

Greater flexibility is being introduced in pricing decisions, particularly those relating to Steel prices, petroleum product prices and coal prices.

INVESTMENTS BY NRIs

1676. Shri M. V. V. S. Murthy : Will the **Minister of Finance** be pleased to state :

(a) whether the reserve Bank of India has allowed Non-resident Indians, overseas corporate bodies and Financial Institutional Investors to invest on a repatriable basis in all activities except agriculture and plantation in India;

(b) if so, the details thereof and the number of proposals received in this regard;

(c) the reasons for not opening farm sector to foreign investors;

(d) whether the Industrial Development Bank of India has been finally cleared and is likely to be the first beneficiary after the Reserve Bank of India announcement;

(e) whether these RBI directives have encouraged Non-resident Indians and overseas corporate bodies in investing more India; and

(f) if so, the details thereof ?

The Minister of Finance (Shri Manmohan Singh) : (a) and (b) Non-resident Indians (NRIs), Overseas Corporate Bodies (OCBs) and Foreign Institutional Investor (FIIs) registered with the Securities and exchange Board of India (SEBI) have been granted general permission to make secondary market investments through Store-exchanges, on a repatriable basis; without any sectoral restraints, and within an overall ceiling of 24% of the paidup equity capital of an Indian company. As per the reports filed with SEBI by the Custodians to the FIIs, as on 30-6-1995, the cumulative net investments by 323 FIIs registered with SEBI have been US \$ 3447.6 million.

(c) It is the policy of the Government not to allow foreign investors to own agricultural land in the country.

(d) Guidelines issued by SEBI in October, 1993 provides for reservation in Public Issue upto 24% in favour of NRIs/OCBs/FIIs. Any Indian company including IDBI is therefore permitted to make reservatic in their public issue subject to the SEBI Guidelines.

(e) and (f) Total inflow against various NRI schemes as reported by the Reserve Bank of India shows an increasing trend during the last four years :

Rs. Crores			
1992	1993	1994	Jan.-June 1995
149.69	559.59	1108.31	1063.65

[Translation]

GRANT FOR BEAUTIFICATION OF TOURIST PLACES

1677. Dr. Gunvant Rambhau Sarode : Will the **Minister**

of Civil Aviation and Tourism be pleased to state :

(a) whether the Union Government propose to allocate grants for beautification of tourist places in the States to attract tourists; and

(b) if so, the amount allocated to each State for this purpose during 1995-96 ?

The Minister of Civil Aviation and Tourism (Shri Ghulam Nabi Azad) : (a) The Department of Tourism has formulated a scheme for refurbishment of monuments and improvement of their environs which includes landscaping and beautification of the area around the monuments/heritage buildings.

(b) Depending on the proposals received from the State Governments and Union Territories, amounts are sanctioned and released on the basis of interse priority and availability of funds.

SHARE OF ITDC

1678. Shri Shivraj Singh Chauhan : Will the **Minister of Civil Aviation and Tourism** be pleased to state :

(a) the share capital of India Tourism Development Corporation and the share sold along with the details of such shareholders who are having more than one per cent share;

(b) whether the ITDC propose to sell its share to financial institutions like UTI, LIC, Bank, Mutual Fund as well as to staff of ITDC;

(c) whether the Government propose to renovate its hotels with the amount so collected; and

(d) if so, the details thereof ?

The Minister of Civil Aviation and Tourism (Shri Ghulam Nabi Azad) : (a) The present share capital of ITDC is Rs. 67.5194 crores. As on date, the entire equity of ITDC is held by Government of India. In Jan., 1995, 67,51,000 shares of Rs. 10 each of ITDC were sold at a total price of Rs. 51,98,50,175. The procedure to transfer the shares certificates to the successful bidders is on hand.

(b) As regards selling of shares to financial institutions, if and when Government undertakes further disinvestment, an opportunity will be provided to all those who are eligible to hold shares in India, to apply for the shares. In so far as, the staff of ITDC is concerned, a decision has already been taken to offer a maximum of 200 shares of Rs. 10 each @ Rs. 65 per share to each eligible employee of ITDC, subject to the restriction that the total offer to the employees does not exceed 5% of the paid up capital.

