

(c) to (f). Majority of the sight holders of Diamond Trading Company in diamond business at Bombay hail from Gujarat. There is freedom for entrepreneurs all over the country to deal in diamonds according to the Policy.

**Non-Purchase of Tobacco by STC at
Floor Prices Fixed by Union
Government**

2963. SHRI BEZHAWADA PAPI REDDY : Will the Minister of COMMERCE AND SUPPLY be pleased to state :

(a) whether State Trading Corporation has failed in their duty to come to the rescue of tobacco farmers by not offering to purchase the tobacco at floor prices fixed by the Union Government;

(b) whether the tobacco farmers are in distress and left at the mercy of exporters; and

(c) if so, the corrective steps proposed to be taken ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. A. SANGMA) : (a) State Trading Corporation purchased tobacco in the past when there was distress in the market. With the introduction of auction system, Tobacco Board is itself purchasing tobacco at minimum support prices at auction floors if there are no bidders.

(b) The tobacco farmers are not at the mercy of exporters as the Tobacco Board is also intervening in the market for residual purchases to stabilise the market.

(c) Does not arise.

[*Translation*]

**Closure of Krishna Textile Mills in
Byawar, Rajasthan**

2964. SHRI VISHHU MODI : Will the Minister of COMMERCE AND SUPPLY be pleased to state :

(a) whether Krishna Textile Mills in Byawar, Rajasthan has been closed since 1983;

(b) if so, whether Government have

received any representations in this regard; and

(c) if so, the action taken by Government in the matter ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRA SHEKHAR SINGH) : (a) and (b). Yes, Sir.

(c) The initiative for restarting Krishna Textile Mills, Byawar, lies mainly with the Government of Rajasthan who are seized of the matter.

[*English*]

**Representation from all India Foodgrains
Dealers Association, Delhi for abolition
of Sales Tax**

2965. SHRI JAI PARKASH AGARWAL : Will the Minister of FINANCE be pleased to state :

(a) whether Government have received a letter dated 22nd January, 1985 addressed to the Prime Minister, from the Federation of All India Foodgrains Dealers' Association, Delhi regarding abolition of Sales Tax;

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

(c) the action taken thereon ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). A letter dated 7th February, 1985 addressed to the Union Finance Minister enclosing therewith a copy of a letter dated 22nd January, 1985 addressed to the Prime Minister was received from the Federation of All India Foodgrains Dealers' Association, Delhi. In the copy of the letter dated 14th January, 1985 addressed to the Prime Minister enclosed with the aforementioned letter dated 22nd January, 1985, the Federation requested for the abolition of sales tax on foodgrains, pulses and oilseeds.

As sales tax is mainly a State subject of taxation, any reform in sales tax system can be undertaken only in consultation with and cooperation of the States. There is no proposal with the Government at present to abolish sales tax on foodgrains, pulses and oilseeds.