

The searches have resulted in the seizure of many incriminating documents which *prima facie* reveal Foreign Exchange violations and evasion of income-tax by the companies and Shri Jan Drobot.

Export of Consultancy Services

*196. DR. H. P. SHARMA: Will the Minister of COMMERCE be pleased to state:

(a) whether the export of consultancy services, especially to the oil producing countries, is facing varied impediments particularly in regard to foreign exchange permits;

(b) if so, the broad features of the factors which are impeding the exports of consultancy services;

(c) the extent of exports of consultancy services during the years 1971, 1972 and 1973; and

(d) the steps being taken to remove such impediments and to boost up exports of consultancy services?

THE MINISTER OF COMMERCE
(PROF. D. P. CHATTOPADHYAYA):
(a) No, Sir.

(b) Does not arise.

(c) Under the present arrangement of recording statistics, data regarding exports of consultancy services is not recorded. However, on the basis of available information the exports of a few Consultancy Units during the last 3 years are set out below:—

Exports of 13 Consultancy Units during 1971-72.—Rs. 136,45,000 (Approximate)

Exports of 13 Consultancy Units during 1972-73.—Rs. 73,31,000 (Approximate)

Exports of 7 Consultancy Units during 1973-74 (Anticipated). Rs. 95,39,000 (Approximate).

(d) The question does not arise in regard to the first part. With a view to promote exports of consultancy services, it has been recently decided to give financial assistance from the Marketing Development Fund to the Consultancy Services, registered with the Federation of Indian Export Organizations, as indicated below:

(a) For undertaking market study abroad at 60 per cent.

(b) For opening foreign offices at 25 per cent of the expenditure on accommodation and staff for the first year and 20 per cent for the second year.

(c) **Publicity Campaign:**

(i) 50 per cent of the net expenditure, after taking into account the revenue from sales and advertisement for bringing out publications, for use abroad, including journals, directories, brochures, pamphlets, folders etc. and

(ii) 25 per cent of the expenditure on Brand Publicity.

Deficit Financing

*197. SHRI VAYALAR RAVI: Will the minister of FINANCE be pleased to state:

(a) the extent to which the various steps taken by Government have been successful in controlling deficit financing and the nature of further steps Government propose to take in that direction; and

(b) the total amount of deficit financing resorted to by Government in the first four months of the current financial year?

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN):

(a) It is too early to quantify in financial terms the results of the various measures contemplated by Government to control deficit financing. Some measures have already been taken besides those announced on 31st July. The position is under constant review.

(b) There is no month to month synchronisation of receipts and expenditures and the budgetary deficit at any point of time will not be proportionate to the year end deficit envisaged in the Budget. The figure of budgetary deficit upto the end of July is not yet available.

Proposed Change in the system of Financial Administration of various Ministries

*198. SHRI D. P. JADEJA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have decided to bring about a major change in the system of financial administration of the various Ministries; and

(b) if so the broad features thereof?

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN): (a) yes, Sir.

(b) The changes aim at—

- (i) development of increased capabilities in financial management on the part of different Departments of Government and ensuring that the authority for taking decisions matches with the responsibility for producing results; and
- (ii) simplification and modernisation of procedures governing the internal working of Government Departments and agencies and their transactions with the citizens and employees.

Restrictions on the frequency of Issue of Bonus shares by Companies

*199. SHRI N. E. HORO:

SHRI K. MALLANNA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have placed further restrictions on the frequency of issue of bonus shares by companies; and

(b) if so, the broad features thereof?

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN): (a) Yes, Sir.

(b) The salient features are:—

- (i) Between two successive announcements of bonus issues by a company there should be a time lag of at least forty months.
- (ii) The company may make a further application for issue of bonus shares thirty-six months after the scrip in respect of last bonus issue is listed (if the company's shares are quoted on the Stock Exchange) or after the completion of despatch of the share certificates.

Agreement between General Motors U.S. and J.K. Group, India for supply of Machinery

*200. SHRI SAROJ MUKHERJEE: Will the Minister of COMMERCE be pleased to state:

(a) whether Government are aware that a collaboration agreements besides placing order for the supply of some machinery, had been signed between General Motors of U.S. and J.K. Group recently;

(b) if so, the salient feature of the agreement, and