

the name of North Eastern Development Finance Corporation Limited). The Corporation would have an authorised capital of Rs. 500 crores and initial paid-up capital of Rs. 100 crores to be contributed by various financial institutions/banks. The Memorandum and Articles of Association for the new Corporation have been finalised. IDBI has also identified a Chief Executive to head the Corporation and also prepared a preliminary list of persons for induction on the board of the Corporation.

CBI Investigation into LIC

866. SHRI INDRAJIT GUPTA : Will the Minister of FINANCE be pleased to state :

(a) whether an official study has been carried out in Twenty two divisions of LIC for the year 1992-93 and findings were circulated to all the divisional offices in February, 1995;

(b) if so, the details and conclusions drawn;

(c) whether the CBI has also made investigations and has reported that LIC racket has been going on in Rajasthan and some other divisions of LIC in the country?

(d) if so, the details and mode of operation, evolved therein; and

(e) the action taken against those involved and steps proposed to put a check on such evils?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY) : (a) and (b) Yes, Sir. LIC has reported that a study has been carried out of 'Zero duration lapses' for new policies issued during the year 1992-93 in 22 out of 100 Divisions. The major conclusions arising out of the study are (a) incidence of lapsation of policies is comparatively high where the sum assured ranges between Rs. 5000/- and Rs. 10,000/-; (b) lapsation of policies decreases with increase in age of the policy holder; (c) lapse is more under policies with terms of 30 years or more; (d) the percentage of lapsation is greater in rural areas; (e) lapsation is generally high in low cost policies; (f) the percentage of lapsation after payment of first instalment premium for these 22 Divisions is about 27%.

(c) LIC has reported that CBI has done some investigations in three Branch Offices of LIC in Rajasthan wherein they have come across some irregularities.

(d) LIC has reported that CBI has alleged that policies were booked under non-existent State Government employees under Salary Savings Scheme. Also there were cases of cheques for the premium getting dishonoured.

(e) LIC has reported that the investigation is being

carried out and appropriate action will be initiated against the staff involved in irregularities after the completion of the inquiry.

External Debt Payment Liability

867. SHRI BOLLA BULLI RAMAIAH :
SHRI M.V.V.S. MURTHY :

Will the Minister of FINANCE be pleased to state :

(a) whether the Federation of Indian Chambers of Commerce and Industry has prepared a document on "India's external Debt Payment Liability";

(b) if so, the main points raised in the document; and

(c) the reaction of the Union Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY) : (a) and (b) Yes, Sir. In a paper on India's rising external debt repayment liability and imperatives for accelerated export growth, the Federation of Indian Chambers of Commerce and Industry has made projections on India's external debt burden, debt repayment liability, export and import growth etc.

(c) The Government recognizes the need for increasing the current receipts and non-debt creating capital flows for sustainable debt management. Exports have shown remarkably high performance in recent years because of the congenial policy environment. The incentives provided by the market determined exchange rate have brought about significant improvements in the performance of invisible earnings. The policy in regard to foreign investments has been liberalized and the response has been very encouraging.

Imports have shown very high growth in recent years reflecting the strong revival of domestic industrial production and the export performance linked to exports. In the years to come, imports can be expected to record a growth rate which will be in alignment with the rate of expansion of the economy and show an increased degree of price sensitivity.

The Government is keeping a close watch on the external debt situation with a view to keeping it within prudent limits. The Government and the RBI have taken a number of measures to contain high cost external debt. These include, reduction in the interest rate and phasing out of some high cost and volatile NRI deposit.

Accounts and encouragement to corporate sector to repay high cost external debt. With the introduction a much more open approach to foreign investment, dependence on debt creating flow of capital stands reduced.

The Government have also taken number of steps to

bring about improvement in revenue receipts, to eliminate unessential and low priority expenditures and to reduce dependence on borrowed funds for financing current expenditure.

Seizure of Drugs at IGIA

868. SHRI RAM VILAS PASWAN : Will the Minister of FINANCE be pleased to state :

(a) the details of Indian links established in the drug cartel busted after arrest at Indira Gandhi International Airport in Delhi on November 12, 1994;

(b) the result of hunt for cartel operators internationally;

(c) whether origin of the heroin could be established;

(d) if so, the details thereof; and

(e) the details of the steps taken for anti-drug operation involving India?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY) : (a) A German national was arrested on 12.11.1994 at the Indira Gandhi International Airport, Delhi for carrying 8 kg Heroin in her checked-in baggage. So far no arrests have been made in India in the follow up action.

(b) to (d) As a result of concerted action in Germany and Spain, 9 persons have been arrested, 7 kg of Heroin was seized and several bank accounts have been frozen. Investigations are still in progress. The suspected source of drugs is Pakistan.

(e) Instructions have been issued to all the enforcement agencies to maintain utmost vigil and step up enforcement efforts under the stringent provisions contained in NDPS Act. Training is being imparted to officers to improve their effectiveness. Vehicles and communication equipment have been provided. A part of Indo-Pak border has been fenced. BSF and Coast Guards who are deployed on land and coastal borders have been vested with the powers under the Customs Act to interdict narcotics drugs on the border in addition to the Central and State Government enforcement agencies empowered under the NDPS Act.

National Silk Yarn Bank Scheme

869. SHRIMATI SHEELA GAUTAM : Will the Minister of TEXTILES be pleased to state :

(a) whether the Government have introduced National Silk Yarn Bank Scheme on Pilot basis for the States which are major consumer of silk yarn in the handloom sector;

(b) if so, the details thereof; and

(c) the assistance provided under this scheme since the inception, State-wise?

THE MINISTER OF TEXTILES (SHRI G. VENKAT SWAMY) : (a) to (c) A Statement is enclosed.

STATEMENT

(a) Yes, Sir.

(b) The National Silk Yarn Bank Scheme was introduced during the year 1993-94 on pilot basis in selected States namely Andhra Pradesh, Assam, Bihar, Orissa, Tamilnadu, Uttar Pradesh, West Bengal and other North Eastern States, with the objectives of making available quality silk yarn to handloom weavers at stable prices. The scheme has also been extended to Gujarat, Madhya Pradesh, Rajasthan, Karnataka, Kerala, Maharashtra and Manipur.

(c) The State-wise assistance provided under this Scheme since its inception is as under :

(Rs. in lakhs)			
Sl. State No.	1993 -94	1994 -95	Total amount
1. Andhra Pradesh	27.00	-	27.00
2. Assam	13.50	33.83	47.33
3. Gujarat	-	4.25	4.25
4. Karnataka	-	42.00	42.00
5. Kerala	-	24.245	24.245
6. Maharashtra	-	23.33	23.33
7. Manipur	-	1.225	1.225
8. Orissa	50.30	53.71	104.01
9. Tamil Nadu	25.00	56.00	81.00
10. Uttar Pradesh	54.00	16.20	70.20
11. West Bengal	24.875	25.21	50.085
12. N.H.D.C.	13.50	-	13.50
Total	208.175	280.00	488.175

Child Labour

870. SHRI R. SURENDER REDDY : Will the Minister of LABOUR be pleased to state :

(a) whether in view of the recent enunciation of "social clause theory" by the US and other European countries which have adversely affected Indian exports particularly carpets and other textile goods, the