

out-standing against each of them. I would also like to know that on which level the Committee has been formed and by when these matters would be settled.

SHRIMATI KANTI SINGH : The Bihar Electricity Board owes Rs. 80.99 crores as on 31.12.96. Out of this, the disputed amount is Rs. 30.7 crore and the undisputed amount is Rs. 50.29 crore. As on 30.6.97, the total dues were to the tune of Rs. 133.26 crore. Uttar Pradesh Electricity Board owes Rs. 390.76 crore. Punjab State Electricity Board owes undisputed amount of Rs. 59.68 crore. Tamil Nadu State Electricity Board owes Rs. 70.83 crore, Haryana State Electricity Board owes Rs. 47.06 crore, Rajasthan State Electricity Board owes Rs. 14.55 crore, Maharashtra State Electricity Board owes Rs. 116.76 crore, Madhya Pradesh State Electricity Board owes Rs. 80.92 crore, Gujarat State Electricity Board owes Rs. 244.49 crore, West Bengal Electricity Board owes Rs. 7.9 crore, Andhra Pradesh 02% and West Bengal Power Development Corporation owes Rs. 117.19 crore as undisputed amount.

MR. DEPUTY SPEAKER : It is enough.

DR. LAXMINARAYAN PANDEY : Mr. Deputy Speaker, Sir, while mentioning the outstanding amount against the various States, the Hon'ble Minister has also mentioned the outstanding amount against Madhya Pradesh. I want to know from the Hon'ble Minister through you that whether this outstanding amount is a disputed amount for which adjudicator has been appointed and he has been unable to settle the matter. Whether it is a fact that this amount is outstanding because of the low quality of Coal supplied by C.I.L. What action has been taken against the officer who was found responsible for the supply of such disputed coal?

SHRIMATI KANTI SINGH : Mr. Deputy Speaker, Sir, our total dues upto 31.12.96....

MR. DEPUTY SPEAKER : He has inquired about Madhya Pradesh.

SHRIMATI KANTI SINGH : Mr. Deputy Speaker, Sir, we have appointed many umpires to take a decision in regard to Rs. 603.00 crore and the disputed dues will be settled shortly.

MR. DEPUTY SPEAKER : He has asked that whether the supplied coal was of low quality ?

SHRIMATI KANTI SINGH : We have written to the States for joint sampling, for which many States do not agree. Many of them have gone to courts about joint sampling and the court have also stated that there should be joint sampling at the loading point of C.I.L. and some States do not agree to it also. So far as the supply of low quality coal is concerned, efforts have been made to improve the quality through various methods. This is correct that our officers are looking into this dispute.

[English]

SHRI ANADI CHARAN SAHU : Sir, sub-standard coal is

being supplied to the power plants located in and around Talcher, Orissa. 'Sub-standard' will be a very harsh word. It is non-specification coal by Coal India. I would like to know, because of the supply of non-specification coal supplied whether disputes have been raised by these power plants as a results of which bills are not being paid. If that be so, what steps the Ministry is taking to settle these disputes?

[Translation]

MR. DEPUTY SPEAKER : She has already mentioned the steps taken to settle these disputes.

SHRIMATI KANTI SINGH : Mr. Deputy Speaker, Sir, so far as the problem of low quality coal is concerned, the Coal Companies are setting up coal handling plants to solve the problem.

12.00 hrs.

So that the coal to be supplied be uniform in size. The total capacity of C.H.P. in 1995-96 was 223.5 million tonne which was increased to 240.74 million tonne in 1996-97. We are trying to increase its capacity further. Besides, to redress the weight grievances, we have about 124 electrical and mechanical weighing centres at our rail loading points which also have the facility of electronic print out. As have been asked about specific power plant, I will conduct an inquiry into it.

[English]

SHRI ANADI CHARAN SAHU : Sir, that is not answer.

WRITTEN ANSWERS TO QUESTIONS

[English]

Illegal Transaction of Foreign Exchange

*141 SHRI RAM KRIPAL YADAV :

SHRI MOHAMMAD ALI ASHRAF FATMI :

Will the Minister of FINANCE be please to state:

(a) whether the Government have detected any cases of illegal transaction of foreign exchange in the country during the last six months;

(b) if so, the details and the number thereof ?

