

| <i>Name</i>  | <i>Account</i>      | <i>Details</i>   |
|--|---------------------|--|
| (1) The Union Bank of India                          | Cash credit account | Secured against the pledge of the fixed assets other than land and hypothecation of raw materials and guaranteed by the Directors. |
| (2) Punjab National Bank, Fort and Chembur branches. | Current Account     | Since they are current accounts. No security has been given.   |
| (3) Dena bank  | -do-                | -do-   |
| (4) Bank of Baroda                                   | -do-                | -do-   |

(c) to (e). Investigations are still in progress.

#### **Foreign Capital Investment in India**

\*688. SHRI RAMRAVTAR SHARMA : Will the Minister of FINANCE be pleased to state :

(a) whether Government's attention has been drawn to the recent speech of Shri G. L. Mehta, Chairman, Indian Investment Centre, wherein he has stated that the foreign share of capital outlay on joint ventures sponsored by the Centre has declined since 1967-68;

(b) if so, the reaction of Government in this regard; and

(c) the steps Government are taking to encourage the flow of foreign capital in India by removing bottlenecks in the way of foreign capital investment ?

THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN) : (a) Government have seen the 'Chairman's Statement 1969-70' issued by the Indian Investment Centre in which figures have been given of foreign equity investment approved by Government in the

projects assisted by the Centre, during 1967-68, 1968-69 and 1969-70. They show a declining trend.

(b) If the proposals that did not come through the centre are also taken into account, it is seen that the approved foreign equity investment declined from Rs. 207 million in 1967-68 to Rs. 96 million in 1968-69, but increased to Rs. 106 million in 1969-70.

(c) Government's approach to foreign investment is highly selective but once a proposal is approved it qualifies for all the facilities needed by the foreign investor including the facility of capital repatriation. This has worked well and it is not proposed to make any changes in it.

#### **Production of Linguaphone Records for teaching Tamil Language to Non-Tamilians**

\*689. SHRI MURASOLI MARAN : Will the Minister of EDUCATION AND YOUTH SERVICES be pleased to state :

(a) whether there is any proposal to give financial assistance for producing Linguaphone Records for teaching Tamil Language to non-Tamilians; and

(b) If so, the details thereof ?

AHE MINISTER OF EDUCATION AND YOUTH SERVICES (DR. V.K.R.V. RAO) : (a) and (b). No specific proposal for financial assistance for production of Linguaphone Records for teaching Tamil language to non-Tamilians has so far been received in this Ministry. Financial assistance can, however, be rendered for such purposes under the Ministry's scheme of Financial assistance to Voluntary Organisations for promotion of Indian Languages.

#### **Investigations into Complaints against M/s Bipin Industries**

\*690. SHRI MADHU LIMAYE : Will the Minister of FINANCE be pleased to state :

(a) whether Government have received any letter from a Member of Parliament enclosing copies of the complaints about cases of smuggled and stolen stainless goods involving M/s. Bipin Industries and its partners;

(b) If so, the names of the parties against whom the complaint has been lodged and the details of the complaint;

(c) whether any investigation has been made or is proposed to be made into the allegations; and

(d) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI VIDYA CHARAN SHUKLA): (a) Yes, Sir.

(b) to (d). The complaints were received only recently, and the investigations are in progress. In the interest of successful investigation, it is not possible to disclose the details of the allegations at present.

**Diversion of Bombay-Agra road near Mig factory, Nasik**

4174. SHRI Z.M. KAHANDOLE : Will the Minister of SHIPPING AND TRANSPORT be pleased to state :

(a) whether it is a fact that Government propose to divert the Bombay-Agra Road near MIG Factory, Nasik, as it presently passes through the area of the factory;

(b) if so, when will the work start; and

(c) whether Government are taking steps to resettle the people to be affected by this diversion at the HAL Factory, Nasik and to give them due compensation ?

THE DEPUTY MINISTER IN THE MINISTRY OF SHIPPING AND TRANSPORT (SHRI IQBAL SINGH): (a) No, Sir.

(b) and (c) Do not arise.

**World Bank's Report on India**

4176. SHRI DEVINDER SINCH GARCHA : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the International Bank for Reconstruction and Development holds the view that despite India's broadly favourable economic scene, resources handicap persists as one of the underlying obstacles to a sustained improvement on the long-term development trend ;

(b) whether it is also a fact that the Bank has expressed doubts as to whether India can significantly ease its foreign exchange position despite impressive efforts made by the Central Government to raise resources through taxation;

(c) whether Government's attention has also been drawn to the fact that industrial growth has remained below its pace-setting role in official plans and is handicapped by technical and operational bottlenecks and by labour difficulties; and

(d) if so, the reaction of Government of India thereto ?

THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN) : (a) to (d). While studying the Indian economic development and prospect, the World Bank takes note of major aspects regarding resource availability and growth.

Government are aware of the importance of mobilising more and more resources for sustained long-term development. The Fourth Plan document in the Chapter on 'The long-term Perspective' points out that the volume of domestic savings will have to increase from Rs. 2,530 crores in 1968-69 to approximately Rs. 8,800 crores in 1978-79 and Rs. 10,450 crores by 1980-81.

It is obvious that mobilising internal resources through taxation will not by itself ease the foreign exchange position and therefore Government's policies lay emphasis also on export promotion and import substitution.