

The new Corporation, which would be known as Housing Promotion Finance Corporation Pvt. Ltd. (HPFC) will be headquartered in Calcutta and will initially concentrate its activities in the Eastern and North Eastern region of the country. The company would initially raise a capital of Rs. 5 crores. State Bank of India Capital Markets Limited (SBICAP) and Housing Development Finance Corporation (HDFC) have proposed to take up shares of Rs. 1 crore each and balance of Rs. 3 crores is proposed to be raised from Life Insurance Corporation (LIC), Unit Trust of India (UTI), General Insurance Corporation of India (GICI) and other well known companies.

**Diversification of Activities by the Peerless General Finance and Investment Co. Ltd.**

138. DR. RATNAKAR PÁNDEY : Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware that the Peerless General Finance and Investment Company management is contemplating to enter into new ventures by diversifying its activities and by utilising the assets of the parent organisation; and

(b) if so, what are the details of the proposed diversification and the reaction of the Central Government to such a move ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b) The information is being collected and to the extent available will be laid on the Table of the House.

**Impact of new textile policy on textile Industry**

139. SHRI CHIMANBHAI MEHTA : Will the Minister of TEXTILES be pleased to state :

(a) whether Government are aware that more than 30,000 textile workers recently demonstrated to protest against the failure of the new textile policy and also against large scale smuggling of foreign synthetic textiles;

(b) what is the estimated capacity utilisation of the organised textile sector, powerloom sector and handloom sector at present;

(c) what is the latest figure of the closed textile mills available with Government and the number of workers rendered unemployed due to closure of mills; and

(d) what are the details of the measures undertaken by Government to prevent closure and sickness of textile mill during the last one year ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) Yes, Sir. Government are aware of a demonstration by Textile workers in Bombay on 2nd February, 1988.

(b) The capacity utilisation in respect of installed spindles and looms in the organised mill sector during April-October, 1987 is estimated 72 per cent and 61 per cent respectively. In view of decentralised and unorganised nature of the handloom and powerloom sectors, no precise figure of capacity utilisation in these sectors is available.

(c) As on 31-12-87, 133 cotton textile mills involving about 1.71 lakh workers were lying closed in the country.

(d) Important steps taken by Government for ensuring viability of the textile industry include monitoring of sickness, setting up of a Nodal Agency to examine sick textile mills in order to ascertain whether they are viable or not, institutional assistance to sick but potentially viable units, setting up of the Textile Modernisation Fund, Allowing fuller flexibility in the use of fibres, lifting of ban on expansion in the weaving capacity of the mill industry, suspension of cotton export in view of the presently ruling high cotton prices, import of cotton against export of cotton yarn, cotton fabrics and made-up on advance licensing basis.

**Evasion of Central Taxes**

140. SHRI CHIMANBHAI MEHTA : Will the Minister of FINANCE be pleased to state :

(a) what is the estimated evasion of taxes imposed by the Central Government

in terms of actual amount and also in terms of percentage of G.N.P.;

(b) whether Government have made any sample survey of tax evasion; if so, what are the details thereof;

(c) whether according to 'Aspects of black money in India', a study conducted by the National Institute of Public Finance and Policy the extent of tax evasion has been indicated; if so, what are the details thereof; and

(d) whether the recommendation of the above Institute namely 'Rationalisation of major taxes to prevent large scale smuggling of synthetic fabrics' is being implemented; if so, what are the details thereof?

**THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT PANJA) :** (a) and (b). There is no reliable estimate of evasion of all the major taxes imposed by the Central Government.

(c) Under certain assumptions the study conducted by the National Institute of Public Finance and Policy indicated that the magnitude of black income escaping tax might have ranged between Rs. 31,584 crores and Rs. 36,786 crores in 1983-84; and

(d) No such recommendation is to be found in this study.

#### **Erosion of Right Bank of Ganga below Farakka**

141. **SHRI CHITTA BASU:** Will the Minister of **WATER RESOURCES** be pleased to state:

(a) whether the West Bengal Government has urged the Centre to immediately take up the Rs. 450 crore scheme to stall erosion of the right bank of the Ganga below Farakka; and

(b) if so, what action the Central Government have taken in the matter?

**THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) :** (a) and (b) The Committee set up by the Government of West Bengal studied the problem of erosion along Ganga river and submitted its recommendations in January, 1980 and the cost of protection works were estimated to be roughly Rs. 294 crores. The Government of West Bengal prepared a scheme for protecting a total length of about 6.6 kms. in three different critical and vulnerable reaches. The Ganga Flood Control Commission examined this scheme and estimated its cost to be Rs. 11.64 crores. The State Government proposed that the cost of this scheme should be shared by Ministry of Railways and Ministry of Surface Transport also. The Ganga Flood Control Commission has advised the State Government to update the project proposals and the cost estimate in the light of the behaviour of the river during the floods of the recent years. The response of the State Government is still awaited.

Farakka Barrage Project authorities under Ministry of Water Resources have been executing protective works on the Ganga river in the vicinity of project structures, considered necessary from time to time, for the safety of these structures. So far an amount of about Rs. 4 crores has been spent. Ministry of Railways also has executed some works on the bank of Ganga considered essential from the consideration of safety to railway track.

#### **Winding up of National Jute Manufacturers' Corporation**

142. **SHRI CHITTA BASU:** Will the Minister of **TEXTILES** be pleased to state:

(a) whether there is any proposal under Government's consideration to wind up the National Jute Manufacturers' Corporation; and