWAR : Will the Minister of FINANCE be pleased to state :

(a) the reasons for delay in holding final round of talks by the Life Insurance Corporation of India with its Class-II employees (Development Officers) in furtherance of the talks started in October, 1985 to reach a settlement with them;

(b) the difficulties being faced in reaching a settlement with Class-II employees particularly when similar agreement had been reached with Class-I officers, Class-III and Class-IV employees through deliberations;

(c) the number of cases relating to service conditions of Class-II Officers of LIC pending hearing in different High Courts and the Supreme Court and number of cases in which verdict has already been given;

(d) whether the LIC has started implementing the verdicts given by the courts; and

(e) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). As a result of discussions, the Management of Life Insurance Corporation of India had with the representatives of Class-II employees (development Officers), proposals were received from the Corporation for effecting the revision of pay and other terms and conditions of service. Further discussions also took place on 22.3.1986 on some fresh proposals made by the employees, which on receipt from Life Insurance Corporation, will also have to be kept in view to arrive at a final decision.

The revision of pay scales etc. of the Development Officers is closely related to the "work norms" according to which the Development Officers are supposed to work within stipulated cost ratios for being eligible for getting their emoluments according to their pay scales. The principle of work norms has been challenged by the Development Officers and cases are pending in various courts.

(c) The number of cases relating to service conditions of Class-II Officers of LIC pending hearing in the Supreme Court is two and in the High Courts is 107.25 cases of individuals, in which the High Courts have already given verdicts, were dismissed.

(d) Yes, Sir.

(e) Does not arise.

[English]

**Exemption of Customs Duty on certain Scientific Instruments**

6817. Dr. A. K. PATEL : Will the Minister of COMMERCE be pleased to state :

(a) whether the import of scientific instruments which are not manufactured in India, is allowed to Government research and educational institutions without payment of customs duty;

(b) if so, the incentive for developing the same indigenously;

(c) whether 'Customs Duty Free' import of their components to the indigenous manufacturers is allowed; and

(d) if not the reasons therefor ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (LHRI P. SHIV SHANKER) : (a) and (b). Yes Sir. Only Government research and educational institutions are permitted to import instruments without payment of duty. The policy for the import of instruments by others is highly restrictive and as such the indigenous industry is adequately protected.

(c) and (d). Import of capital goods, connected raw materials and components are eligible for concessional assessment of duty under 'Project Imports'.

**Export of Iron Ore to Japan**

6318. SHRI VIJAY N. PATIL : Will the Minister of COMMERCE be pleased to state :

(a) whether there has been any increase in export of iron ore to Japan during 1985-86 in comparison to 1983-84 and 1984-85;

(b) if so, the details of prices obtained during 1985-86 and whether that prices is less in comparison to previous year; and

(c) if so, the reasons for less price in 1985-86 ?

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

(b) and (c). MMTC's prices for 1985-86 for export to Japan for Boiladilla fines was 26.23 US Cents and for Bailadilla lumps was 30.73 US Cents per 1% of FE FOB per DLT. Prices of iron ore of all other grades and sectors for export to Japan are generally derived from above prices keeping in view other relevant factors. Prices obtained during 1985-86 were higher by 2.2% in cases of iron ore lumps and 1.42% in case of iron ore fines compared to prices obtained in 1984-85. Compared to 1983-84, however, these prices were less as these had to be determined on the basis of international market prices of iron ore during 1985-86.

[Translation]

**Destruction of Rats**

6319. PROF. NIRMALA KUMARI SHAKTAWAT : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether it is a fact that the number of rats in the country is Six times more than the human population;