

ing Teas till the average yield rises to 1000 Kgs. per hectare and for full refund of excise duty for all teas at the point of export were received from the Consultative Committee of Plantations Association. So far as excise duty on Cachar tea is concerned, there has been no representation.

(b) Excise duty on teas grown in Zone Hi (comprising Darjeeling Areas) has since been reduced from Rs. 1.40 per Kg. to Rs. 1.25 per Kg. Further the maximum limit of admissible rebate on export has also been raised from 85 paise per Kg. to Rs. 1 per Kg.

#### **Purchase of cotton by C.C.I.**

475. SHRI B. N. DWIVEDI: Will the Minister of COMMERCE be pleased to state:

(a) whether there has been a marked decline in the purchase of cotton by the Cotton Corporation of India during the years 1974, 1975 and so far in 1976; and

(b) if so, what are the reasons therefor?

THE MINISTER OF COMMERCE (PROF. D. P. CHATTOPADHYAYA): (a) Yes, Sir.

(b) The market price ruled above the support price level.

#### **Purchase of shares of United Industrial Bank Ltd. by United Bank of India**

\*476. SHRI NABIN CHANDRA BURAGOHAIN;

DR. RAJAT KUMAR

CHAKRABARTI; SHRI KRISHNA

BAHADUR CHETTRI: Will the Minister of REVENUE AND BANKING be pleased to state:

(a) whether it is a fact that between December, 1974 and January, 1975 United Bank of India purchased 12 370 shares of the United Industrial

Bank Ltd., situated at No. 7, Red Cross Place, Calcutta;

(b) whether this share holding constitutes about 22 per cent of the total share capital and in addition whether United Bank of India holds on pledge 8,000 shares although the shares of UIB are not listed with any Stock Exchange;

(c) whether it is also a fact that UBI has purchased the above shares at the face value of Rs. 39 per share which appears *prima facie* to be too high and whether the Banking Regulation Act prohibits holding of shares of more than 30 per cent by an individual or an organisation; and

(d) if so, what are the reasons for purchasing shares of a private bank by a public sector bank instead of outright nationalisation of the said bank?

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

#### **Statement**

With a view to enabling United Bank of India to acquire controlling interest in the United Industrial Bank Limited for strengthening its management, United Bank of India, as recommended by Reserve Bank, was permitted to acquire shares in the United Industrial Bank Limited. United Bank of India has reported that in addition to holding 8,000 pledged shares, transferred to its name, it has purchased 11,925 shares between August 1974 and January 1975 and a further block of 1,456 shares thereafter. The pledged and purchased shares together constitute 37.83 per cent of the total shares of the United Industrial Bank Limited. These shares which are not quoted in the share market, have been purchased by the Bank at face value which is considered reasonable.