

**Suggestion to reduce Sales Tax on Raw Materials supplied by the State Trading Corporation and Minerals and Metals Trading Corporation**

167. SHRI DEVINDER SINGH GARCHA : Will the Minister of FINANCE be pleased to state :

(a) whether the Central Government have suggested to the State Governments for reducing the rates of Sales Tax on raw materials supplied to small scale Industries by the State Trading Corporation and Minerals and Metals Trading Corporation to make them still cheaper ; and

(b) if so, the reaction of State Governments thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI VIDYA CHARAN SHUKLA) : (a) No, Sir.

(b) Does not arise.

**Financial Assistance to Rajasthan**

5168. SHRI BABURAO PATEL : Will the Minister of FINANCE be pleased to state :

(a) whether the Rajasthan Government has accused the Central Government of not honouring the commitment made by the Prime Minister to finance the scheme of paying special gratuitous relief to the famine-stricken people of three districts in Rajasthan ;

(b) if so, the details of the scheme with reasons for not honouring the commitment ;

(c) the total amount spent in advances by the Rajasthan Government so far ; and

(d) the steps taken by Government to ensure that the people in the famine-stricken areas do not suffer due to the differences between the Centre and the State ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI VIDYA CHARAN SHUKLA) : (a) to (d). As stated in reply to parts (a) and (b) of Unstarred Question No. 4522 on the 31st August, 1970 on this subject, the expenditure on the special gratuitous relief scheme in Rajasthan upto May, 1970 has already been accepted for purposes of Central assistance. The

Government of Rajasthan have recently represented that the expenditure incurred on this scheme from June to September, 1970 also should be considered eligible for Central assistance towards drought relief measures in the State. The State Government have been informed that a Central team will review the situation and the expenditure incurred on the continuance of drought relief measures in the current financial year, including the expenditure on the special gratuitous relief scheme. The report of the team is awaited.

According to information received from the State Government, the expenditure on the special gratuitous relief scheme upto September, 1970 during the current financial year amounted to Rs. 9.85 crores.

**Raid on Firms in Ahmedabad Dealing In Silver**

5169. SHRI BABURAO PATEL : Will the Minister of FINANCE be pleased to state :

(a) the names of silver dealers whose firms were raided in Ahmedabad on the 24th and 25th October, 1970 ;

(b) whether these dealers purchase silver at Rs. 500 per Kilogram and sell it at Rs. 800 per kilogram ; and

(c) if so, the reasons why no action was taken all these days in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI VIDYA CHARAN SHUKLA) : (a) No raids were conducted by the Customs authorities on 24th and 25th October, 1970 at Ahmedabad. However, raids were conducted on the 21st, 22nd and 23rd October and 7th November, 1970 on the business/residential premises of the firms dealing in silver, their employees and other connected persons, particulars of which are indicated in the statement enclosed.

(b) There is no indication that these dealers purchase silver at Rs. 500/- per kg. and sell it at Rs. 800/- per kg.

(c) Raids can be carried out only when there is reason to believe that contravention of law has taken place or is attempted.