

THE MINISTER OF STATE IN CHARGE OF DEPARTMENT OF REVENUE AND BANKING (SHRI PRANAB MUKHERJEE) : (a) to (e) A Statement is laid on the Table of the House.

Statement

(a) to (c) The details are given in the Annexure. [See Appendix XCV, Annexure No. 34.]

(d) and (e) The banks have reported that backlog of reserved vacancies could not be cleared for want of suitable candidates. However, for increasing the intake of these communities, banks are making special efforts like relaxation of qualifications and qualifying standards, exclusive recruitment for SC/ST candidates, notifying the vacancies to recognised associations/organisations looking after the interests of Scheduled Castes/Scheduled Tribes.

Recessionary trend in Industrial Sector

*328. SHRI VIREN J. SHAH : Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware that the recessionary tendency in industrial sector has been deepening;

(b) whether a number of consumers, including Government and public sector companies, delay payment against purchases causing serious strain to manufacturers; and

(c) what steps Government propose to take to meet the situation?

THE MINISTER OF FINANCE (SHRI C. SUBRAMANIAM): (a) to (c) A statement is laid on the Table of the House. Statement (a) No, Sir, On the contrary, industrial production has been improving, and the rate of growth during 1975-76 is expected to be of the order of 4-5 per cent as against 2.5 per cent in 1974-75.

(b) while extension of credit by suppliers is a normal feature of business operations, delays in meeting commitments can take place for a variety of reasons, including financial ones. In so far as Government Departments are concerned, procedures have been streamlined so that delayed payments now account for an infinitesimal proportion of their total purchases. Increased Plan allocations to the Railways have enabled them to meet their commit-

ments fully. The improvement in the financial position of most public sector projects has also made for speedier fulfilment of obligations on their part. As for the private sector, there have been reports, off and on, of delay in payments to suppliers of ancillaries, who are largely small scale units, but this is a general problem arising from their weak bargaining power vis-à-vis their customers in the large-scale sector, (c) To the extent that some sectors of industry found themselves faced with problems of readjustment in the wake of Government's anti-inflationary measures, certain reliefs have been provided in the 1976-77 Budget. Earlier, in November, 1975, a package of measures had been announced in order to stimulate demand, while selective credit controls were relaxed in the busy season credit policy. It is also expected that the implementation of the Tandon Committee's recommendations will make for a more rational distribution of credit, and will help in mitigating the difficulties of the business community.

Reduction of Equity Shares to 40 per cent by Foreign and multi-National Companies

*329. SHRI B. K. MAHANTI: SHRI KALYAN ROY : SHRI BIR CHANDRA DEB BURMAN s SHRI LAKSHMANA MAHAPA

TRO:

Will the Minister of FINANCE be pleased to state :

(a) whether Governments' attention has been drawn to the news item captioned "Foreign Companies take advantage of Foreign Exchange Regulation Act" which appeared in the Economic Times of February 13, 1976;

(b) if so, what is Government's reaction thereto;

(c) the names of foreign and multi-national companies which have reduced their equity shares to 40 per cent holding;

(d) the names of the firms which have not so far reduced their equity participation and the reasons therefor; and

(e) what are the reasons for the delay in enforcement of the provisions of the Act in relation to the defaulting foreign companies?