

Sl. No. List of Companies which have not fixed a book closure for more than a year.

1. Triveni Sheet Glassworks Ltd.
2. T M T (India) Ltd.
3. Pertech Computers Ltd.
4. Jamna Auto Industries Ltd.
5. Milton Plastics Ltd.
6. Viral Filaments Ltd.
7. Integrated Finance Ltd.
8. Modi Olivetti Ltd.
9. T T G Industries Ltd.
10. Shyam Telecom Ltd.
11. Shree Digvijay Cements Ltd.
12. Solarson Industries Ltd.
13. Shopper' Investment & Finance Company Ltd.

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14. Kiran Overseas Exports Ltd.
15. Haryana Petrochemicals Ltd.
16. Padmini Polymers Ltd.
17. Femnor Mineral (I) Ltd.
18. Optel Telecommunications Ltd.
19. A C E Laboratories Ltd.
20. Bakelite Hylam Ltd.
21. Pandian Graphites (India) Ltd.
22. Atash Industries Ltd.
23. Beta Naphthol Ltd.
24. Precision Fasteners Ltd.
25. Ishwar Medical Services Ltd.

Sikkim

96

Funds for Externally Aided Projects

1503. SHRI BHIM DAHAL : Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government provide ninety percent grant to the North-Eastern States including Sikkim under Externally Aided Projects; and

(b) if so, the details of projects and grants provided to Sikkim during each of the last three years and current year, project-wise?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) Yes, Sir.

(b) During the last three years, no amount was released under Externally Aided Projects to Government of Sikkim. During current year i.e. 1998-99 till date an amount of Rs. 1168.66 lakh (Rs. 1051.79 lakh grant and Rs. 116.87 lakh loan) has been released to Government of Sikkim under Externally Aided Projects for supply of medical equipments, Namchi.

[Translation]

Simplification of Taxation System

1504. SHRI JANARDAN PRASAD MISRA : Will the Minister of FINANCE be pleased to state:

(a) whether the Government are contemplating to simplify the taxation system;

(b) if so, whether the Government have taken any initiative in this regard;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

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 (d) Sir, simplification of the taxation system is an ongoing process, involving a review of procedures and consequent amendments in various tax laws, principally through Finance Acts. This year also in the Central Budget, the Excise tax structure is proposed to be simplified by reducing the existing 11 major *ad valorem* rates to 3 rates, namely, at Central rate of 16%, a merit rate of 8% and a demerit rate of 24%. On the Customs side, it is proposed to reduce the 7 major *ad valorem* rates of Customs duty to 5 basic rates, namely, 5%, 15%, 25%, 35% and 40%. Regarding direct taxes, a number of measures to rationalise and simplify the Income Tax Act have already been taken, based on the recommendations of an Expert Group set up in 1997.

[English]

97-99
Standard Chartered Bank

1505. SHRIMATI GEETA MUKHERJEE :
SHRI S. SUDHAKAR REEDY :
SHRI V.V. RAGHAVAN :
SHRI K. YERRANNAIDU :

Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India is aware of the Justice Sam. N. Variava's judgement of December 24, 1998 exposing the lies, exaggeration and false claims of the Standard Chartered Bank (SCB) in the course of securities scam investigations;

(b) if so the details thereof; and

(c) the action proposed to be taken by the RBI against the SCB?

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 (c) Reserve Bank of India (RBI) have reported that they are aware of the judgement dated December 24, 1998 of the Special Court in a suit filed by Standard Chartered Bank and another *Versus* the Custodian and another. Standard Chartered Bank had filed this suit in the Special Court because the Custodian required the bank to establish its rights on the shares, debentures and stocks belonging to notified broker, Hiten P. Dalal and held by the bank. In the said suit, the main questions for consideration before the Special Court were whether the plaintiff had suffered any loss as claimed, whether the brokers had given the shares as security or the same were taken from him forcefully by the bank and whether the said shares if given as security was by way of mortgage and also whether rights and bonus shares, dividends and interest on the said shares would become part of the secured assets.

After hearing the parties in the suit, the Honourable Judge held that:

- No force was used by Stanchart to obtain securities from Hiten P. Dalal to cover their shortfall,
- The said securities (shares) were pledged by Hiten P. Dalal in favour of Stanchart to secure a loss,
- Stanchart has been able to prove a loss of Rs. 280 crore only (against Rs. 1253 crore claimed) and hence these pledged securities can be sold by Stanchart over a period of two years to secure the said loss,
- The bonus, dividends and interest received on above securities do not form part of the pledged securities and therefore Stanchart should return the same to the Office of the Custodian,
- Cantriple units of face value Rs. 35.5. crore should be handed over to the Office of the Custodian.