

(b) whether there has been any decline in the prices of the vegetables as a result of imposition of the ban; and

(c) whether Government propose to allow the export of vegetables on a regulated basis?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE, CIVIL SUPPLIES AND COOPERATION (SHRI KRISHNA KUMAR GOYAL):

(a) The ban on exports of vegetables would have caused inconvenience to Indians who are accustomed to use of such vegetables. Ban also results in loss of foreign exchange.

(b) The prices of vegetables were already high and there was a tendency for prices to increase. The ban on exports has helped in containing and in some respects in bringing down the prices of vegetables.

(c) Vegetables would be allowed to be exported provided domestic production is in surplus of domestic demand.

News item captioned "Bank swindled by tea firm"

582. SHRI BHOLA PRASAD:

SHRI KALYAN ROY:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to a news-item which appeared in the "Business Standard" of the 1st October, 1977 under the caption "Bank swindled by tea firm";

(b) if so, what are the details in this regard including the name of the tea firm and the bank and the amount involved; and

(c) what steps have been taken by the bank authorities to recover the amount?

THE MINISTER OF FINANCE (SHRI H. M. PATEL): (a) Yes, Sir.

(b) and (c) The Reserve Bank of India has reported that the stocks of tea pledged by M/s. Rajnikant & Company Ltd., Calcutta with the Ezra Street branch of the Union Bank of India in the cash credit account were found removed from the godown and the stocks of tea supposed to be hypothecated to the bank in the shipping loan account were found to be not belonging to the borrower. The fraud was detected when the bank's inspectors were sent to take possession of the goods. The Union Bank of India has filed a complaint with the Calcutta police against the Company. The bank has also simultaneously served a legal notice on the party and has taken certain other measures for the recovery of the dues from the party. The total outstandings against the party is reported to be about Rs. 30 lakhs.

Offer of cooperation by former smugglers to check smuggling

583. SHRIMATI HAMIDA
HABIBULLAH:

SHRI PRAKASH MEHROTRA:

SHRI SAWAISINGH SISODIA:

SHRIMATI LAKSHMI

KUMARI CHUNDAWAT:

Will the Minister of FINANCE be pleased to refer to the answer to Unstarred Question 91 given in the Rajya Sabha on the 14th June, 1976 and state:

(a) whether the smugglers who took a pledge before Shri Jayaprakash Narayan at Bombay on the 30th April, 1977, have since made any offer of cooperation to Government for checking smuggling activities in the country; and

(b) if so, what are the details of the offer made and whether Government have accepted the offer?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATISH AGARWAL): (a) and (b) Reports received by the Government indicate that some of the smugglers who took a pledge before Shri Jayaprakash Narayan to abjure smuggling have offered to cooperate with the Government by furnishing information about smuggling. This is a welcome gesture on the part of smugglers. However, nothing concrete by way of seizures has been achieved as a result of the cooperation offered.

Introduction of 'Value Added Tax' system for commodity taxation

584. DR. V. P. DUTT: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that the Value Added Tax (VAT) as a system of commodity taxation has gained wide acceptance in recent years in Europe, Germany and South America;

(b) if so, what are the salient features of this taxation system;

(c) whether it is a fact that the study team appointed by the Federation of Indian Chambers of Commerce and Industry to go into the various aspects of taxation system in the country has suggested the Value Added Tax system of taxation in India; and

(d) if so, what is Government's decision in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATISH AGARWAL): (a) Yes, Sir.

(b) Essentially, the Value Added Tax, in its comprehensive form, is a tax on all goods and services (except exports and Government Services), its special characteristic being that it falls on the value added at each stage from the stage of production to the retail stage.

(c) Yes, Sir.

(d) The matter is presently being studied. Government are also awaiting the receipt of part II of the Report of the Indirect Taxation Enquiry Committee. It is, therefore, too early to indicate the decisions that are likely to be taken by the Government in this matter.

Absorption of apprentices

585. SHRI GULABRAO PATIL: Will the Minister of COMMERCE AND CIVIL SUPPLIES AND COOPERATION be pleased to state:

(a) whether Government have received any representations from the apprentices of the M.M.T.C. for their absorption in the Corporation; and

(b) if so, what action Government have taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE, CIVIL SUPPLIES AND COOPERATION (SHRI KRISHNA KUMAR GOYAL):

(a) Yes, Sir.

(b) Under the Apprentices Act, 1961, it is not obligatory on the part of M.M.T.C. to offer employment to the apprentices on completion of their training. The Corporation is, however, being advised that, other things being equal, preference should be shown to its own apprentices when filling appointments on a regular basis.

British aid to India

586. SHRI JANARDHANA REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to a news item which appeared in the Hindustan Times of the 12th November, 1977 to the effect that the British Overseas Development Minister has expressed the view that current level of British aid may not