(c) and (d) No, Sir. The proceeds of disinvestment (if any), are credited to the Consolidated Fund of India.

[English]

EXPANSION OF INDORE AIRPORT

1679. Shri Surajbhanu Solanki : Will the **Minister of Civil Aviation and Tourism** be pleased to state :

(a) whether the National Airport Authority of India has taken over the work of expansion of Indore Airport; and

(b) if so, by when the expansion work is likely to be completed ?

The Minister of Civil Aviation and Tourism (Shri Ghulam Nabi Azad) : (a) and (b) Airports Authority of India is developing Indore airport as a model airport with provision for customs and immigration facilities. The work as expected to be completed by December, 1996.

TAMBE COMMITTEE REPORT

1680. Shri Ram Kapse : Will the Minister of Finance be pleased to state :

(a) whether the Government have received the Report of the Tambe Committee appointed by the Reserve Bank of India to go into the causes of the deterioration financial condition of the Bank of Maharashtra;

(b) if so, the findings thereof; and

(c) the action taken thereon ?

The Minister of Finance (Shri Manmohan Singh) : (a) Yes, Sir.

(b) and (c) Reserve Bank of India (RBI) has reported that recommendations made by the Committee on the various aspects of Bank of Maharashtra's functioning are in the following areas :

1. Financial restructuring
2. Leadership and direction
3. Organisational structure
4. Deposits, credit and other business operations
5. Human resources management
6. Key processes and systems.

RBI is examining the recommendations of the Committee.

FIRMS MISUSING VABAL SCHEME

1681. Shri Mohan Rawale : Will the Minister of Finance be pleased to refer to the reply given to Unstarred Question No. 911 on July 29, 1994 regarding raids on firms misusing VABAL scheme and state;

(a) the action taken so far by the Director General of Foreign Trade against the firms for misusing VABAL scheme;

(b) the amount of tax recovered from each of these firms on the tax avaded income of Rs. 5.31 crores as disclosed by these firms;

(c) whether any arrests have been made in this case;

(d) if so, the details thereof; and

(e) if not, the reasons therefor ?

The Minister of Finance (Shri Manmohan Singh) : (a) The investigations against the firms misusing VABAL scheme have been initiated.

Penal action under the Foreign Trade (Development & Regulation) Act can be taken only after completion of the investigations.

(b) The relevant assessments have not been completed and therefore taxes on evaded income have not been realised. One of the firms, namely, Padmini Polymers Limited has, however, paid Rs. 25 lakhs.

(c) No, Sir.

(d) Question does not arise.

(e) Investigations have not been concluded.

LEASE OF RESTAURANTS AND BARS BY ITDC HOTELS

1682. Shri Tarit Baran Topdar : Will the Minister of Civil Aviation and Tourism be pleased to state the revenue earned from the leasing of restaurants and bars attached to ITDC hotels to private operators during each of the last three years ?

The Minister of Civil Aviation and Tourism (Shri Ghulam Nabi Azad) : The revenue earned by ITDC leasing out the Restaurants in various during each of the last three years is as under :

Year		Revenue Earned (Rs. in lakhs)
1992-93	—	86.33
1993-94	—	83.85
1994-95	—	121.46 (Prov.)

ITDC has not leased out any Bar in any of its Hotels.

HOARDING OF JUTE

1683. Shri Chitta Basu : Will the Minister of Textiles be pleased to state :

(a) whether there has been large scale hoarding of the raw jute in West Bengal causing abnormal rise of raw jute prices;

(b) if so, the details thereof;

(c) the steps taken to stop this practice ?

The Minister of Textiles (Shri G. Venkat Swamy) : (a) to (c) There was an increase in prices of raw jute during the last quarter of the 1994-95 jute season primarily because of mismatch between supply and demand. This was accentuated by uncertain crop prospects for 1995-96 season due to adverse weather at showing time and consequently, the anticipated delayed arrival of the crop in the market. In order to curb the upward tendency in raw jute prices, at that time, several steps were taken by the Government; viz :