(c) the amount of foreign exchange recovered during the above period, State-wise; and

(d) the steps taken by the Government to check the illegal transaction of foreign exchange?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (c) : Zone-wise figures of cases taken up for investigations and the amount of foreign exchange recovered during the last six months by the Enforcement Directorate are as under :-

| Zone | No. of case detected during January to June, 1997 | Amount of foreign exchange recovered (Rs. in lakhs) |
|--------------|---|---|
| Delhi | 432 | 31.05 |
| Mumbai | 506 | 78.70 |
| Calcutta | 384 | 4.36 |
| Chennai | 629 | 51.29 |
| Jalandhar | 222 | 29.59 |
| Ahmedabad | 327 | 49.27 |
| Bangalore | 18 | 0.00 |
| Total | 2518 | 244.26 |

The data are not maintained State-wise.

In addition to the above seizures, Customs Field Formations and Directorate of Revenue Intelligence (DRI) also detected 1035 cases of attempt to smuggle out foreign exchange worth 33.39 crores which amount was seized by them. State-wise break up to seizures is given below :-

| State | Value of Foreign Exchange (Figs. are provisional) | (Rs. in Lakhs) |
|----------------|---|----------------|
| Andhra Pradesh | 15.56 | |
| Assam | 5.60 | |
| Delhi | 307.40 | |
| Gujarat | 65.14 | |
| Karnataka | 19.55 | |
| Kerala | 114.20 | |
| Maharashtra | 1486.53 | |
| Meghalaya | 5.19 | |
| Mizoram | 1.70 | |
| Punjab | 51.48 | |
| Rajasthan | 0.15 | |
| Tamilnadu | 1044.98 | |
| Tripura | 11.51 | |
| West Bengal | 210.86 | |
| Total | 3339.85 | |

(d) The Government maintains a strict vigil to keep a check on illegal transactions of foreign exchange. Appropriate action as envisaged under the law is taken as and when such cases are detected.

Reduction of Bank Rate by RBI

*145. SHRI RAJKESHAR SINGH : Will the Minister of FINANCE be pleased to state :

- whether the Reserve Bank of India has recently reduced the rate of interest;
- if so, the details thereof;
- whether this measure is likely to give a boost to the industrial activity in the country; and
- the impact of reduction in interest rate on the profitability of the banks?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) With a view to aligning the bank rate to the changing economic conditions, the Reserve Bank of India (RBI) reduced the bank rate by one percentage point from 11 per cent per annum to 10 per cent annum with effect from the close of business on June 25, 1997. All interest rates on advances from the Reserve Bank such as export credit refinance, and general refinance to banks which are specifically linked to the bank rate were also revised downwards.

(c) and (d) Interest rate is one among several factors responsible for influencing industrial activity. Cost of credit forms one part of the total cost of operations and therefore lowering of interest rates would influence investment Sentiment and thereby the industrial activity. There are, however, other factors, such as infrastructural support, availability and cost of raw materials, pick up in overall demand and flow of funds from the non-banking sources, which together wield a strong influence on the level of industrial activity.

Profitability of banks is dependent mainly on the spread available to them between the average cost of funds and the average earnings on their deployment besides other factors such as the levels of non-performing assets, provisioning requirements and cost of operations. To the extent the spread between the cost and earnings is maintained by lowering interest rates offered on deposits in line with lowering of lending rates, bank's profitability may not be adversely affected.

Bank Loan for Higher Education

*146. SHRI SHANTILAL PARSOTAMDAS PATEL:
SHRI RADHA MOHAN SINGH :

Will the Minister of FINANCE be pleased to state:

- whether some nationalised Banks have launched schemes of financial loans to students for higher studies in and outside India;
- If so, the details thereof alongwith conditions etc. of such loans;
- the details of such loans granted for studies in India and abroad, separately, during the last three years, year-wise and bank-wise; and