

a number of welfare schemes for bidi workers and their families in the field of health, education, housing and recreation.

[English]

Legislative Councils

*46. SHRI K.H. MUNIYAPPA: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether the Government have decided to review Legislative Councils in some States;

(b) if so, the details thereof;

(c) whether some parties are not only opposing the view of reviving Legislative Councils but also suggesting to wind up Legislative Councils in the States where they are existing; and

(d) if so, the reaction of the Government thereto?

THE MINISTER OF STATE OF THE MINISTRY OF LAW AND JUSTICE (SHRI RAMAKANT D. KHALAP): (a), (b) and (d) Government have decided to introduce a Bill for revival of Legislative Councils in the States of Punjab and Tamil Nadu.

(c) Yes, Sir.

Insurance Cover to Investors

*47. SHRIMATI SARADA TADIPARTHI:

SHRI VIJAY PATEL:

Will the Minister of FINANCE be pleased to state:

(a) whether Rs. 1000 crore CRB scam was unearthed recently;

(b) if so, the details thereof;

(c) whether the Government propose to bring forward a legislation to protect investors;

(d) if so, by when;

(e) whether an insurance cover is likely to be provided to protect the interest of investors;

(f) if so, the details thereof and other measures likely to be taken by the Government in this regard; and

(g) if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) The main activities of CRB Capital Markets Ltd. (CRBCML) were hire purchase, leasing, merchant banking, bills discounting and making loans and advances. A complaint was received in December, 1996 by Reserve Bank of India (RBI) from Tourism Finance Corporation of India Ltd. regarding default of repayment of deposits by CRB Capital Markets Ltd. Global Trust Bank Ltd. has also reported to RBI in March, 1997 about

development of Letter of Credit opened by a group Company. Further, CRBCML fraudulently overdraw its accounts with the State Bank of India, Mumbai Main Branch (MMB) for payment of interest warrants, deposit refunds and brokerage warrants by an amount of over Rs. 58 crores. Keeping in view the findings of the inspection carried out by RBI between November, 1996 and January, 1997 and the subsequent developments, especially relating to State Bank of India (SBI), RBI issued prohibitory orders in April, 1997 under section 45MB(1) & (2) of RBI Act directing the company not to accept any further deposits and not to alienate any assets without prior permission of RBI. RBI filed a winding up petition in the Delhi High Court under section 45 MC of the RBI Act on 21.5.1997. A provisional Liquidator has been appointed by the Delhi High Court. The Liquidator has initiated action to crystallize the assets and liabilities of the company.

(c) and (d) Keeping in view the twin needs of providing adequate protection to the depositors and maintaining the stability of the financial system, the Parliament has recently enacted amendments to the Reserve Bank of India Act, for regulating Non-Banking Finance Companies (NBFCs) which inter-alia, include mandatory requirements for registration, minimum net owned funds, maintenance of liquid assets, compulsory transfer of certain proportion of profits to reserves and empowering the Company Law Board to look into the cases of non repayment of deposits. These measures would facilitate continued liquidity and solvency of NBFCs and are expected to go a long way in enabling the NBFCs to meet the liabilities of depositors as and when they accrue.

(e) to (g) A viable deposit insurance scheme for NBFCs requires the consolidation of this sector and an adequate frame-work for their supervision. Further, the possibility of the riskier of the NBFCs being favoured by a non-discriminating, all inclusive approach to deposit insurance has to be kept in view. The examination of the feasibility of introducing a deposit insurance scheme for the depositors of NBFCs is one of the terms of reference of the working group constituted by RBI in September 1996 to examine an appropriate instrumentality for supervision of NBFCs.

