

(SHRI JAGANNATH PAHADIA): (a) Reserve Bank of India has impressed upon banks that they should meet the genuine credit requirements of exporters and that no worthwhile proposal should suffer for want of finance. Reserve Bank of India has in this connection, reported that it has no information to show that there has been any reluctance on the part of banks in extending finance for packing credit.

(b) Eligible exporters are granted packing credit by commercial banks at a concessionary rate of interest stipulated from time to time by the Reserve Bank of India. These credits are granted against lodgement of Letters of Credit/Firm Orders and on the basis of viability of the proposal. In respect of certain commodities such as tea, coffee, jute, diamonds, marine products etc. banks have been permitted to extend packing credit to regular exporters even without production of letters of Credit or Firms Orders.

(c) Credit and other facilities available to exporters are reviewed from time to time with the objective of assisting exports. Reserve Bank of India has also set up a Standing Committee on export credit which meets periodically to look into the various problems of exporters and recommend remedial measures whenever considered necessary.

C.B.I. cases against Birla under FERA

893. SHRI KALYAN ROY:

SHRI JAHARLAL BANERJEE: SHRI BHOLA PRASAD:

Will the Minister of FINANCE be pleased to refer to the answer to Un-starred Question 557 given in the Rajya Sabha on the 27th February, 1979 and state:

(a) whether the report of the C.B.I. in the case against M/s. United Commercial Bank or M/s. Hindustan Motors Limited for violation of

Foreign Exchange Regulation Act has been received upto now;

(b) whether certified copy of the judgement of the Calcutta High Court has been received and its implications examined;

(c) if so, what are the results thereof and what decision has been taken thereon; and

(d) what follow up action has been taken in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAGANNATH PAHADIA) (a) No, Sir.

(b) to (d) Certified copy of the judgement of the Calcutta High Court dated 10-7-78 was made available to the Enforcement Directorate only on 9-3-1979. The implications of the above judgement were examined in consultation with the Ministry of Law. The case was found to be a fit case for going to appeal to the Supreme Court and accordingly an application for Special Leave Petition to Supreme Court was filed before the Calcutta High Court on 12-4-79. This application was, however, turned down by the Hon'ble Calcutta High Court on 2-8-79. Against this order of the Calcutta High Court, the Enforcement Directorate have filed Special Leave Petition before the Supreme Court which is still pending.

Income tax evasion by sterling tea companies

894. SHRI KALYAN ROY: SHRI BHOLA PRASAD:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that some letters dated the 11th January, 1978 were received by the then Prime Minister and Minister of Commerce from a member of Parliament regarding massive evasion of income tax by a group of sterling tea companies and the need for a thorough probe into the matter;