

small faults and igneous intrusions particularly in BCCL contributed to the poor performance of the longwall faces.

- (iii) To obtain effective utilisation of sophisticated equipment like longwall powered support face, timely supply of spares is important. Due to earlier import restriction, DGTD clearance, foreign exchange release etc., there were delays in importing spares from other countries.
- (iv) Developing the indigenous sources capable of supplying the required spares for longwall equipment has not been up to the desired level. Indegenisation was assigned mainly to the public sector undertakings like Jessop & MAMC. They had their own difficulties in meeting the requirements of spares of the longwall face equipment.
- (v) Earlier acute power problem in ECL and BCCL affected operation of these equipment very badly, giving rise to inadequate performance at initial stage of operation affecting the development of confidence building.
- (vi) Surplus manpower being available, existing manpower was utilised after training to man powered support faces. Imbibing the technology transfer is a difficult and time taking exercise.

(e) During 1997-98, longwall powered support faces are proposed to be set up in the following projects of CIL:-

Company	Project	Capacity of the Longwall face *(TPD)
(i) ECL	Satgram Underground	2000
(ii) SECL	Rajendra Underground	2350
(iii) SECL	Balrampur Underground	1950

\*Tonnes per day.

[English]

#### Tarapore Panel

\*59. SHRI SULTAN SALAHUDDIN OWAISI:

SHRI CHITTA BASU:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Tarapore Panel has favoured full convertibility of rupee on capital account by 1999-2000;
- (b) if so, the details thereof and other recommendations of the panel;
- (c) whether the Government have accepted all the recommendations of the panel;
- (d) if so, the details thereof; and

(e) if not, the time by which these recommendations are likely to be implemented?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) Yes, Sir.

(b) Based on an assessment of macroeconomic conditions, the Committee is of the considered view that the time now is opportune to initiate a move towards capital account convertibility. The Committee, however, recognises that the initial conditions do contain certain weaknesses and the entrenchment of preconditions can be achieved in the Indian context only over a period of time. The establishment of the preconditions need to be viewed as processes rather than as one time indicators. The Committee, therefore, recommended that the implementation of capital account convertibility by spread over a three years period 1997-98 to 1999-2000.

(c) to (e) The recommendations of the Committee are being examined by the Government and the Reserve Bank of India, and a decision on the acceptance/implementation of the recommendations will be taken as soon as the process of examination of the Report is complete.

#### Regional Private Bank

\*60. SHRI T. GOVINDAN: Will the Minister of FINANCE be pleased to state:

(a) whether any proposal is under consideration of the Union Government to grant permission to start Regional Private Bank and whether the Government are aware of the opposition by the employees and the unions of various banks to such move;

(b) if so, the details thereof; and

(c) the reaction of the Government thereto?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) Presumably, the Hon'ble Member of Parliament is referring to the setting up of Local Area Banks in the private sector. With a view to providing an institutional mechanism for promoting rural savings as well as for the provision of credit for viable economic activities in the rural areas, it has been decided to allow establishment of Local Area Banks (LABs) in the private sector. This is expected to bridge the gap in the credit availability and enhance the institutional credit framework in the rural and semi urban areas.

The establishment of LABs in the private sector has been opposed by certain unions of the bank employees. It is, inter alia, their view that setting up such banks will adversely affect the Regional Rural Banks (RRBs), public sector banks and private sector banks.

(c) The issue raised by the unions of bank employees have been examined in consultation with the Reserve Bank of India (RBI). Primarily, setting up of LABs in the private sector is for the purpose of catering to the credit needs of the local people and aims at providing efficient and competitive financial intermediation services in their