

practice the commercial delegations are free to come and negotiate contracts with their trading partners in India and are not required to report to Government the details of contracts concluded.

**Rate of replenishment for rough diamonds**

\*934. SHRI NAWAL KISHORE SHARMA: Will the Minister of COMMERCE be pleased to state:

(a) is it a fact that the rate of replenishment for rough diamonds against export of polished diamonds is 87 per cent;

(b) how much is the import of rough diamonds per year;

(c) is it also a fact that the Chairman of the Gem and Jewellery Export Promotion Council has conveyed to Government that 65 per cent replenishment is adequate;

(d) if so, the reason why Government are allowing 87 per cent replenishment; and

(e) if not, the facts thereof?

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) The rate of import replenishment for rough diamonds against export of cut and polished diamond varies from 65 per cent to 87 per cent depending on the size of diamonds exported and per carat value realisation. The rate of import replenishment of diamonds unset and uncut is 87 per cent only, where the size of each diamond exported is 3 of a carat and above, with a minimum per carat realisation of not less than Rs. 3,250/-.

(b) The value of import in 1978-79 was Rs. 458/- crores. In 1979-80 (upto January, 1980), the import was valued Rs. 318 crores.

(c) No, Sir.

(d) Does not arise.

(e) A separate classification has been created with higher import replenishment at 87 per cent, with a view

to encourage exports of high quality large size diamonds.

**International cardamom community**

\*935. SHRI B. K. NAIR:

SHRI V. S. VIJAYRAGHAVAN:

Will the Minister of COMMERCE be pleased to state:

(a) whether there is any proposal to set up an International Cardamom Community; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KHURSHED ALAM KHAN): (a) and (b). A proposal to establish an International Cardamom Community consisting of four major cardamom producing countries namely India, Guatemala, Tanzania and Sri Lanka, has been under consideration for some time. The objectives of the proposed Community would be to undertake joining market development programmes, evolve formal or informal understanding on pricing, exchange information relating to production, research, etc. for the common benefit of the member-countries, and to further joint action for the relaxation of tariff and non-tariff barriers and for the removal of other obstacles to trade. While India, Tanzania and Sri Lanka have agreed in principle to the formation of the said Community, the matter is still under consideration of Guatemalan Government.

**Smuggling of Cottonseed, Coconut Oil etc.**

\*937. SHRI B. V. DESAI:

SHRI JAGDISH TYTLER:

Will the Minister of COMMERCE be pleased to state:

(a) whether huge quantity of cottonseed, coconut oil and palm stearine are being imported by the private trade in contravention of the import trade regulation;

(b) if so, whether a major lacuna in the import policy has enabled the trade to officially smuggle into these oils and make lucrative profits;

(c) if so, whether this has been revealed in the "Economic Times" dated 20th March, 1981; and

(d) if so, what steps are being taken by Government to check this?

**THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE):** (a) to (d). Some imports of cottonseed oil coconut oil and palm stearine have come to notice. According to the news item appearing in the "Economic Times" of 20th March 1981, these imports were enabled as a result of a major lacuna in the import policy. This view is not correct. The importers tried to take undue advantage of the general structure of the import policy under which industrial raw materials which do not appear in the banned, restricted or canalised lists in the import policy, can be imported under Open General Licence by Actual Users (Industrial). In so far as oils and seeds are concerned, the provision in the import policy for 1981-82 has been amplified so as to include all of them, whether edible or non-edible, as well as palm stearine and allied products, in the canalised list for import by State Trading Corporation only.

**News-item Captioned "Sikand Empire built on fraud and Tax evasion"**

**938. SHRI BAPUSAHEB PARULKAR:**  
**SHRI BHEEKHABHAI:**

Will the Minister of FINANCE be pleased to state:

(a) is it a fact that one of the top building contractors in the country, the Sikand Construction (Projects) Company has cheated the Government to the tune of lakhs of rupees by fraud and tax evasion;

(b) if so, the amount of tax evasion and the modus operandi of the company of fraud and tax evasion; and

(c) whether attention of Government has been drawn to the article in 'Blitz' dated 21st March, 1981 on page 1 under the heading "Sikand Empire built on fraud and tax evasion" and Government's reaction thereto?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SAWAI SINGH SISODIA):** (a) The Income-tax Department had searched M/s. Sikand Construction (Projects) Company, 7A, Barakhamba Road, New Delhi under section 132 of the Income-tax Act, 1961 on 24th January, 1981. During the course of the search *prima facie* unaccounted jewellery of the approximate value of Rs. 1,14,826/- and account books and documents were seized.

(b) A preliminary examination of seized documents indicate substantial tax evasion by the assessee. The extent of concealment and other particulars will be known only after the assessments are made.

(c) Yes, Sir. The matter is still under investigation.

**Take-over of Mohini Mills, Belghoria (West Bengal)**

**\*940. SHRI MUKUNDA MANDAL:**  
**SHRI MOHAMMAD ISMAIL:**

Will the Minister of COMMERCE be pleased to state:

(a) whether the Government of West Bengal have approached the Union Government for taking over Mohini Mills, Belghoria;

(b) if so, details thereof; and

(c) what is the reaction of Government thereto?

**THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE):** (a) to (c). Government of West Bengal have approached the Union Government for the take-over of Mohini Mills Belghoria. Government of India had, on 11th May 1978 appointed an investigation committee under Section 15(b) of the Industries (Development