

in the Khasi and Janta hills, the land does not belong to the Government; it belongs to the people, to the individuals or to the clan. And now this indiscriminate blasting for stones and for other metals has created a lot of confusion in the minds of the people there and they have a feeling that the Defence is taking the law into its own hands. And there are many bridges also which have been laying unfinished for many years now.

Therefore, I would request the Minister, through you, that if possible, local contractors should be allowed to construct the roads under the supervision of GREF. The road construction is under the supervision of the GREF but not under the Border Roads Organization. If the Local contractors are available, GREF should allot more contracts to them so that they can really finish the roads in time that is by 1995.

SHRI S.KRISHAN KUMAR: Sir, the Border Roads Organisation is charged with the responsibility of developing sensitive and operational roads in the North and North - East of the country and they have a particular type of organisation which is departmental. The work is done through platoons and so one Only in respect of major bridges,, private contract is given. We do not have any idea, at the moment, to deviate from the Organisation structure we have.

As regards on the complaint of Indiscriminate blasting we were advised that there is no indiscriminate blasting. Only necessary blasting is done at the sites because these are inaccessible areas and you cannot carry the metal for a long distance. Therefore, blasting has to be done locally. The terrain is very difficult, the operational conditions are very difficult and giving the work to the private constrictors will be more expensive we think that the private contractors can keep pace with the time schedule that we have laid down for the constriction of the roads.

SHRI LOKANATH CHOUDHURY: Sir, is at a fact that most of the border roads remain closed specially during the rainy seasons due to soil erosion and also due to

blasting? If it is so, is there any persistent demand to make the border roads, specially the road in the Himalayan border line, that is, from Silchar to Gangtok, a double-way lane, to prevent stoppage of traffic and to continue the relationship with the areas and whether this urgency has been felt by the Government?

SHRI S. KRISHANKUMAR: Sir, there is a programme for deveiopment of all border roads. We have proposals framed in the Eighth Plan. But, there is no such proposal as mentioned by the Member under consideration at the moment.

[*Translation*].

Fodder Machines

*451. SHRI SANTOSH KUMAR GANGWAR: Will the Minister of FINANCE be pleased to state:

(a) the number of fodder machines imported so far;

(b) the amount of foreign exchange spent thereon;

(c) whether all these machines are working; and

(d) if so, the benefits accrued therefrom?

[*English*]

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) to (d). A Statement is laid on the Table of the House.

STATEMENT

(a) and (b). There is no precise information available regarding the total number of Fodder machines imported in the country so far. However, as per the available reports, 50 fodder machines were imported in 1987 against import incenses for US Dollars 32 lakhs approximately; another 5 machines were fabricated in the country apparently from the spare parts imported

along with the aforesaid 50 machines. Another 2 machines have been found for which no evidence of their licit import has been adduced.

(c) and (d). Most of the above machines are reportedly not being operated. The Indian Council of Agricultural Research has appointed a Committee to evaluate the performance of such machines

[*Translation*]

SHRI SANTOSH KUMAR GANGWAR: Mr. Speaker, Sir, you must be remembering that the proceedings of the Ninth Lok Sabha had been interrupted several times in the first few days on this issue. Fifty fodder machines had been imported in the year 1987 with the hope that it would make a revolution in the farming sector and fodder sector. It would bring a change in the above sectors and on the same basis it would be displayed throughout the country. An exemption from the custom duty of about three crore and forty lakhs, had been granted on it. It would be display through out the country by a foreign company through Bharat Krishak Samaj and with the help of this display, anew awareness would be created among the farmers of the country. While granting such a high exemption amounting to Rs. 3 crores 40 lakhs, there finance Ministry specifically out two conditions. The first condition was that these mechines would not be sold out and the second one was that the machines would displayed through out the country and the farmers would be given full information about the machines and the process would be completed within a period of 15 days.

Mr. Speaker, Sir, today the reply should have been given by the Minister of Agriculture but he reply is being given by the Minister of State for Finance. He has stated in his reply that fifty fodder machines were imported and such and such amount has been incurred on it and in response to the part 'C' and part 'D' of the question, it has been stated that most of the above machines are reportedly not being operated. Now my first supplementary is that if these machines were imported for a particular work and the Finance Minisrtry

granted an exemption of more than three crores of rupees, but even the same work could not be performed, then what action has been taken in this regard, while it had been stated in the early part of the year 1990 that the matter would be looked into and the process of recovering the amount of redemption would be initiated. I would like to know about the progress made in this direction and the measures adopted in this regard?