Trade with Bangladesh

*48. SHRI BAJU BAN RIYAN: Will the Minister of COMMERCE be pleased to state:

(a) whether the export policy for facilitating trade with Bangladesh in the package of programmes for developing of North-Eastern States has been formulated;

(b) if so, the details thereof;

(c) the main recommendations of the Shukla Commission in this regard in framing of this policy; and

(d) the expected time for implementation of the said policy?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) and (b) The Government of India has announced Export Import Policy for 1997-2002 which will be valid upto 31.03.2002, wherein a special provision has been made that Export Houses, Star Trading Houses etc. will be given Special Import Licence at 1% of the total turnover from the North Eastern States.

While there is no specific Export Policy for facilitating trade with Bangladesh in terms of development of North Eastern States, initiatives such as operation of additional routes for trade under the Inland Water Transit and Trade Protocol, issue of Chittagong Port as an additional Port of call, tariff concessions on 572 tariff lines at six digit level to Bangladesh etc. would have certain benefits for the Indo-Bangladesh trade.

(c) Recommendations of Shukla Committee includes:-

- (i) A transport optimization study for international linkages and transit/transshipment arrangements with Bangladesh, Myanmar and Bhutan.
- (ii) Setting up of Inter-Ministerial Task Force to review the entire North East border and inter-country trade issue with particular reference to Bangladesh, Myanmar, South East Asia and South East China and to report on trade opportunities related to manufacturing possibilities in the North East, required infrastructure and communication links, banking and warehousing facilities, necessary customs and security arrangements and manpower needs.
- (iii) Review of Indo-Bangladesh trading possibility and transit routes in relation to North East.
- (iv) Commission of a study (or a joint study with Bangladesh) of the costs and benefits to both countries from trade and transit, including the use of Chittagong Port as a entry port for the North East.

(d) The various recommendations are under examination and it is premature for any time bound implementation plan.

Disinvestment Commission

*49. SHRI AJMEERA CHANDULAL:

SHRIMATI JAYAWANTI NAVINCHANDRA MEHTA:

Will the Minister of INDUSTRY be pleased to state:

(a) whether the Ministry of Industry is disowning Disinvestment Panel;

(b) if so, whether the Ministry has urged the Finance Ministry to take this Advisory Body under its jurisdiction;

(c) if so, the main reasons therefor and to what extent the Finance Ministry has agreed;

(d) the total number of recommendations made by the Disinvestment Commission so far;

(e) the number of recommendations implemented so far;

(f) the total number of Public Sector Undertakings which have been recommended for disinvestment by the Disinvestment Commission; and

(g) the extent to which these Public Sector Undertakings have been allowed to disinvest?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) to (c) No, Sir. There is no question of disowning the Disinvestment Commission. As a matter of administrative convenience, placing the Commission with the Finance Ministry had been suggested at one stage. However, the Ministry of Industry continues to remain the administrative Ministry for the Disinvestment Commission.

(d) to (f) 50 Public Sector Undertakings have been referred to the Commission. So far it has submitted three reports covering 15 of these Undertakings. It has recommended varying level of disinvestment/strategic sale/restructuring in 12 PSUs. It has also made some general recommendations on PSUs. The implementation of the recommendations is a continuous process subject to requisite Government decisions. Decisions have already been taken on the major recommendations relating to disinvestment which would assist in raising the targeted resources through disinvestment during the current fiscal year.

(g) No actual disinvestment has taken place so far this year.

[Translation]

Modernisation of Textile Mills and Jute Mills

*50. SHRIMATI PURNIMA VERMA:

SHRIMATI SHEELA GAUTAM:

Will the Minister of TEXTILES be pleased to state:

(a) the amount provided for the modernisation of textile mills and jute mills under textile modernisation scheme and Jute Modernisation Fund during 1996 and 1997 (till date), mill-wise;

(b) whether the said mills are earning profit after modernisation and if so, the details thereof;

(c) the number of workers retrenched as a result of modernisation of these mills, mill-wise;

(d) the number of textile/jute mills proposed to be modernised during 1997-98, State-wise; and

(e) the details of the amount likely to be provided for the purpose during the current year?