

**LETTERS OF AUTHORITY FOR IMPORT OF
RAW MATERIALS**

1221. SHRIB. P. NAGARAJA MURTHY

SHRI B. RACHAIAH: Will the Minister of COMMERCE be pleased to state:

(a) whether Government have reviewed its policy of issuing letters of authority for import of raw materials;

(b) whether it is a fact that there is an all round criticism that both the STC and M.M.T.C. are not in a position to make available canalised raw materials in time which has adversely affected production schedules particularly on the export front; and

(c) if so, what changes in the policy of Government are contemplated?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI V.P.SINGH): (a) Yes, Sir.

(b) Due to oil crisis in October, 1973 and inflationary trends, shortages in world markets developed in respect of certain raw materials. This led to some criticism about delay or non-supply of some material. The situation has since improved considerably.

(c) As per the policy of Government in the matter of issue of letters of authority in respect of canalised items, letters of authority are issued:—

(i) to registered exporters (except in the case of a few canalised items) or their nominees where such items are covered by the shopping list against the export products concerned;

(ii) to all actual users for a period of six months whenever an item is newly canalised, in order to enable the canalising agency to make sufficient arrangements for import of the newly canalised items; and

(iii) in cases where the canalising agency issues a "no objection certificate", due to reasons like small quantum and varied specifications of the raw materials, etc. be imported.

CEILING ON MANGANESE ORE EXPORT

1222. SHRIB. P. NAGARAJA MURTHY:

SHRI B. RACHAIAH:

Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that Government have partially relaxed the ceiling on medium

and high-grade manganese ore exports, and

(b) if so, the details thereof?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI V. P. SINGH): (a) & (b) Government na." relaxed the ban on export of high grade manganese ore by permitting export of one lakh tonnes in the current year. The ceiling for export of medium grade manganese ore remains unchanged.

**REMITTANCES OF PROFITS BY FOREIGN
BANKS**

1223. SHRI B. P. NAGARAJA MURTHY¹

SHRI B. RACHAIAH:

Will the Minister of FINANCE be pleased to state:

(a) the names of the foreign bank which have repatriated profits and the names of such banks which have invested their capital in India;

(b) whether it is a fact that the major Indian banks incur expenses to maintain their head offices and such expenditure is part of their revenue account but that foreign banks are allowed to remit their sums in the guise of proportional 'head office expenses' in addition to profits repatriated; and

(c) if so, what steps Government propose to take in this regard?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRIMATI SUSHILA ROHATGI): (a) The Reserve Bank of India has reported that out of the eleven foreign banks functioning in India the following ten (excluding Banque Nationale De Paris) have been regularly remitting their profits almost every year.

- (1) American Express International Banking Corporation.
- (2) Algemene Bank Nederland N.V.
- (3) Bank of America.
- (4) British Bank of Middle East.
- (5) Bank of Tokyo.
- (6) Chartered Bank.
- (7) First National City Bank.
- (8) Mercantile Bank.
- (9) Mitsui Bank.
- (10) National and Grindlays Bank.

All the eleven foreign banks have complied with the requirements of section 11(2) of the Banking Regulation Act, 1949 which enjoins that the aggregate value of the paid up capital and reserves of a foreign bank shall not be less than Rs. 15 lakhs and if it has a place or places of business in the city of Bombay or Calcutta or both, Rs. 20 lakhs. In addition, foreign banks are also required to deploy at all times foreign funds in their Indian business to the extent of 3 - 5% of their deposits in India as at the end of the preceding year.

(b) It is presumed that the Honourable Member desires to know whether the Indian banks recover head office expenses from their overseas branches. The Reserve Bank has reported that according to the information available with it, all Indian banks having overseas branches generally recover such expenses from their overseas branches. Reserve Bank has reported that it has been the practice of some of the foreign banks to remit, by debit to their respective profit and loss accounts, certain amounts by way of head office expenses on the basis of a principle that the head office/controlling offices administrative expenses are to be shared in certain proportion by all the different offices of the banks concerned in different countries. These remittances are made with the approval of the Reserve Bank.

(c) The question as to what measures, if any, can be taken to restrict the remittances of Head Office expenses by the foreign banks is being examined by the Reserve Bank.

स्वीडन से सहायता

1224. श्री राजनारायण : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि 1974-75 व वर्ष के लिए स्वीडन द्वारा भारत को 61 करोड़ रुपये की सहायता देने का आश्वासन दिया गया था और यदि हाँ तो चालू वित्त वर्ष के दौरान अब तक सहायता की कितनी राशि प्राप्त हुई है; और

(ख) यह राशि किन प्रयोजनों पर व्यय की जा रही है और इस संबंध में कितनी प्रगति हुई है ?

tiSwEDISH AID

1224. SHRI RAJNARAIN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that India was assured an aid of Rs. 61 crores by Sweden for the year 1974-75 and if so, the amount of grant received so far during the current financial year; and

(b) the purposes for which the amount is being spent and the progress made in this regard?)

वित्त मंत्री (श्री सी० सुब्रह्मण्यम) :

(क) और (ख) : जी, हाँ। 5 जून, 1974 को कुल 61.24 करोड़ रुपए (33.50 करोड़ स्वीडिश क्रोनर) की सहायता के एक करार पर हस्ताक्षर किए गए थे। यह सहायता दो वर्षों अर्थात् 1974-75 और 1976-77 के लिए क्रमशः 31.99 करोड़ रुपये (17.5 करोड़ स्वीडिश क्रोनर) और 29.25 करोड़ रुपये (16.0 करोड़ स्वीडिश क्रोनर) है।

स्वीडन से मिलने वाली सहायता मांटे नीर पर विदेशी मुद्रा के हमारे माघनों की कमी को पूरा करती है और इसका इस्तेमाल स्वीडन और अन्य देशों से किये जाने वाले आयात और तकनीकी सहायता के लिये भी किया जाता है।

1974-75 के लिए उपलब्ध सहायता की रकम में से आयात के लिए अब तक 30.79 करोड़ रुपये (16.844 करोड़ स्वीडिश क्रोनर) की रकम नियत की गई है।

टिप्पणी : उपर्युक्त आंकड़ों में 1 स्वीडिश क्रोनर-1.828 रुपये की नौजुदा विनिमय दर इस्तेमाल की गई है।

[] English translation.