

Pakistan, Turkey, China, Saudi Arabia, Taiwan and United Arab Emirates.

(c) Yes, Sir,

(d) Agreements have been signed with Steel Mills of Japan for export of about 21 Million Tonnes of Iron Ore during 1985-86. Discussions with other major buyers for export of Iron Ore during 1985-86 are in progress.

Import of Newsprint

256 SHRI CHINTAMANI JENA : Will the Minister of COMMERCE AND SUPPLY be pleased to state :

(a) whether the price if imported standard newsprint has been increased;

(b) if so, how much and the reasons therefore ;

(c) the quantity of newsprint imported during the year 1984 to meet the demand of newsprint in the country;

(d) the quantity likely to be imported during 1985 and the names of countries from whom the import is being made;

(e) the amount involved for the import of newsprint yearly; and

(f) the steps being taken to increase the production of newsprint within the country to meet the demand ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND SUPPLY (SHRI P.A. SANGMA):

(a) The sale price of imported newsprint for January-March 1985 (excluding customs duty) has been increased.

(b) The increase is Rs, 180/- PMT (excluding customs duty). As compared to the previous quarter, however, element of customs duty was reduced from Rs. 825/- PMT to Rs. 550/- PMT.

Increase in price was on account of higher import cost due mainly to the adverse fluctuations in the Rupee-Dollar

exchange rate and increase in freight on shipments from USSR from January, 1985.

(c) 219224 Mt newsprint was imported during 1984.

(d) The overall import plan for 1985-86 has not been finalised.

(e) The CIF cost of newsprint imported during 1984 is approximately Rs. 123 crores.

(f) The indigenous production of newsprint has been increasing from year to year. Further, additional capacity has been licensed/approved to the extent of 5,0,3000 tonnes, which is at various stages of implementation-

Offer by Indian Businessmen in Hongkong for Investment in Andamans

258 SHRI K. PRADHANI : Will the Minister of COMMERCE AND SUPPLY be pleased to state :

(a) whether some Indians businessmen in Hong Kong have offered/invest in India and suggested a free port in Andamans; and

(b) if so, Government's reacting thereto and the measures which Government propose in take in this direction ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND SUPPLY (SHRI P.A. SANGMA):

(a) Some interest has been shown by some of the Non-Resident Indians for investment in Andamans.

(b) No decision has been taken in this regard.

Impact of Dollar Rise on Indian Export

259 SHRI K. PRADHANI : Will the Minister of FINANCE be pleased to state :

(a) whether his attention has been drawn to the news item captioned "Rise of dollar may hit India hard" appeared in the 'Statesmen', New Delhi on 2nd March, 1985;

(b) if so, whether Government have examined the repercussion of the dollar's rise in the world's exchange markets in relation to Indian rupee, which has resulted in its unprecedented depreciation and its impact on India's economy and foreign trade; and

(c) the steps Government propose to take to meet the situation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Yes, Sir.

(b) and (c) The impact of the depreciation of the Indian rupee against the U.S. dollar on India's foreign trade depends on many factors, such as the price responsiveness of demand for India's exports to the U.S. and of India's imports from the U.S., the price-responsiveness of the supply of India's exports to the U.S., the relative depreciation in the currencies of India's competitors in the U.S. market, and the relative rates of inflation in India and her competitors with respect to the U.S. As a result, it is not feasible to assess the exact overall effect of fluctuations in the rupee/dollar exchange rate on India's economy and trade.

In a regime of floating exchange rates for major international currencies, movements in the exchange rate of the rupee with respect to other foreign currencies are unavoidable and no specific action is called for at present.

Revision of Guidelines for Approval by Joint Ventures Abroad

260 **SHRI K. PRADHANI :** Will the Minister of **COMMERCE AND SUPPLY** be pleased to state :

(a) whether in view of the poor performance of some of the Indian joint ventures abroad Government propose to revise the guidelines for joint ventures and provide for a penalty clause to curb non-performance by Indian joint ventures and, prevent the high rate of mortality;

(b) if so, the broad outlines of the guidelines; and

(c) whether he will lay on the Table a statement showing the particulars of such joint ventures abroad; the names of the countries and the Indian participants, their nature of business; total Indian investment in terms of liquidity; machinery and equipment and technical know-how etc. information available with the Ministry?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND SUPPLY (SHRI P.A. SANGMA) : (a) to (c) The Government have not yet taken a view in the matter.

Involvement of Calcutta Branches of Bank of Baroda in 6 crore Fraud Case

261 **SHRI SANAT KUMAR MANDAL :** Will the Minister of **FINANCE** be pleased to state :

(a) the details of the Rs. 6 crore fraud case involving the three Calcutta Branches of the Bank of Baroda;

(b) whether there exist any guidelines issued either by his Ministry or the R.B.I. in the matter of making such huge advances loans; if so, the details thereof; and

(c) whether any investigation has been ordered into this case and responsibility fixed for the fraud and the nature of action taken to make good the loss of public money?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :

(a) Shri R.K. Jain, S.K. Poddar and J.P. Poddar, in collusion among themselves and in connivance with some officials of Bank of Baroda at its different branches in Calcutta, managed to obtain large credit facilities, indulged in fraudulent transactions and siphoned off large sums initially through cheque purchase facilities in the nature of kite flying and group transactions and subsequently through letters of credit facilities granted to them. The three branches of the bank at Calcutta had also co-accepted the bills to facilitate their discounting through other banks in Calcutta. In addition, overdrafts in