

[Shri R.L. Jalappa]

The Cotton Corporation of India, whose turnover is nearly Rs. 1000 crore, is getting a net profit of Rs. 35 to Rs. 40 crore every year.

Their strength is 1250 or 1400. It is within 1400. Whereas, the JCI without doing anything have 2450 workers. This is the problem wrought with the JCI. We are at it. We are trying to solve this problem. I would only request you to kindly cooperate with us. I can understand that there are different ideologies. Some people do not want the people to be retrenched. When we are speaking of liberalisation and privatisation, we understand the pressure for revival of the mills. We are, now, selling away some of our shares so that they become viable and the headache of the Government is also reduced day by day. In this context whatever action we take, that will be in the interests of the labourers. We will never forget the labourers. This is my assurance. Even if the VRS is to be given, we will give a sumptuous VRS. We will request them to find out some other avocation. Or else if you insist on the previous scheme to be formulated, then that is a separate matter. I do not know how far my friend will allow us to stay here. We can also spend our time telling cock and bull stories, and go away.

SHRI SONTOSH MOHAN DEV: If you keep Shri Chidambaram happy, we are happy.

SHRI R.L. JALAPPA: So, with these few words, I am once again grateful to all the hon. Members.

SHRI RAM NAIK: You said that you are expecting about Rs. 2500 crore from Mumbai out of that sale.

SHRI R.L. JALAPPA: No, it is Rs. 1946 crore.

SHRI RAM NAIK: Are you not thinking of selling the lands of textile mills of cities other than Mumbai?

SHRI R.L. JALAPPA: Definitely. We are selling other lands also. On a trial basis we had called tenders for two subsidiaries. One is TNP, Tamil Nadu and there is another company APKKM. Though tenders came, but we were not in a position to approve them because they were invited on a trial basis to find out how much we will be able to get. That is why we had called for tenders. Now, we are going in for a global tender. For your information all the subsidiaries went to the court and obtained stay orders. The Revenue Minister of Kerala in a Press statement had said that he had withdrawn the powers of selling the land. He is on record. Then, I wrote to him that he cannot do it. This is the position.

17.24 hrs.

EXPORT-IMPORT BANK OF INDIA (AMENDMENT) BILL*
THE MINISTER OF FINANCE (SHRI P CHIDAMBARAM): I beg to move:**

*Published in the Gazette of India, Extra ordinary, Part II, Section 2, dated 15-5-97

**Moved with the recommendations of the President.

"That the Bill further to amend the Export-Import Bank of India Act, 1981 be taken into consideration."

The Export-Import Bank of India (EXIM Bank), as hon. Members are aware, is a specialised financial institution constituted under the Export-Import Bank of India Act, 1981. It is wholly owned by the Government of India. The charter of the Exim Bank stipulates that it shall provide financial assistance to exporters and importers, and function as the principal financial institution for coordinating the working of institutions engaged in financing export and import of goods and services with a view to promoting the country's international trade and for matters connected therewith or incidental thereto.

The Exim Bank has been assigned a special role in:

firstly, providing medium and long-term export credit to exporters, that is, project exporters as well as exporters of capital goods and other manufactured goods on deferred payment terms;

secondly, providing lines of credit to banks and foreign Government agencies to finance imports of eligible goods and services from the country;

thirdly, providing term loans to export oriented units in the country and equity finance to Indian companies setting up joint ventures of wholly owned subsidiaries abroad; and

fourthly, providing information and advisory services to Indian exporters.

Exim Bank's performance over the last ten years has been very satisfactory. During this period, its loan assets have grown at an annual average of 19 per cent with cumulative sanctions at Rs. 13,743 crore. In 1996-97, the sanctions amounted to Rs. 1242 crore and the disbursements amounted to Rs. 1257 crore. The Bank's operations have been profitable since the first year of its establishment and it has also been paying dividend to the Government every year.

The authorised capital of the Exim Bank, when the Act as it stands today is only Rs. 500 crore. The paid up capital of the Exim Bank was augmented every year out of the budgetary allocation. In the year 1995-96, an amount of Rs. 59.66 crore was released to Exim Bank increasing the paid up capital to Rs. 500 crore, which is equivalent to the authorised capital.

In order to provide Bank an adequate capital base to support its future business growth, to maintain its credit worthiness with international lenders, to enable it to raise external commercial borrowings at competitive rates and to retain adequate resource flows to enable Exim Bank to maintain its flexibility, its authorised capital is proposed to be raised from Rs. 500 crore to Rs. 1000 crore and powers are sought to be given to the Central Government to notify a further increase of capital to raise Rs. 2,000 crore. So, what is being proposed is to raise the authorised capital of Exim Bank from Rs. 500 crore to Rs. 1000 crore and

to enable the Government to increase it by notification, if necessary, to Rs. 2000 crore.

