

**THE MINISTER OF FINANCE (SHRI R. VENKATARAMAN):** (a) and (b). The Unit Trust of India has invested an amount of Rs. 1,26,500 in 72,650 equity shares of Rs. 10 each in Mackinnon Mackenzie and Company Limited and has also appointed a Director as its nominee on the Board of the company.

(c) and (d). The Reserve Bank of India received an application under Section 19(5) of the Foreign Exchange Regulation Act, 1973 from the British India Steam Navigation Company Limited, London, for permission to transfer 10 lakh equity shares of Rs. 10 each, held by the U.K. company in Mackinnon Mackenzie and Company Limited to private party. This proposal has since been rejected by the Reserve Bank of India. The question of transfer and/or change in the management of the company consequent upon such transfer, therefore, does not arise.

#### Upgradation of Jullundur

**\*904. SHRI RAMJIBHAI B. MAVANI:** Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Government of India has upgraded Jullundur city in B-2 category for all purposes some time ago;

(b) if so, the reasons thereof;

(c) whether it is also a fact that Jullundur city was upgraded in B-2 category by the State Government for the payment of H.R.A./C.C.A. to the State Government employees and the Central Government had upgraded the said city in B-2 category after lapse of nearly 10 months and effect of upgradation was given from the date of the issue of O.M. by the State Government; and

(d) if so, the details thereof?

**THE MINISTER OF FINANCE (SHRI R. VENKATARAMAN):** (a) No, Sir.

(b) Does not arise.

(c) and (d). It is not known whether the State Government have upgraded Jullundur city in B-2 for the payment of House Rent Allowance/Compensatory (City) Allowance to its staff. However, the Central Government do not follow the practice of the State Government in this regard and the question of any time-lag does not arise.

#### Shifting of Head Office of SAIL to Ranchi

**\*905. KUMARI KAMLA KUMARI:** Will the Minister of STEEL AND MINES be pleased to state:

(a) whether Government have shifted the head office of SAIL to Ranchi; and

(b) if not, the reasons therefor?

**THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE):** (a) No, Sir.

(b) The proposal to shift the headquarters of Steel Authority of India Limited to Ranchi is still under consideration.

#### Sharing formula devised by MMTC/HITCO for export of processed Mica

**\*909. SHRI RAM SWAROOP RAM:** Will the Minister of COMMERCE be pleased to state:

(a) what is the genesis of the sharing formula of 40:60 devised by the MMTC/MITCO for export of processed Mica;

(b) how does this sharing formula operate with regard to private exporters/foreign buyers and MITCO;

(c) what are the benefits derived by MITCO by operation of the sharing formula; and

(d) whether Government have approved this formula; if so, the reasons therefor?

**THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE):** (a) to (d). MITCO was set up in June, 1974 as a trading organisation to prevent exploitation of weaker sections engaged in mica production, and to organise their participation in the export trade, ensure price stability and to enhance the export of processed and fabricated mica. In the wake of canalisation, an understanding was reached with the private exporters that all the export orders brought in either by the Corporation or by the erstwhile exporters, would be pooled together and shared in the ratio of 70 : 30. In March, 1975, the ratio was changed to 60 per cent for the private exporters and 40 per cent for MITCO. The sharing formula, approved by Government, was aimed at ensuring better remuneration to the weaker sections engaged in mica production while at the same time allowing continuity in exports by private trade is having long-established relations with foreign buyers. However, mica below size No. 5 is outside this sharing formula. In practice, private exporters, with MITCO's assistance, negotiate orders with foreign buyers and bring the contracts in two parts: 60 per cent in their favour and 40 per cent for MITCO. Sometimes the foreign buyers send the orders in this ratio directly. On the 60 per cent share in exports by private trade, MITCO levies a service charge.

**Under-Invoicing by Exporters of  
Semi Precious Stones..**

\*912. **SHRI BHOGENDRA JHA:  
SHRI INDRAJIT GUPTA:**

Will the Minister of **FINANCE** be pleased to state:

(a) whether Government are aware that Mr. John Ashlyn alleged that beside Golecha family, all other exporters of semi-precious stones, who were exporting through him, were also indulging in under-invoicing;

(b) if so, who are such other exporters, and what is the extent of under-invoicing and smuggling by these exporters during all these years; and

(c) whether it is also a fact that the same mode was adopted by these exporters, while exporting their goods through their other associates besides Mr. Ashlyn?

**THE MINISTER OF FINANCE (SHRI R. VENKATARAMAN):** (a) to (c). Mr. John Ashlyn of SALAS S. A. Geneva, (Switzerland), has filed a Civil Suit in a Jaipur Court against S/Shri Shrichand Golecha, Sharad Golecha and Sudhir Golecha, C/o. M/s. Sharad Sudhir & Co., Jaipur, towards the end of 1979, for damages. In his plaint dated 21-9-79 filed in the Court, he has *inter alia* stated that the defendants were sending precious stones to him for sale on commission basis; that the goods exported from India were under-invoiced and that two sets of invoices were used, one showing the under-invoiced value, generally at half value, and the other showing the full actual sale price. He has also stated therein that the other exporters of precious stones from India were also dealing with him on the same pattern and further furnished names and addresses of some such exporters. The names and addresses of the other exporters as given in the plaint are as under:—

(i) Mr. Dhandia of Dhandia Jewellers, Johari Bazar, Jaipur 3; Telephone 75639.

(ii) Khetsidass Sadasukh Dugar and Nirmal Dugar, Lal Katra, Jaipur Telephone 73048. Residence 74286.

(iii) Mr. Rashmi K. Jain of R. Y. Durlabhji, P.O. Box 78, Jaipur, Telephone 72757.