

external debt situation with a view to keeping it within prudent limits. The Government has already taken a number of steps to reduce the deficit on the current account of the balance of payments and thus reduce the rate of increase in total external debt. The Government and RBI have taken a number of measures to contain high cost external debt. These include a reduction in the interest rate on Non-Resident External (Rupee) Accounts (NRER) discontinuation of new deposits in Foreign currency (non-resident) Accounts (FCNRA) with exchange risk borne by Government discontinuation of new deposits under FCON and encouragement to the corporate sector to repay expensive external debt. With the introduction of a much more open approach to foreign investment, dependence on debt creating inflows of capital stands reduced.

#### Irregularities in Export of Gold Jewellery by MMTC

\*92. DR. LAXMINARAYAN PANDEYA :  
SHRI ATAL BIHARI VAJPAYEE :

Will the Minister of COMMERCE be pleased to state :

(a) the details of modalities of the scheme relating to export of gold jewellery through Minerals and Metals Trading Corporation;

(b) whether large scale fraudulent transactions and other irregularities have been noticed in the export of gold jewellery resulting in heavy bad debts for the MMTC;

(c) if so, the details thereof and the total loss suffered by the MMTC during the last three years;

(d) whether the Government have conducted any inquiry into the matter; and

(e) if so, the details thereof and the steps being taken by the Government to curb such activities in MMTC?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM) : (a) MMTC Limited is one of the nominated agencies for supply of gold to the exporters of jewellery in the country under various schemes mentioned in Chapter VIII, para 88 of the Export-Import Policy. Apart from such supply of gold to exporters, MMTC also operates a scheme of export of gold jewellery whereby it provides exporters, registered as its Associates, with gold on loan against appropriate security and export packing credit limits to enable them to manufacture and export jewellery. The export is carried out on MMTC's account. The proceeds of the exports are required to be remitted into MMTC's account and after adjusting the packing credit provided and service charges, the balance is remitted by MMTC to the jewellery manufacturers.

(b) to (e) In the course of developing and promoting

exports of gold jewellery from India, some irregularities have come to light. These include tampering with airway bills and non-realisation of export proceeds. The total outstandings as on 1.4.95 comes to Rs. 17.85 crores comprising of :

—Tampering with airway bills	Rs. 1.90 crores
—Non-realisation of export Proceeds beyond stipulated period as on 1.4.95.	Rs. 15.95 crores
<b>Total</b>	<b>Rs. 17.85 crores</b>

MMTC has been making strenuous efforts to speed up realisation of export proceeds. As a result, as on 1.8.95, this figure has come down to Rs. 14.85 crores and by 1.9.95 is expected to be Rs. 11.90 crores. Instances of tampering with airway bills have been referred to the investigating and enforcement agencies.

The scheme was introduced in 1987-88. The total export of gold jewellery under the scheme during the last three financial years 1992-93, 1993-94 and 1994-95 was Rs. 861.91 crores. There has been no loss incurred by MMTC thus far. However, provisions for bad debts of Rs. 8.00 crores has been made, which corresponds to 0.93% of the total exports in the last three financial years.

#### Uniform Sales Tax

\*93. SHRI M.V.V.S. MURTHY :  
SHRI BOLLA BULLI RAMAIAH :

Will the Minister of FINANCE be pleased to state :

(a) whether the State Finance Ministers Committee on tax reforms has submitted its report;

(b) if so, the main recommendations thereof;

(c) whether the Government have taken fresh initiatives on the issue of uniform sales tax regime in the country;

(d) if so, the details thereof and reaction of the state Governments thereto; and

(e) the time by which it is likely to be introduced in all the states?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY) :

(a) No, Sir.

(b) Does not arise.

(c) and (d) Further action in this regard would

depend on the recommendations that may be made by the Committee of State Finance Ministers. However, Sales Tax being a State subject, steps to bring about uniformity in the Sales Tax regime would have to be taken by the States Governments.

(e) It is not possible to give any time frame in this regard.

#### **Borrowings by Enron.**

\*94. SHRI GEORGE FERNANDES : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have allowed the US based Multinational Company, Enron to borrow \$150 million from abroad at an interest rate of 13% in dollar terms;

(b) if so, the details thereof and the reasons therefor; and

(c) the likely impact of this permission on the balance of payments condition in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARE MURTHY) : (a) No, Sir. The Dabhol Power Company was granted approval to raise a foreign currency loan of USD 150 million at an interest rate of 6 months London Interbank Offered Rate (LIBOR) plus 3% p.a.. The current 6 months LIBOR is 5.93%.

(b) and (c) External Commercial Borrowings by Indian firms are permitted within annual ceilings consistent with prudent debt management, as well as the overall balance of payments position. The power sector is a priority sector for the allocation of external commercial borrowings.

#### **Import of Rubber**

\*95. SHRI RAJENDRA AGNIHOTRI :  
PROF. P.J. KURIAN :

Will the Minister of COMMERCE be pleased to state :

(a) the total quantity of rubber imported so far and proposed to be imported this year;

(b) whether the views of the Rubber Board and the Government of Kerala have been taken before allowing this import;

(c) if so, the details thereof;

(d) whether there has been a steep decline in the price of natural rubber after the decision to import of rubber was taken;

(e) if so, the details thereof; and

(f) the action taken by the Government to curb the import of rubber and safeguard the interests of the domestic market?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM) : (a) to (f) Since early 1995, persistent reports were received by the Government of a gap between demand and supply of natural rubber in the domestic market leading to depletion of stocks. Moreover, there was a steep-in crease in prices reaching an all time high at Rs. 6,550 per quintal for RSS-IV in mid-June, 1995 as compared to Rs. 2,851 per quintal in June, 1994. After considering all relevant factors and the view points of all concerned including Rubber Board, growers and user industries, Govt. permitted import of about 38,450 tonnes of natural rubber, by 31-8-95 to ensure adequate availability and to stabilise the domestic market during the current lean season. This was exclusive of imports under Advance Licences for export of rubber products.

However, according to information received, the total quantity of rubber actually imported till 21st July, 1995 was 11,263 tonnes which includes imports against advance licences.

The price movement of natural rubber in the domestic market during 1995 has been as follows :

1995	Average price of RSS-IV/Quint
JANUARY	4273
FEBRUARY	4637
MARCH	5197
APRIL	5441
MAY	6047
JUNE	6171
JULY	5231

Rubber Board has been successfully implementing various developmental and R & D schemes to increase production and productivity of rubber in order to minimise the need for import.

#### **Strike by Employees/Pilots of AI and IA**

\*96. SHRIMATI DIPIKA H. TOPIWALA :  
DR. G.L. KANAUIA :

Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state :

(a) whether pilots of the Indian Airlines observed strike during June, 1995;