SHRI RAMESHWAR THAKUR: Sir, in Doc. 1985, Karnataka Government made a request to grant exemption from the custom duty on the import of these machines. In the begining the request was disallowed but various state Govts and number of Parliament Members and State Governments wrote to Finance Ministry that the exemption should be granted because it would faciliate the green revolution and help the farmes, in view of the above pressure, the exemption was granted, The hon. Member was right in sayings so, that it was stipulated that these machines would not be meant for business purposes and these would be used strictly for domestication and training purpose in the various parts of the country. That is why the exemption was granted. Due to various reasons, we got information in 1987 That in fact no progress had been made in this direction and the stipulated conditions for a hoc exemption granted by the Ministry of Finance were not fulfilled. Consequently our D.I.R. informed dus in this regard and an investigation was conducted in the matter.

After that in 1990 a show cause notice was served as to why an action should not be taken against them and later on these machines were detained. The action is still being taken by our Department. Recently a hearing has already been held and another hearing is due on the 27th of this month.

SHRI SANTOSH KUMAR GANGWAR: Mr. Speaker, Sir, I would not like to go into the details of the reply given. You yourself are well aware of the reality, I would only like to know the reasons as to why we could not be able to finalise the process of investigation after a total period of 5 years i.e. from 1987 to 1992; particularly when the primary

condition was not even fulfilled. At that time it was stipulated that if the condition imposed would not be complied with, the action would be taken against the defaulters. Then why no action has been taken as yet. Secondly I would like to know whether there is some pressure which is forcing the Govt, for not taking any action? I would like to know in a Clearcut way from the hon. Minister about the specify period in which the action would be taken against the defaulters and the recovery of the amount which has been waived of.

SHRI RAMESHWAR THAKUR: Sir, I would like to assure the hon. Member that no relaxation has been given in this regard. (*Interruptions*)

SHRI DAU DAYAL JOSHI: Why has the department not taken any action for five year. (*Interruptions*)

SHRI RAMESHWAR THAKUR: I would like to submit that we got the information in March, 1990 and D.I.R. initiated the action. We served notice to five parties during the middle of 1991. Many of them having a few could not be present on the required dates. In the meantime a case was filed in Madras High Court and the High Court had given a Judgement that the machines could be commercially utilised for the time being and imposed a condition that whatever amount would be earned as income, it would have to be deposited either in the court or in any of the nationalised bank and it could not be spent. In the meantime, as I have submitted, we took our legal action of adjudication, But unless we collect all the details and the witnesses, we can not proceed further in the case and it took time because the machines are installed at different places in the county. 14 machines are in Madras, 12 machines are in Bolaram in Andhra-Pradesh, 12 machines in Bulandshehar, U.P. 12 machines in Bagru in Rajasthan. So we had to issue notices about 22 times to various parties at various places.

We are trying our best to finalise the adjudication process as soon as possible and the next date has been fixed on 27 August. (*Interruptions*)

SHRI SANTOSH KUMAR GANGWAR: Mr. Speaker, Sir, it is not so. It was clearly mentioned in the agreement which was made on 30 March, 87 that in case of failure, the action would have to be taken within 15 days. (*Interruptions*)

[*English*]

SHRISARAT CHANDRAPATTNAYAK: May I know from the hon. Minister through you the number of fodder machines working in cooperative sector and private sector in the country?

SHRI RAMESHWAR THAKUR: So far as our Ministry is concerned, we can give the information in relation to the machines on which exemptions have been granted by the Revenue Department. In regard to the general question that how many machines are working throughout the country under cooperatives, it is a subject-matter not related to our Ministry. If a separate notice is given, possibly we may be in a position to obtain the information from the concerned Ministries like Agriculture and Commerce and may be also Cooperatives. Then only, this answer could be given.

[*Translation*]

SHRI ANNA JOSHI: Mr. Speaker, Sir, which company supplied the above mentioned machines? Is any relative of any Union Minister related to that company? Secondly, if the machines are not operating or out of order that what is the reason for appointing the Evaluation Committee? It would be better if a committee is appointed to fix the responsibility for the fraud of Rs. 698 cross. Will the hon. Minister give a thought on it?

