

year, about 2 lakh and odd people have been granted loans under this scheme. Under this scheme a maximum of Rs. 25,000 is given and out of which 25 per cent will be the subsidy.

As I said in the beginning, there is no attempt to stop the programme.

[Translation]

SHRI PRAKASH V. PATIL : Has the attention of Government been drawn to the fact that in the quota system, loan is made available for 1100 persons and when this quota is exhausted, the scheme is closed down and is revised again.

Secondly, the maximum loan given from the bank is Rs. 25,000 only, but actually more amount is spent. Therefore, is there any proposal to raise this amount to Rs. 40,000?

[English]

SHRI JANARDHANA POOJARY : Sir, there is quota for the entire State. The State Government in turn gives quota for each district, to identify the beneficiaries, as to how many people could be covered under this scheme. All the people under the educated unemployed category in the country cannot be covered in one year. So, the Government has fixed the target of and a half lakh people who are educated unemployed, to be identified in one year, and granted loans.

About raising of the maximum limit from Rs. 25,000 to Rs. 40,000 or Rs. 50,000 there is no such proposal before the Government, at this stage.

[Translation]

SHRI BANWARI LAL PUROHIT : Mr. Speaker, Sir, hardly 10 per cent of the cases recommended by the D.I.Cs. are given loans by the banks and only those youths get loan who give Rs. 1000/- to Rs. 5000/- as bribe. I want to suggest to the Hon. Minister that if at all he is to fix the quota, it should be fixed in respect of D.I.Cs. and the persons whose schemes are approved by them should be given loans by the

bank so that the corruptions could be removed.

[English]

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) : We will consider the suggestion about confining it to D.I.C. We will examine it.

Evasion of Customs Duty

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*172 **SHRI DHARAM PAL SINGH MALIK :**
SHRI SUBHASH YADAV :

Will the Minister of FINANCE be pleased to state :

(a) whether attention of Government has been drawn to the news item appearing in 'The Times of India' of the 3 November, 1985 wherein it has been stated that Orkay Silk Mills Bombay have been found under invoicing of imports of polyester chips and thus evading customs duty of Rs. 1.5 crores;

(b) if so, the details thereof; and

(c) whether any action has been taken against the mills in this regard; and

(d) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) : (a) and (b). Yes, Sir. M/s Orkay Silk Mills had during 1982 and 1983 contracted with a Japanese firm for import of polyester chips. Some of these consignments are allegedly under-invoiced to the extent of Rs. 57 lakhs leading to evasion of Customs duty of about Rs. 1.5 crores.

(c) and (d). Suitable action under the law will be taken against the company and persons concerned, after completion of investigation.

SHRI DHARAM PAL SINGH MALIK : Sir, one thing is, we have made our import policy very liberal. Secondly, most of the companies or individuals who import polyester chips are involved in the evasion of customs

duty which is affecting our foreign exchange position.

So, in the present circumstances, may I know from the Hon. Minister whether the Government have formulated any policy for adopting stringent measures and taking effective action against companies and individuals who are involved in evasion of customs duty, violation of foreign exchange regulations and cases of smuggling etc ?

SHRI VISHWANATH PRATAP SINGH : Yes, Sir. This is one concrete example. Whenever we come across such cases, we are taking very stringent action.

SHRI DHARAM PAL SINGH MALIK : The reduction of excise duty on polyester has proved detrimental to the interests of cotton growers and they have to sell cotton at a price below the cost of production. May I know from the Hon. Minister what steps Government intends to take to improve the lot of the cotton-growers in the light of the present situation ?

SHRI VISHWANATH PRATAP SINGH : This is a specific question on Orkay Silk Mills, on action taken against Orkay Silk Mills. But we have the interests of the growers in mind. For their sake, whatever surplus we have in long staple we allow that to be exported; we are also thinking of yarn exports when required; cloth is also exported; all these are in the interest of growers.

DR. DATTA SAMANT : It is a good steps that Government has taken. But the Bombay textile magnates, particularly, the Orkay Silk Mills, Reliance and Bombay Dyeing, all these people who are playing against the interests of workmen, have not paid import duty. Reliance has not given Rs. 27 crores of excise duty. Of course prosecution is there. Bombay Dyeing is involved in the scandal of about 1500 acres of land. I want to know whether Government is going to deal seriously with these economic offenders. There are a lot of cases. I am asking a specific question regarding Orkay Silk Mills whether it is a fact or not that they are involved in these 80 consignments. This is a big unit which has been flourishing for the last five years. If you go into the details, if you consider their turnover and

profit in the last two years, you will find more of such types of things. I want to know whether Government is going to inquire in greater details regarding the same employer and take firm action against this employer.

SHRI VISHWANATH PRATAP SINGH : We have given this notice for Rs. 27 crores against Reliance for duty evasion. About the land scandal, I will not be able to say anything immediately because most of this will relate to the State Government, I do not know if there is any information....

DR. DATTA SAMANT : A Central Minister is also one of the members of this...

AN HON. MEMBER : Which one ?

DR. DATTA SAMANT : Bombay Dyeing.

SHRI VISHWANATH PRATAP SINGH : About going into more details and taking action, we will go into the minutest details wherever there is evasion of law.

**Change in Policy of extending
Financial Assistance to States**

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***174. SHRI CHITTA MAHATA :
SHRI V. TULSI RAM :**

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that Government have decided to change their policy of extending financial assistance to States;

(b) if so, the details thereof; and

(c) if not, the reasons therefor ?

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH : (a) No, Sir.

(b) Does not arise.

(c) The Central assistance for the Seventh Plan has been allocated on the basis of modified Gadgil Formula approved by the