MR. CHAIRMAN: Motion moved:

"That the Bill further to amend the Export-Import Bank of India Act, 1981, be taken into consideration."

[*Translation*]

SHRI GIRDHARI LAL BHARGAVA (JAIPUR): Hon'ble Chairman, Sir, the Export Import Bank of India was set up in the year 1982. This bank was set up for financing, providing facilities and for promoting Indian foreign trade. My request is this the hon'ble Minister of finance want that the amount of this bill could be upto Rs. five thousand millions. Through such a notification, the Union Government would be able to increase this capital upto Rs. five thousand millions. Now he has brought the proposal for increasing this amount from Rs. five thousand millions to Rs. twenty thousand millions. He wants to make that provision in it. I want to say that it is a different thing that he intends to increase the amount. But what is the condition of all these banks, how the Export-Import Bank is functioning whether or not there is any role of the Reserve Bank in this regard? Hon'ble Minister should think over it. The total resources in the bank were 36.07 million Rupees as on March 31, 1995. There is 4.40 Million rupees as paid up capital of the Government of India and the reserved fund of Rs. 3.12 million accumulated during the 13 years. These banks are working industry-wise and regionwise. They are giving assistance for setting up E.O.U.'s and providing assistance, industry-wise. Alongwith if they are also providing assistance, State-wise. I would like to put before you the figures regarding the assistance provided by this bank to various states from time to time.

17.25 hrs.

(SHRI CHITTA BASU *in the Chair*)

This bank has made a funds available to many states including Rajasthan. It provided Rs. 194 crores and Rs. 472 crores to Karnataka during the years 1993-94, and 1995-96 respectively and if we see on Cumulative basis an amount of Rs. 940 crore was given upto March, 1995. Similarly, Maharashtra was provided Rs. 214 crore earlier and Rs. 212 crores during the year 1994-95 and if we see on cummulative basis Rs. 259.5 Crores was provided. Similarly, Rajasthan was provided Rs. 31.5 crores rupees and Cumulative amount was Rs. 32.7 Crores. Similarly, Tamilnadu was provided 40 crore rupees earlier and 86.9 crores rupees in the year 1984-85 and 260.2 crore rupees on cummulative basis. Uttar Pradesh was provided 19.1 crores rupees and Rs. 38.1 crores on cummulative basis.

In this way our banks have provided funds to various States, but during the process their short comings have come to surface which have done a considerable damage to the country. It has been proved that Reserve Bank of India has no control on these banks due to which the condition of the country has been worsening. Due to lack of control of the Reserve Bank over these banks, many

scams have occurred. It will take a long time if I mention all of them because 20-25 banking scams have come to light. I want that the Minister of Finance should look into the banking system keeping in view these scam.

The policy of the present Government is totally against the indigenous. We want to increase the production of indigenous goods but you want to bring the foreign goods here. When the foreign goods would come in the country, they may be cheaper, but our indigenous goods would not be able to compete with them. Therefore, I have requested the Government to review the policy and change it. The dream of Gandhiji to promote the indigenous things has not been realised. We are going to celebrate the Golden Jubilee of our independence in August this year, but on the other hand the indigenous companies are incurring losses, the condition of many of our Public Undertakings is worse. I would like to request the Minister that whereas earlier they had given 85 percent concession on coal, gradually you have reduced it to 10 per cent but today there is no buyer of coal in India. The condition of coal sector has become worse. Similarly the condition of newsprint is also very bad and after the entry of imported newsprint its prices have been constently increasing. In my opinion, the Minister should think over it periously. Similarly, the condition of iron alongwith many other items is also bad.

Participating in the discussion on sick textile mills, Shrimati Sumitra Mahajan and Shri Jagatveer Singh Drona had mentioned about the condition of textile mills in their respective constituencies. The workers have become unemployed due to the closure of textile mills all our India they may be the textile mills of Indore or Kanpur. The workers have been facing starvation. They are not getting salaries. The Minister may console us here with sweet words but it is a fact that all the workers of these mills have been suffering today. I request the Minister to make provision in this bill keeping the whole of the situation in view. Besides, he should also consider over the plight of the employees of the Export-Import bank of India. He should review the functioning of the Export-Import Bank.

[*English*]

MR. CHAIRMAN: Shri Girdhari Lai Bhargava, please wait for a minute. At 5.30 p.m. we will have to take up Half-an-Hour discussion. So, you can continue your speech tomorrow.

17.30 hrs.

[*English*]

HALF-AN-HOUR DISCUSSION INTERNATIONAL TOURIST PLACES IN THE COUNTRY

MR. CHAIRMAN: Now we shall take up item no. 19-Shri Bhagwan Shankar Rawat to raise a discussion on points arising out of the answer given by the Minister of Tourism on 6.3.97 to Starred Question No. 181 regarding