

**Solution of Problem of Jute Industry
of West Bengal on the Pattern of Textile
Industry of Gujarat**

5123. **SHRI NARAYAN CHOUBEY :**
Will the Minister of **TEXTILES** be pleased
to state :

(a) whether the Prime Minister, during his first visit to West Bengal in September, 1986 had stated that the Union Government was willing to solve the problem of the jute industry in West Bengal in the same way as the problem of cotton textile industry in Gujarat had been resolved ;

(b) if so, the salient points of Gujarat type solution for problem of textile industry; and

(c) the reaction of the Government of West Bengal towards this ?

**THE DEPUTY MINISTER IN THE
MINISTRY OF TEXTILES (SHRI
S. KRISHNA KUMAR) :** (a) Yes, Sir.

(b) To combat the crisis which afflicted the textile industry in Gujarat in 1984, the State Government of Gujarat sent a proposal to the Central Government indicating that it was prepared to nationalise 12 closed sick textile mills of Ahmedabad provided it was given financial assistance. After considering the proposal, the Central Government agreed to provide a total sum of Rs. 65 crores as advance plan assistance for nationalisation scheme. This amount is to be recovered in three instalments commencing from 1987-88. The 12 mills which have been nationalised are being restructured by the State Government to form a lesser number of mills (5 or 6) that are viable. The sale proceeds of surplus land and surplus machinery of these mills will also be utilised for restructuring of these mills. As a consequence of this restructuring workers rendered surplus would be eligible for retrenchment compensation, gratuity and arrears of wage.

(c) No proposal on the above lines has been received from the State Government of West Bengal in respect of sick jute mills.

[*Translation*]

**Reduction in Rate of Interest on Loan Taken
by State Civil Supplies Corporation
for F.P.S.**

5124. **SHRI MAHENDRA SINGH :**
Will the Minister of **FINANCE** be pleased
to state :

(a) whether the Union Government are considering any proposal to make good losses suffered by State Governments in running Fair Price Shops in rural areas under Public Distribution System ;

(b) The rate of interest charged on the loans given by the Reserve Bank to State Civil Supplies Corporations to procure/distribute the essential commodities under Public Distribution System ; and

(c) whether Government propose to reduce the present rate of interest ?

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

(b) Reserve Bank of India has advised that the credit limits authorised to the State Governments/Union Territories for procurement of foodgrains (wheat, paddy/rice and coarse grains) at support prices fixed by Government of India for distribution under public distribution system are fixed at an interest rate of 14 percent. The State Governments are free to sub-allocate the credit limits between the State Governments and their procurement agencies, if any, for procurement operations.

As per present interest rate structure, for credit limits authorised to State Civil Supplies Corporations for procurement/distribution of certain specified essential consumer commodities viz., pulses, edible oils, kerosene, salt and sugar the rate of interest is 15% and for other essential consumer commodities 16.5%.

(c) No, Sir,

[English]

Increase in Prices of Silver and Gold

5125. SHRI SANAT KUMAR MANDAL: Will the Minister of FINANCE be pleased to state :

(a) whether silver has recently acquired a new sheen on the Bombay bullion market and its price had shot up in recent months ;

(b) the reasons for sudden increase in the value of gold which too had seen a bullish trend in recent months ;

(c) whether Government are aware of the black money finding its way in the bullion ;

(d) if so, the check, if any, being exercised by Government over such transactions aimed at converting the black money into white ; and

(e) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Yes, the price of silver in the Bombay market has gone up recently.

(b) The rise in gold prices in recent months is due to a general rising trend in its international price, the recently concluded season of festivals and marriages and also because of the stricter vigil exercised by the concerned enforcement agencies to check its smuggling into the country.

(c) Yes, the Government are aware that bullion is a favourite item for investment of black money.

(d) The Government are fully alive to the situation and whenever any such information comes to notice, necessary action is taken by the Income Tax Department and in the case of Gold, by the department of Customs and the Gold Control Administration also.

(e) Does not arise.

Criteria for Selection of Branches of Various Banks for Public Issues

5126. SHRI CHINGWANG KONYAK: Will the Minister of FINANCE be pleased to state :

(a) the guidelines and/or criteria adopted for selection of branches of various banks for accepting applications from public for issue of equity shares and debentures ;

(b) the names of branches of various banks accepting such applications in the North-Eastern Region including the States of Assam and Nagaland ;

(c) the steps proposed to be taken to increase the number of these branches in view of the difficulties being faced by the investing public of the North-Eastern Region due to small number of such branches in this region ; and

(d) the names of places in Assam and Nagaland selected for location of such branches ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) In respect of public issue of securities exceeding Rs. 5 crores, the minimum number of centres where the companies have to make arrangements for acceptance of applications from the public are the places where all the recognised Stock Exchanges are situated, all the cities with a population of more than 5 lakhs as per the 1971 census, and one centre in the State of Jammu and Kashmir. In respect of public issues of securities not exceeding Rs. 5 crores, the minimum number of centres for acceptance of applications are the places where all the recognised Stock Exchanges are situated and all the cities with a population of more than 5 lakhs as per the 1971 census in the State where the regional Stock Exchange is situated as well as in the State where the nearest major Stock Exchange is situated.

(b) The selection of branches of banks for receipt of applications for public issue of securities is made by the companies concerned.