

(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.

(iv) Javahar M. Jhaver of Yesh-wantlal Manganlal Jhaveri, 44-46, Dhanji St., Bombay-3; Telephone 327279.

(v) Mr. Udaichand Kothari, P. O. Box 169, Raja Jewellers, P.O. Box 176, Jaipur Johari Bazar, and Mr. Prakashchand Kothari.

(vi) Padam Chand Lodha of Roop Chand Lodha, Partanion Ka Bagh, Johari Bazar, Jaipur and Ratan-chand Lodha of Indian Trading Corp., (Same address).

(vii) Mr. Rammohan Rawat of Maliram Puranmal, Gopalji Ka Rasta, Maliram Puranmal & Co., Haldian Ka Rasta, Jaipur 3. Tele- phone 72866, 62866, 65441 and 72840.

(viii) Mr. Rajendra Kumar A Shah, 163-165, Sheikh Memon St., Zaveri Bazar, Bombay 2; Telephone 327221.

(ix) Mr. M. K. D. Jhaveri and Mr. H. C. Bader of Cosmopolitan Trading Corporation, P.O. Box 27, Johari Bazar, Jaipur 3. Telephone 72923.

(x) S. P. Garg of Prakash Inter- national, 309, Gopalji Ka Rasta, Jaipur 3; Tel. 72875.

(xi) Mr. Gokuldas of Gokuldas & Co., Rasta Gopalji, Jaipur 3, and Kotawala Gems Trading Co., Rasta Hammanji, Jaipur; Tel. 72814.

(xii) Mr. Ahmed Nisar of Nisar Brothers, Khandar Ka Rasta, Jaipur; Tel. 302002.

(xiii) Devraj Manekchand and Coutham & Co., H.O. 2/30, Veerapan St. Madras 1; Tel 32243 B/O 18, Sheikh Memon St., Bombay 2; Tel. 311058.

(xiv) Mr. Jajoo of Jajoo Brothers, 1048, Jadion Ka Rasta, Johari Bazar, Jaipur.

(xv) Mr. Ram Kishan Jajoo of P. V. Jewellers, Ganesh Bhavan, Partanion Ka Rasta, Johari Bazar, Jaipur.

(xvi) Mr. Nirmal K. Surana of Hazarimal Milapchand Soorana, Hanuman Road, P.O. Box 17, Jaipur.

(xvii) Mr. Dhandia of Dhandia Intern. Jewellers, 3933, Kundigar Bhairon Ka Rasta, Johari Bazar, P.O. Box 121, Jaipur-3.

The case is under investigation. It will not be in public interest to dis- close further details at this stage.

#### Expenditure Limit on Members of Foreign Trade Delegations

\*913. SHRI CHANDRA PAL SHAI- LANI: Will the Minister of FIN- ANCE be pleased to state:

(a) the maximum limit on expendi- ture permissible per head on the for- eign trade delegations; and

(b) if no limit on expenditure has been laid down, the reasons therefor?

THE MINISTER OF FINANCE (SHRI R. VENKATARAMAN): (a) Foreign trade delegations are sent abroad either by the Government or by the private sector. In the case of such delegations sent by the Govern- ment, the members of the delegation are paid daily allowance etc., by our Missions abroad at the rates prescribed by the Ministry of External Affairs. These rates vary from country to country. Limits on the entertainment expenses by the foreign delegation have also been prescribed. The per- missible amount on this account varies from Rs. 2000 to Rs. 5000, depending upon the status of the leader of the delegation.

Members of private trade delega- tions are released foreign exchange by the Reserve Bank of India on the scales applicable to senior/junior businessmen proceeding for business visits abroad. The leader of the dele- gations are eligible to avail of entei- nainment expenses upto the maximum of US \$ 2000 subject to accounting.

(b) Does not arise