

Consignment Tax

*686. SHRI UTTAM RATHOD: Will the Minister of FINANCE be pleased to state:

(a) whether at a recent conference at Delhi of Chief Ministers of States a consensus was arrived at to introduce the consignment tax system in respect of different commodities; and

(b) if so, the follow-up action being taken by Government in the matter?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) Yes. Sir.

(b) The States, Union Territories and concerned Ministries/Departments of the Central Government have been addressed to indicate suggestions/views to formulate guidelines in the matter of grant of exemptions from the levy of consignment tax which the Central Government would do in consultation with the States. For this purpose a Committee of some Chief Ministers is being constituted. Action is also on hand to draft necessary legislation on consignment tax.

SHRI UTTAM RATHOD: Sir, I would like to know as to what is the rate of the consignment tax and when do we expect the Bill.

SHRI B. K. GADHVI: Sir, so far as the Bill is concerned, after we received the recommendations from the Committees of the Chief Ministers, it would be given a final shape. Tentatively, we presume that there should be 4 per cent of the Central Sales Tax and not more than that.

THE MINISTER OF FINANCE (SHRI S. B. CHAVAN): Sir, I have given a commitment that the Bill would be brought forward in the Monsoon session of this year.

Issue of Demand Drafts by Banks

*691. SHRI KATURI NARAYANA SWAMY: Will the Minister of FINANCE be pleased to state:

(a) the prescribed time to issue/cancel the demand drafts in the nationalised banks;

(b) whether his Ministry have given specific instructions regarding time taken for issue/cancellation of demand drafts;

(c) whether these instructions are being followed in the banks; and

(d) if not, the reasons thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (d). A Statement is given below.

STATEMENT

This public sector banks have evolved certain time norms for disposal of common transactions at the branch level including issue of Demand Drafts. Banks have been advised to ensure issue of Demand Drafts within 30 minutes. No specific time norm has been fixed for cancellation of Demand Drafts. The feed back received from the banks indicates that the banks are endeavouring to issue Demand Drafts within the prescribed time.

[English]

SHRI KATURI NARAYANA SWAMY: I am satisfied with the statement.

[Translation]

SHRI RAM SINGH YADAV: Mr. Speaker, Sir, the hon. Minister of Finance has issued guidelines on March 27, 1989 through the Reserve Bank about implementing the Credit Liberalisation Policy. This has created some hindrances in the functioning of the banks. Therein it has been said:

[English]

"The Cash Reserve Ratio would be made uniform with effect from July 1, 1989 at 15% on the entire net demand and time liabilities of all scheduled commercial banks". And the last is: "the package of measures an-

nounced in the credit policy for the first half of 1989-90 are mainly designed to moderate liquidity growth and ensure need based availability of credit, rationalise further Cash Reserve Ratio and to introduce new instruments for greater flexibility and efficiency in banking operations."

[Translation]

Consequently, the traders are not able to encash their cheques and drafts on the same day in Kishangarhvas branch of the State Bank of Bikaner and Jaipur which is located in my constituency. The payment is not done for 2 - 3 days. They do not have a currency chest there. The Government has fixed 15 per cent cash Reserve Ratio in all the commercial banks. This directly affects the farmers as agricultural payments are not made in time. It adversely affects their financial position. Will the Government review this policy and ensure immediate encashment of cheques? Will the hon. Minister look into this matter so that hinderances are removed.

[English]

SHRI EDUARDO FALEIRO: The CRR nothing at all to do with the complaint of the hon. Member. I would like to say that as far as issue of draft is concerned, we have said that within 30 minutes drafts must be issued. We have said that cheques must be cashed immediately. If there are outstation cheques, usually, what used to be done was that the Manager of the bank used to say that he would find out if there were funds in the chest and then let him know. We have said that if the man is a customer and if he presents an out station cheque up to Rs. 2,500 then that must be paid across the counter. (Interruptions)

SHRI RAM SINGH YADAV: This was not there last year. This has been introduced this year. (Interruptions)

SHRI EDUARDO FALEIRO: I am just completing. If an outstation cheque is of more than Rs. 2,500 amount, then that must

be paid within fourteen days. If the bank takes more than fourteen days, the bank must pay interest to the customer to be credited to his savings account. It is not only this that we have done. We have asked all the banks to display prominently these rules so that the customers know these rules.

These are the instructions issued and the instructions are to be displayed in every branch. If there is any particular complaint, that can be enquired into. (Interruptions)

[Translation]

Loans Under Self-Employment Scheme in Uttar Pradesh

*692. SHRI AKHTAR HASAN: Will the Minister of FINANCE be pleased to state:

(a) the number of youths granted loans of rupees 25 thousand each so far in Uttar Pradesh under self-employment scheme:

(b) the percentage of youths out of them who have secured employment through it;

(c) whether there are complaints of heavy deduction by the Bank officials in granting such loans; and

(d) if so, the action taken by Government in this regard?

[English]

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (d). A statement is given below.

STATEMENT

(a) Under the Scheme for providing Self Employment to the Educated Unemployed Youth (SEEUY) introduced during the year 1983-84, initially a maximum amount of loan of Rs. 25,000/- could be sanctioned to an individual. The maximum amount of loan admissible under the Scheme was revised