SHRI RAMESHWAR THAKUR: As far as the first part of the supplementary is concerned I would like to submit that the import license had been issued through a Bombay based company name Sanjivani fodder Private Limited and as I have already told that with the import of machines, it was stipulated that the machines would be donated to the Bharat Krishak Samaj. But

later on, we got the information that the provision of funds for importing these machines was made through borrowings from various financial institutions including Rs. 38 lakhs from Andhra Pradesh Development Corporation and Rs. 90 lakhs from State Industrial Investment Corporation and Rs. 90 lakhs from State Industrial Investment Corporation, U.P. (*Interruptions*)

SHRI ANNA JOSHI: Who is the supplier? Has he any relative in the company.. (*Interruptions*)

SHRI RAMESHWAR THAKUR: The Rajasthan State Industrial Development Financial Corporation had advised a loan of Rs. 71.90 lakh to this company. The bank authorities say that the machines had been hypothecated to the bank. As such these belong to the bank and the bank will not allow them to be donated to somebody. According to my knowledge no Minister is involved in the Sanjivani Company which imported them. I can tell him something more after collecting further information in this regard.

SHRIDAU DAYAL JOSHI: Mr. Speaker, Sir, is it a fact that these machines had been donated to the President of Bharat Krishak Samaj and the present Minister of Agriculture. It is unfortunate that not the pretext of Madras High Court verdict it is being said that these machines were meant for commercial purposes. But he himself says that these machines are not effective. None of the machines is operating and cannot produce fodder. Then now the Government will utilise them for commercial purposes. Please give reply to these questions.

SHRI RAMESHWAR THAKUR: It is not correct that the machines are not working at all. (*Interruptions*) It is a fact and the information we received.. (*Interruptions*)

SHRI RAJVEER SINGH: The Agriculture Minister should say whether these machines have produced fodder or not. (*Interruptions*)

SHRI DAU DAYAL JOSHI: In the reply given by the hon. Minister it has been written that these machines are not

operating. (*Interruptions*)

SHRI RAMESHWAR THAKUR: Please listen first.

[*English*]

It is given in the answer that most of the above machines are reportedly not being operated. Presently, they are being not operated.

[*Translation*]

In the beginning some machines were operated. (*Interruptions*)

SHRIDAU DAYAL JOSHI: 12 machines have been sent to Rajasthan. 7 of them did not produce fodder. (*Interruptions*)

SHRI RAMESHWAR THAKUR: We have got information from some other States that some machines were working in the beginning. And the money earned from the use of those machines was deposited. But later the machines did not work due to several reasons. The case was filed in the High Court. Later a question was raised as to who will operate these machines. The proposal to display a 'know how' to Bharat Krishak Samaj within 15 days could not materialise because the bank authorities claimed that they had a hypothecated right on the machines. The question of commercial use was also raised. The High Court did not accept it. Bank authorities have approached the court to establish their right on the machines. The case is under consideration in the Madras High Court.

SHRI RAJVEER SINGH: Mr. Speaker, Sir, replies to the question neither put up by neither me nor Shri Gangawar or Shri Joshi have come. He read out the entire reply. Who manages the affairs of Sanjivani Private Limited? Who is the Managing Director and Chairman of this company? Is the Managing Director or the Chairman the son of a Minister or a person holding a high office in Lok Sabha. As the hon. Minister said that the machines are working, does he have any knowledge of it. This matter is related to

the Ministry of Agriculture. It is the responsibility of the Agriculture Ministry to ensure whether the machines produce fodder or not. Why the Ministry of Finance is taking their responsibility? According to my knowledge some machines were purchased by Indian Veterinary Research Institute located in my constituency, but the packing of those machines have not so far been opened. No one has seen them. The hon. Minister is saying that these machines produce fodder. The Director of the Institute was suspended on this ground but the hon. Minister has since reinstated him and promoted him to the rank of Deputy Director General.

AN. HON. MEMBER: Please say as to who is responsible for such a big scandal?

SHRI RAMESHWAR THAKUR: The hon. Member is right that it is the responsibility of the Finance Ministry and I also understand it. I also know that the machines are operated in Agriculture fields. I was saying as to how the machines were imported. As per information received from our Department and the departments concerned some machines were operated in the beginning and the amount so earned was deposited. I have never said that all the machines were operated, in my reply.

SHRI NITISH KUMAR: Mr. Speaker, Sir, the hon. Minister will be charged for breach of privilege. The hon. Ministers should say if he has full knowledge of it, otherwise he will be charged for breach of privilege.

