

or letters of intent issued for some components of second mine expansion project:

(c) if so, the reasons therefor with details of public sector organisations which participated in the tender and for what components/equipments; and

(d) the action being proposed to support public sector by the Neyveli Lignite Corporation Limited ?

THE MINISTER OF ENERGY (SHRI VASANT SATHE) : (a) Foreign exchange requirements for the Second Mine Expansion Project of Neyveli Lignite Corporation Limited are estimated at DM 380 Million. KFW has agreed in principle to give financial assistance for meeting the foreign exchange requirements in respect of equipment/components to be procured from West Germany.

(b) and (c). Mining and Allied Machinery Corporation, a public sector enterprise, had participated in the tenders for conveyors of 2000 mm and 2400 mm widths. MAMC's offer in both the cases was not only higher (even after allowing price preference) than that of an Indian private company but MAMC could not also furnish a joint deed of undertaking (a necessary condition) from their foreign collaborator, which the Indian private company was able to do. On these grounds, a short letter of intent was issued to the Indian private company.

(d) In accordance with prescribed guidelines, purchase as well as price preference is given by NLC to public sector units subject to the condition that other technical and commercial requirements and the delivery schedule are adequately met in their offers.

Expansion and development of telephone exchanges in Andhra Pradesh

4642. **SHRI S. PALAKONDRA-YUDU :** Will the Minister of COMMUNICATIONS be pleased to state :

(a) whether Government have taken any steps for the expansion and develop-

ment of telephone exchange in Andhra Pradesh; and

(b) if so, the details thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMUNICATIONS AND THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI RAM NIWAS MIRDHA) : (a) Yes, Sir.

(b) The expansions of Telephone systems in Andhra Pradesh have been planned as follows during seventh Five Year Plan period :—

	Expansions planned (in number of lines)
(i) Hyderabad	26,900
(ii) Vijayawada	3,000
(iii) Other Towns in Andhra Pradesh	62,200
Total	92,100

Unauthorised capacity expansion by multinational drug units

4643. **DR. KRUPASINDHU BHOI :** Will the Minister of INDUSTRY be pleased to state :

(a) whether it is a fact that Government had carried out around thirteen inspections of multinational drug units during the last few years to check unauthorised capacity expansion;

(b) if so, the details thereof;

(c) whether it is also a fact that unauthorised expansion of capacity is punishable under law;

(d) if so, the reasons why these cases were closed without disclosing the facts; and

(e) the reaction of Government thereon ?