

SHRI JANARDHANA POOJARY :
Sir, if I remember correctly, when we thought of setting up a RRB in Salem, the State Government has stated that there is a strong cooperative structure in that district and hence no RRB is required. If the hon. member feels that there is a necessity and if the Tamil Nadu Government also thinks that there is a necessity, we will definitely consider setting up of a RRB in Salem.

PROF. P. J. KURIEN : Sir, the hon. Minister has said that there are a number of RRBs in various States. But as has been pointed out there are States, say like Kerala, without even a single RRB. These banks are meant to provide loans for the weaker sections of the society. So, I would like to know whether the Minister has got any perspective plan to establish RRBs in States which are at present not covered and if so, within what time, you will cover all these areas and how many such branches will be opened.

SHRI JANARDHANA POOJARY :
Sir, as per the branch licensing policy for the years 1980 to 1985, we have to find out first the deficit areas.

So far as Kerala is concerned, we have been receiving the proposals of the State Government and we are examining it and if the deficit areas require sufficient number of RRBs., we will definitely consider setting up of RRBs.

MR. SPEAKER : Smt. Kalpanaji.

SHRIMATI T. KALPANA DEVI :
Mr. Speaker, Sir, I congratulate and thank the hon. Minister of Finance for taking this stand.

(Interruptions)

AN HON. MEMBER : Let him reply.

MR. SPEAKER : Kalpanaji, this is too short.

(Interruptions)

AN HON. MEMBER : He has not answered it.

SHRIMATI T. KALPANA DEVI :
I thank the hon. Minister for taking action much before answering my question.

MR. SPEAKER : All right.

[Translation]

SHRI KALI PRASAD PANDEY :
Mr. Speaker, Sir, in his reply, the hon. Minister has.....

MR. SPEAKER : Kali Prasadji, you have not yet put your question and since the hon. Member, in whose name this question has been listed has not asked this question, the reply will not come.

[English]

PROF. MADHU DANDAVATE : If the first person surrenders, the second person can offer himself.

[Translation]

SHRI C. JANGA REDDY : Although the hon. Member has not asked the supplementary, yet he has thanked for the answer.

[English]

**Closure of Small Scale Units due to Levy
on PVC Compounds**

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*472. **DR. T. KALPANA DEVI :**
SHRI KALI PRASAD PANDEY

Will the Minister of FINANCE be pleased to state :

(a) whether the small scale unit dependent on PVC compounds are lying closed because of 30 per cent duty on PVC compounds ;

(b) if so, the number of the companies closed ; and

(c) the number of employees affected by the closure of these units ?

THE MINISTER OF STATE IN THE
MINISTRY OF FINANCE (SHRI
JANARDHANA POOJARY) : (a) to (c)
A statement is given below.

Statement

(a) to (c) With a view to facilitate Modvat credit of duty paid on PVC resins going into dutiable goods, excise duty was imposed on PVC compounds of specific gravity of 1.28 and above @ 30% ad valorem. However, small scale manufacturers of PVC compound had represented to the Government that PVC compounds manufactured by them have become liable to duty since the specific gravity of the compounds manufactured by them exceeded 1.28. Having regard to the difficulties of small scale PVC compound units, Government has now exempted PVC compound of specific gravity of 1.28 and above with effect from 12.11.86. This exemption will apply to all units who do not avail of input duty credit in regard to inputs going into the manufacture of PVC compounds. In view of the above, the question of closure of units does not arise.

[*Translation*]

SHRI KALI PRASAD PANDEY : Mr. Speaker, Sir, the hon. Minister has just now stated that Government has exempted PVC compounds of specific gravity of 1.28 and above with effect from 12.11.1986. So far as the exemption is concerned, the exemption limit has not been fixed keeping in view the earlier policy of the Government. I would like to know from the hon. Minister whether exemption given by the Government to the small units under MODVAT vide their notification No. 268/86 dated 24.4.86 has been withdrawn through another notification No. CI-418/86 dated 17.9.86 issued in connection with PVC Compound Excise Duty? If so, will the Government withdraw the PVC Compound Duty Excise Notification No. 418/86 so as to encourage the small units?

