

Continuance of Business by M/s. Ferrits and Spencers (Asia) Ltd.

1818. **SHRI ANANT DAVE**: Will the Minister of FINANCE be pleased to state:

(a) whether M/s. Porrits and Spencer (Asia) Ltd., Faridabad have the approval of Government to continue business in India beyond 1979 i.e. upto the time of their present agreement expiring in 1979, under FERA; and

(b) if so, what steps are being taken by Government by assisting the company to dilute the company's shares in the ratio of 60:40 as per Government policy for foreign companies operating in India?

THE MINISTER OF FINANCE (SHRI H. M. PATEL): (a) and (b). In terms of the FERA guidelines, M/s. Porrits and Spencer (Asia) Ltd. is entitled to continue its business in India retaining its existing non-resident equity of 59 per cent and accordingly the Reserve Bank of India has granted permission to the company.

Ceiling on Professional Incomes

1819. **SHRI EDUARDO FALEIRO**: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to introduce a ceiling on professional incomes, such as that of doctors and lawyers; and

(b) if so, details of this proposal?

THE MINISTER OF FINANCE (SHRI H. M. PATEL): (a) and (b). In the context of the criticism that the rules regulating the payment of managerial remuneration were unjust, because members of professions like doctors, lawyers and others were free from the ambit of such rules, the Minister of Law, Justice and Company Affairs had observed, while addressing the 13th All India Conference of

Tax Executives organised by the Federation of Indian Chambers of Commerce and Industry on the 4th November, 1978 that the "thinking of the Government is to impose a ceiling on income in the case of doctors, lawyers and others as well as to reduce social tensions". However, no concrete proposal in this regard is under the consideration of Government.

Utilisation of Installed Industrial Capacity to Public Sector

1820. **SHRI K. RAMAMURTHY**: Will the Minister of FINANCE be pleased to state:

(a) whether the wide-ranging survey of the economy in the Planning Commission and other official forums has revealed that in most of the crucial areas of the economy, particularly in the public sector, out put is substantially below the installed capacity and this is holding up production; and

(b) if so, the steps taken or proposed to be taken to utilise full installed industrial capacity?

THE MINISTER OF FINANCE (SHRI H. M. PATEL): (a) and (b). In contrast to the improvement recorded in agriculture, the level of industrial production during 1977-78 showed a lower rate of growth as compared to the previous year. The rate of growth in industrial out put was particularly low in basic industries, intermediate goods and consumer goods.

In the public sector there was fall in production in terms of capacity utilisation mainly in Steel, Lignite, Aluminium Copper, Zinc, Fertilizer (Sindri, Nangal, Gorakhpur), Heavy Electricals and Heavy Engineering. In order to improve out-put steps are being taken to improve power supply industrial relations and managerial efficiency as well as to stimulate demand wherever this has acted as a damper.