

Soft loan window for paper industry

1297. SHRI BHUPESH GUTPA:
SHRI YOGENDRA SHARMA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government has a proposal for opening a soft loan window for the paper industry; and

(b) if so, what are the details and reasons thereof?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI MAGANBHAI BAROT): (a) No, Sir.

(b) Does not arise.

Sale of mutton in Delhi

1298. SHRIMATI SUSHILA SHANKAR ADIVAREKAR:
SHRIMATI PRATIBHA SINGH:

SHRIMATI MARAGATHAM CHANDRASEKHAR:

Will the Minister of CIVIL SUPPLIES be pleased to state:

(a) whether Government's attention has been drawn to the news item published in the Times of India, Delhi on the 11th April, 1980 under the caption 'Mutton from Rajasthan at Rs. 12 per kg.' to be made available for the residents of Delhi;

(b) whether the Lt. Governor has allotted the 'Sales Outlets' as mentioned in the news; and

(c) if so, what are the details thereof and if not, what are the reasons therefor and by when the decision would be implemented?

THE MINISTER OF CIVIL SUPPLIES (SHRI VIDYA CHARAN SHUKLA): (a) to (c) Information is being collected and will be laid on the Table of the House.

Profits and losses of Central public sector units

1299. SHRI N. K. P. SALVE: Will the Minister of FINANCE be pleased to state:

(a) what are the names and extent

of profits and losses suffered by the different Central public sector units during the years 1977-78, 1978-79 and 1979-80; and

(b) what steps are contemplated to ensure that all the public sector units not only serve the social responsibility but also contribute proportionately to the Public Exchequer?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI MAGANBHAI BAROT): (a) The names and extent of profits and losses sustained by different Central Public Sector units during the year 1977-78 and 1978-79 have already been reported through the Public Enterprises Survey 1978-79 placed on the Table of the House on 12th March, 1980 (pp. 11-15 of Chapter I of Volume I may be referred to). As regards 1979-80, the accounts of the Corporation have not yet been finalised and the Report will be placed in the House as soon as these are finalised and received.

(b) Besides the continuous monitoring of performance of public enterprises by the administrative Ministries, Government have also taken following steps:—

(i) Instructions have been issued that public enterprises should associate themselves to the extent possible with rural development activities in the surrounding localities;

(ii) Instructions have also been issued that in all investment proposals of public enterprises, adequate provision should be made towards environmental protection; and

(iii) Setting up of an Expert Group is under consideration of Government to conduct in-depth studies of public enterprises whose financial performance has not been satisfactory.

Curb on smuggling activities

1300. SHRI N. K. P. SALVE: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to a Supreme Court's

recent verdict upholding a High Court judgement to the effect that smugglers could deduct the losses incurred by him in his smuggling business including the amounts and values of goods confiscated in the process of smuggling;

(b) whether this is likely to encourage smuggling activity in the country; and

(c) if so, what specific deterrents are proposed to be introduced both in the law and the execution thereof for effectively curbing the smuggling activity across the shores and the international borders?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI MAGANBHAI BAROT): (a) The Supreme Court in the case of CIT Vs. Piara Singh has in its judgement dated 8-5-80, J. No. 131 (May) held that the loss on account of confiscation of currency notes in the course of carrying on regular smuggling activity is allowable deduction against the profits of the said business activity. The illegal business is a business within the meaning of the Indian Income-tax Act. The said judgement was in connection with the provisions of section 10(1) of the Indian Income-tax Act, 1922 (Corresponding section 28(i) of the Income-tax Act, 1961).

(b) and (c) The implications of the judgement are under examination.

Abolition of Octroi Duty in Gujarat

1301. PROF. RAMLAL PARIKH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the former Finance Minister Shri H. M. Patel had assured to make good the 50 per cent loss to State Governments who abolished octroi;

(b) if so, what are the reasons for not accepting Government of Gujarat's demand for this amount consequent to their declaration of abolition of octroi; and

(c) what is the position of Gujarat Government's proposal in this respect?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI MAGANBHAI BAROT): (a) Central Government had not taken or indicated any decision to the States about devising a scheme for giving a measure of compensation towards the loss of octroi revenue.

(b) and (c) The then Chief Minister of Gujarat had written to the then Deputy Prime Minister (Finance) on June 29, 1979 and again to the then Finance Minister on 11th September, 1979 in which it was intimated that the State Government had decided, in principle, to abolish octroi throughout the State on the understanding that Government of India would provide compensation to the extent of 50 per cent of the total loss of revenue. The State Government was informed by the then Union Finance Minister and the Minister of State for Finance on the 13th August, 1979 and the 3th November, 1979 respectively that the abolition of octroi lies wholly within the fiscal jurisdiction of the States and the Union Government had been holding discussion with the State Governments to evolve a co-ordinated policy with regard to the abolition of octroi and devising of suitable measures to make good the resulting loss in revenue. At no stage the Union Government had taken any decision on the question of compensation. The Union Government also felt that however desirable abolition of octroi may be, no sacrifice of revenue whether by the Centre or the States would be advisable having regard to the financial situation and difficulties expressed by the State Governments and local bodies in recouping losses by alternative measures. In the circumstances, it was decided that Central Government could not pay compensation to the State Government in the event of the actual abolition of octroi. Since then there has been no development in the matter.