[*English*]

SHRI JANARDHANA POOJARY : Sir, this question relates to PVC compound. They wanted to know whether we are remov-

ing the duty imposed, i.e. 30 per cent on the PVC compound in respect of small scale industries. We have done it. The answer is positive. We have said in our reply that we have removed the duty and we are receiving from the small scale industries letters congratulating the Government and thanking the Government for doing this act. I do not think that any other question will arise because of this.

[*Translation*]

MR. SPEAKER : Kali Prasadji, if you want to put any supplementary of your own, you are allowed to do so.

SHRI KALI PRASAD PANDEY : Mr. Speaker, Sir, my original question is.....

MR. SPEAKER : You put your supplementary.

SHRI KALI PRASAD PANDEY : Mr. Speaker, Sir, the notification No. 268/86 dated 24.4.86 issued earlier had allowed full exemption, but the notification issued later on has reduced the period of exemption to the small units. Therefore, my question is whether Government are going to restore full exemption given to the small units vide their earlier notification?

[*English*]

MR. SPEAKER : Mr. Minister, can you follow it?

SHRI JANARDHANA POOJARY : There is no such proposal, i.e. for making up the loss. Whenever it is brought to the notice of Government, we have rectified it, and brought remedial measures. We have removed the customs duty; and hence hereafter, there is no difficulty for the small scale sector.

[*Translation*]

SHRI KALI PRASAD PANDEY : Mr. Speaker, Sir, my second supplementary is.....

[English]

MR. SPEAKER : That is all.

[Translation]

SHRI KALI PRASAD PANDEY : He was not able to comprehend my first supplementary, that is why I put it again. The hon. Minister has stated in his reply that a number of congratulatory letters have been received from the small units. I would like to know whether it is a fact that the Chairman of the Federation of Plastic Industries had submitted a memorandum to the hon. Finance Minister, Shri Vishwanath Pratap Singh on 22.10.86 in view of the difficulties likely to be faced by the small units as a result of the notification issued on 17.9.1986 stating that the units would close down ?

[English]

SHRI JANARDHANA POOJARY : We have received the representation ; and hence these are the remedial measures that we have taken on 12.11.1986 i.e. in the month of November. Here, you should also congratulate us.

[Translation]

SHRI KALI PRASAD PANDEY : I am congratulating you, but you have stated that you are receiving congratulatory letters ; these are no congratulatory letters.

MR. SPEAKER : Hon. Members, I would like to tell you one thing. I have repeatedly stressed that supplementaries should not be reads they should be asked orally.

SHRI KALI PRASAD PANDEY : But we can note down the points.

MR. SPEAKER : You can note down the points, but reading like this is not allowed.

PROF. MADHU DANDAVATE : Let those who ask supplementaries by reading be made Ministers.

MR. SPEAKER : Then they can read.

[English]

SHRI HANNAN MOLLAH : This is a question regarding PVC compound. I want a clarification, viz. whether Finance Ministry has examined the adverse effect of PVC granules import, on the jute industry of our country—--if there is any adverse effect— and whether Government has any remedial measures to save the jute industry from this massive granules import. If so, what are those measures ?

SHRI JANARDHANA POOJARY : We have gone into all the aspects. According to our judgement, there is no effect on the jute industry. (Interruptions)

SHRI C. JANGA REDDY : No ; it is not correct.

SHRI SAIFUDDIN CHOWDHARY : How can he give this reply ? (Interruptions) There should be coordination. Mr. Shiv Shankar can give the reply. The Minister of Commerce is here. Sir, if you permit, he can give the reply. (Interruptions)

SHRI HANNAN MOLLAH : There is an acute shortage. How can the Minister deny it ? I do not understand it. (Interruptions)

SHRI JANARDHANA POOJARY : We are always open to correction ; and here, if you make out a case that there is any effect on the jute industry, we will definitely consider it.

Alleged malpractices in Certain Branches of Syndicate Bank

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*473. PROF. MADHU DANDAVATE:

SHRI VIJAY KUMAR MISHRA:

Will the Minister of FINANCE be pleased to state :

(a) whether Government have seen the press reports about alleged malpractices in various Branches of the Syndicate Bank ;