

1976 or have you stopped further supplies to the State Government? Will you recover the dues together with interest if they fail to pay the outstanding dues?

**SHRI CHANDRASHEKHAR SINGH :** We have not stopped the supplies. The supplies are being made. Stoppage of this facility will create difficulties. We have implemented a decision w.e.f. 1-12-1983 according to which they will have to make advance or cash payment for their future purchases. So far as outstanding dues are concerned, a system has been evolved and we hope that the objective will be achieved thereby.

**SHRI MOOL CHAND DAGA :** But, what are the reasons?

**SHRI CHANDRASHEKHAR SINGH :** The Reserve Bank of India are not their bankers and hence this delay.

#### WRITTEN ANSWERS TO QUESTIONS

[English]

#### Smuggling of Indian Currency to Pakistan for Extremist Operations in India

\*265. **SHRI PRATAPSIKH BAGHEL :**  
**SHRI JITENDRA PRASAD :**

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that Indian currency worth crores of rupees was clandestinely taken to Pakistan to pay the extremists operations in India; and

(b) if so, the details in this regard and action taken to stop it?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :** (a) and (b). The Government have no information that Indian currency worth crores of rupees was being smuggled, out of the country to Pakistan for extremists operations in India. However, Border Security Force and Customs authorities have seized Rs. 40.00 lakhs (provisional) of Indian currency during the first seven months of 1985 from Indo-Pakistan border as against Rs. 1.10 lakhs of Indian currency seized during the whole of 1984.

The drive against smugglers has been state intensified on the Indo-Pak border. The preventive and intelligence machinery of the Customs Department in the region has been re-inforced in terms of manpower and equipment joint ambushes, raids and patrols with the local police and other preventive agencies are organised by Border Security Force. Additional companies of Border Security Force have been deployed on Punjab-Pak border. Dog squads and mounted patrolling have been pressed into service to intercept and apprehend ex-filtrators and infiltrators. Observation towers have also been erected to watch movements of infiltrators. The trends of smuggling and seizures made in the region are kept under constant review for taking appropriate remedial action as warranted.

[Translation]

#### Setting up of Super Zink Smelter Plant in Rajasthan

\*267. **PROF. NIRMALA KUMARI SHAKTAWAT :** Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether a site for setting up of a Super Zink Smelter Plant in Rajasthan has been selected;

(b) whether it is a fact that Chittorgarh is the most suitable place from technical point of view;

(c) if so, the time by which the work for the setting up of this plant will be started in Chittorgarh;

(d) the expenditure likely to be incurred thereon?

**THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) :** (a) and (b). Hindustan Zinc Limited who have drawn up a proposal for setting up a new lead-zinc smelter, based on Rampura-Agucha lead-zinc deposits, have proposed location of the smelter at Chanderiya (near Chittorgarh) on techno-economic considerations.

(c) Investment decision on the project is pending consideration in the context of the resource constraint during the Seventh Plan.

(d) The stage of incurring expenditure has not been reached yet.

[English]

**Second time conversion in overdrafts by States**

\*273. SHRI S. G. GHOLAP : Will the Minister of FINANCE be pleased to state :

(a) whether Government have converted the overdrafts of the States of a second time recently;

(b) whether States which have no overdrafts will get similar loans;

(c) the interest on loan and on the overdrafts; and

(d) the reasons given for overdrafts by States ?

THE MINISTER OF FINANCE AND COMMERCE (SHRI VISHWANATH PRATAP SINGH) : (a) Government of India provided Medium term loans to States for converting their deficits/anticipated overdrafts during 1982-83 and 1983-84. It is now proposed to provide Medium term loans equivalent to 90% of States' overdrafts as of 28-1-1985.

(b) No, Sir.

(c) The interest on Medium term loan is 8% and that on overdraft with the Reserve Bank of India is 13%.

(d) The States have reported increase in non-Plan and Plan expenditure as reasons for their overdrafts with the Reserve Bank of India.

[Translation]

**Introduction of Kidney Insurance Scheme**

\*276. SHRI VISHUNU MODI : Will the Minister of FINANCE be pleased to state :

(a) whether Government propose to introduce a kidney insurance scheme for replacement or treatment of kidney if it gets out of order like the Cancer Insurance Scheme;

(b) if so, the time by which it will be introduced; and

(c) if not the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) No, Sir.

(b) Does not arise.

(c) General insurance industry has already introduced a Hospitalisation and Domiciliary Hospitalisation Benefit Policy with effect from 1st June, 1985. The Policy covers various diseases including renal diseases, kidney transplantation, etc. The overall benefits including additional benefits permissible under the above Policy vary from Rs. 7000 for category V to Rs. 37,800 for category I with corresponding total annual premium rates per person varying from Rs. 72 to Rs. 378.

**Profit earned from Lapsed Certificates by Peerless General Finance and Investment Company**

\*277. SHRI K. N. PRADHAN : Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware that the Peerless General Finance and Investment Company has earned profit of crores of rupees from the lapsed certificates and now intends to make the principal company sick by investing this money in other companies; and

(b) if so, the action being taken by Government against such a move ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). The Peerless General Finance and Investment Company Limited is a company registered under the Companies Act and its affairs are regulated by its Board of Directors. Reserve Bank of India has reported that an inspection of the Company conducted by it in 1978 had revealed that the Company earned sizeable amounts through lapsed certificates. The Reserve Bank has, however, no information whether the Company intends to make itself sick by investing such amounts in other companies.

In terms of the provisions of Prize Chits and Money Circulation Schemes (Banning) Act, 1978, the Peerless General Finance and Investment Company Ltd. was served with a notice on August 10, 1979 by