SHRI RAMESHWAR THAKUR: Neither I will say a wrong thing nor subject myself to a charge of breach of privilege. I am speaking the truth.

SHRI RAJVEER SINGH: He doesn't know anything in this regard. Mr. Speaker, Sir, it is a very important matter. Both the Agriculture Ministry and Finance Ministry are involved in it. Therefore, I would like that you should allow a half an hour discussion on it. He is unable to say the name of the managing Director and the Chairman.

AN HON. MEMBER: And he is also

unable to tell who his father is?

SHRI RAJVEER SINGH: We will come to know about his name from his father's name.

SHRI RAMESHWAR THAKUR: I am replying that question. We have received some information in his regard. It could be possible that the machines were not sent to your area. We have received the information.

SHRI ANNA JOSHI: The machines were operated no where. None of the machines was operated. Please say if any of the machines was operated?

SHRI RAJVEER SINGH: Please say where the machine is being operated (*Interruptions*)

SHRI VINAY KATIYAR: I would like to say that it is a serious matter, therefore, there should be a discussion on it.

SHRI RAJVEER SINGH: Mr. Speaker, Sir, please allow a Half an Hour discussion on it.

MR. SPEAKER: You have put the question. Let the hon. Minister reply it.

SHRI RAJVEER SINGH: He is not giving reply. Reply to not a single question has come so far.

PROF. RASA SINGH RAWAT: The offenders should be exposed.

SHRI RAMESHWAR THAKUR: I will give the information in reply to the related question. I am saying from what I have gathered in this regard. The hon. Member has rightly said that it was the responsibility of the Finance Ministry to see that the purpose for which these machines were imported and conditions laid at the time of adhoc exemption were fulfilled. When we came to know that the purposes were not being fulfilled, we gave a notice and took action as per the adjudications, details of which I have given in the statement. At the same time I have said that we got the information from the Ministry of Agriculture that some machines

were operated in the beginning and earnings from them were deposited. I did not say that all the machines are not working. Some of them are still working. I said that some machines were operated in the beginning and some amount was deposited. I shall place all these details on the Table when a separate notice will be given for this.

[English].

SHRIMATI MALINI BHATTACHARAYA: From the answer, it is quite obvious that the Government's experience with the fodder machines has not been a happy one. Subsequent to this, there has been a further liberalisation of import of capital goods. Taking the cue from their experience with the fodder machines, I want to know whether the Government have issued any guidelines or whether they have prepared any *modus operandi* for the import of capital goods so that the experience of the fodder machines is not repeated.

Sir, in this respect, I want to know whether the Government, under the current Export Import Policy, Entry 25-G, page 10, is allowing import of second-hand machines without licences for packaging and packaging material sector and whether this will not go against the package materials act, 1987, by further reducing the production cost of HDP woven bags and thereby debilitating the jute industry.

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): With regard to the first question, this specific transaction was given a specific exemption. Under the new Import-Export Policy, now these machines do not require a licence. But there is an impurity duty and that import duty is a sufficient deterrent on reckless import of this type of machinery.

[Translation]

SHRI RAJVEER SINGH: Mr. Speaker, Sir kindly allow a half hour discussion on it.

MR. SPEAKER: The question of half another Discussion will on the basis of your notice

SHRI RAJVEER SINGH: an giving a notice.

[English]

SHRIMATI MALINI BHATTACHARAYA: What type of capital goods are being imported? There should be some guidelines. (Interruptions) Capital goods import cannot be done without proper guideline. Why are you importing second-hand machinery for packaging material? You must answer this.

MR. SPEAKER: Mallini ji, we are going to the next question.

Bank accounts

452. SHRI SYED SHAHABUDDIN: Will the Minister of FINANCE be pleased to state:

(a) whether the nationalised banks do not include the balance sheets of all their branches in the country while preparing their accounts;

(b) if so, the number of branches left out by each bank in preparing their annual account for 1991-92;

(c) whether such omission is due to the fact that many branches are not maintaining their accounts properly;

(d) if so, the reasons therefor; and

(e) the penalty prescribed for the management of such branches under the existing laws and regulations?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) to (e). A Statement is laid on the Table of the House.

STATEMENT

(a) to (e). Nationalised banks prepare their annual balance sheets and profit & loss accounts in the prescribed format in accordance with the provisions contained in Section 29 of the banking Regulation act. While preparing the balance sheet and the