

(b) if so, the Government's assessment about the total amount of funds provided for modernisation and how much of it was diverted or remained unutilised during the last two years; and

(c) the steps taken or being taken to ensure that the funds set apart for modernisation are fully utilised for the purpose in order to contain the cost of production and to prevent the industry going sick?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) to (c) The information is being collected and will be laid on the Table of the House.

Income Tax Deduction by Foreign Diplomatic Mission

421. SHRI MANIKRAO HODLYA GAVIT : Will the Minister of FINANCE be pleased to state:

(a) whether a number of foreign diplomatic missions which are deducting income-tax from the salaries of their Indian employees and depositing with the income-tax authorities;

(b) if so, whether Government have compiled a list of Indian employees in foreign mission for assessing them for recovery of income-tax; and

(c) if not, the measures taken by the Government to ensure that such employees are assessed by income-tax authorities?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) No Sir. According to the income-tax records, there is no proof that the foreign diplomatic missions are deducting income-tax from the salaries of their Indian employees. However, these employees have been paying necessary taxes on the salaries received by them from their employees.

(b) No list giving the exact number of Indian employees having taxable income has been compiled by the Income-tax Deptt.

(c) It is proposed to request the Ministry of External Affairs to address a note to the foreign missions advising them to deduct taxes on the salaries paid to Indian employees.

Defaultment of Vysya Bank

422. DR. BIZAY SONKAR SHASTRI : Will the Minister of FINANCE be pleased to state :

(a) the total number of branches of the Vysya Bank Ltd. in Delhi and the number of accounts that have become "default" in making repayment of loans availed of by the customers in the last five years, branch-wise;

(b) whether the branches of the bank are not taking proper documents at the time of releasing the loan to the customers;

(c) if so, whether any responsibility has been fixed for the default in payment and if so, the details thereof;

(d) the action taken against the officials responsible for it; and

(e) the steps taken to recover the default amount?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) to (e) Vysya Bank Limited is a private sector bank and Government is neither required to, nor keeps itself informed, of the operational details of private sector banks. However, when complaints or allegations regarding functioning of the private sector banks come to Government's notice, they are forwarded to the RBI for such action as is considered appropriate having regard to the fact that the RBI is the regulator of the banking industry in India. In addition whenever irregularities of shortcomings are noticed by the RBI in the course of the inspection of private sector banks, the banks are advised to take necessary remedial action. In cases involving failure of regulatory compliance, RBI takes such action as is deemed appropriate having regard to the circumstances of the case. Matters such as non-compliance of internal instructions issued by such banks are to be addressed by the managements of such banks at appropriate levels.

Coffee Production

423. SHRI RANJIB BISWAL : Will the Minister of COMMERCE be pleased to state :

(a) the quantum of coffee produced by Coffee Board annually;

(b) whether the Coffee Board proposes to expand its sales services; and

(c) if so, the new areas where Coffee Boards proposes to set up its branches during 1998-99, State-wise?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) The total production of coffee in India during 1997-98 was 2,28,000 tonnes. The Coffee Board is not directly involved in the production of coffee. However, the Board produces about 150 tonnes of coffee per annum in its research and extension demonstration farms.

(b) No, Sir.

(c) Does not arise.