

Statement

The position in regard to the more important items of equipment is given below:

Air Route Surveillance Radars: Installation at Bombay, Delhi and Madras has almost been completed. The one at Calcutta will be installed as soon as civil and electrical works have been completed.

Airport Surveillance Radar: Government have already decided to install this radar at Madras airport. The equipment is on order.

Cat. II Instruments Landing Systems: Government have decided to install this equipment at Madras and Nagpur aerodromes. Tenders have already been received.

The proposal to install Cat. II ILS on runway 10 at Delhi airport, runway 09 at Bombay airport, runway 25 at Madras and runway OIR at Calcutta airport is in the final stages of consideration; Government orders are expected to issue in the near future.

400W HF-Transmitters: Government have already issued order for purchase of 100 units of 400W HF-transmitters. Procurement action is in hand.

Precision Approach Radars: Government have decided to install these at Delhi and Madras airports. PAR is already available at Bombay and Calcutta.

Cat. II Runway Lighting: The proposal to provide Cat. II runway lighting system at Delhi airport has been approved. Procurement action is in hand.

Non-Directional Beacons Distance Measuring Equipment Very High Frequency Omni Range: Government have decided to install NDBs, DMEs and VORs at a number of places. 25 NDBs have been received. Procurement action for DMEs and BORs is in hand.

Directives issued by R.B.I. regarding Advances Sanctioned to Small Scale Industries

*953. SHRI P. GANGADEB:

SHRI N. SHIVAPPA:

Will the Minister of FINANCE be pleased to state:

(a) whether Reserve Bank of India has issued any directive to the Commercial Banks regarding sanctioning of advances to small scale industries;

(b) whether any ceiling has been imposed thereon; and

(c) if so, salient features thereof?

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN):

(a) to (c). The current credit policy of the Reserve Bank of India has been formulated in the context of large expansion in money supply and the rising prices and one of the measures taken in this regard was the fixation of a 10 per cent ceiling on expansion of non-food credit for the period from the end of September, 1973 to the end of April, 1974. No ceiling on expansion of credit to Small Scale Industries as such was, however, contemplated or fixed.

2. In fact, even while introducing the different credit measures, the Reserve Bank had impressed on the scheduled commercial banks the need for meeting adequately the genuine needs of production, movement of goods, exports and the priority sectors, including Small Scale Industries. The Reserve Bank also made the following specific relaxation in respect of advances to Small Scale Industries.

- (i) Individual small scale industrial units with limits from a bank totalling not more than Rs. 2 lakhs were exempted from the minimum lending rate of 10 percent per annum. When the minimum lending rate was raised on November 30, 1973 to 11 per

cent per annum, this exemption was continued.

- (ii) Small Scale Industrial units covered under the Credit Guarantee Scheme for small scale industries, administered by the Reserve Bank of India, were also exempted from the requirements of increased margins for advances against inventories and book debts.
- (iii) Under the selective credit controls imposed by the Reserve Bank in respect of advances against food grains and certain specified oil-seeds and oils, including vanaspati, advances to manufacturing units and other borrowers wholly or partly against the security of the above-mentioned commodities which are covered by the Guarantee Scheme of the Credit Guarantee Corporation of India Limited/Credit Guarantee Organisation, have been given suitable exemptions from minimum margins and permissible level of credit subject to a maximum of Rs. 20,000 for each such manufacturing unit/borrower.

Recovery of Income Tax Arrears

*954. SHRI VIKRAM MAHAJAN: Will the Minister of FINANCE be pleased to refer to the reply given on the 10th August, 1973 to Unstarred Question No. 2921 about discussion with the Income-tax Commissioners regarding recovery of arrears of taxes and state:

(a) the amount of arrears of taxes recovered as a result of the various steps taken in this regard on priority basis after the discussion with the Income-tax Commissioners and Members of Board of Direct Taxes; and

(b) further steps proposed to be taken to realise the arrears outstanding?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH): (a) As a result of the various steps taken the arrears outstanding at Rs. 790.02 crores as on 31st March, 1973 have been reduced by Rs. 236.72 crores upto 28th February, 1974.

(b) Since discussions with the Income-tax Commissioners and Members of Board of Direct Taxes, the following steps have been taken or are proposed to be taken to realise the arrears outstanding:—

- (1) In August, 1973, 50 more posts of Tax Recovery Officers were sanctioned bringing the total number of Tax Recovery Officers all over India to 223.
- (2) 48 ad hoc promotions against the then existing vacant posts of Assistant Commissioners of Income-tax were made in November, 1973.
- (3) During October-November, 1973, an Arrear Clearance Fortnight was observed during which main concentration was on the work relating to verification and adjustment of pre-paid taxes, giving appeal effects, making rectifications etc. which results in reduction of arrears.
- (4) Commissioners of Income-tax were directed to request the Appellate Authorities and courts to take up on priority basis those appeals/references in which large demands were involved.
- (5) The monetary powers to write off/approval of writ off were enhanced at various levels.
- (6) Member (Budget) of the Board of Direct Taxes vested various charges of Commissioners of Income-tax, discussed with them problems