

(d) whether Tobacco Board has carefully stipulated conditions for their entry;

(e) if so, the details thereof; and

(f) the impact of this on the domestic market?

THE MINISTER OF COMMERCE (SHRI RAMKRISHNA HEGDE) : (a) Yes, Sir.

(b) and (c) Under the new Industrial Policy, trading companies involved in exports are permitted foreign equity subject to dividend balancing by an equivalent amount of export earnings over 7 years with effect from the date of commercial production.

(d) and (e) Some of the conditions recommended by the Tobacco Board, inter alia, include commitment for enhancing tobacco exports; development of high value tobacco; development of tobacco in new areas, and exports of tobacco products and cigarettes.

(f) Entry of foreign companies is likely to lead to enhance competition, modernisation, quality upgradation, improvement in packaging, enhanced exports of value added products and development of high value tobaccos.

Inter-Ministerial Committees for FDI

2088. SHRI GIRAJALA VENKAT SWAMY NAIDU : Will the Minister of INDUSTRY be pleased to state :

(a) the role of Inter-Ministerial Committees in formulating policies with regard to industry and foreign equity;

(b) the manner in which such Inter-Ministerial Committees are set up;

(c) the number of recommendations received by the Government with regard to industrial investment-policies during the last three months; and

(d) the details of such recommendations with regard to Foreign Direct Investment?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) to (d) The Foreign Investment Promotion Board which is a high powered Inter-Ministerial Committee has been set up with the objective of promoting inflow of foreign direct investment (FDI) into India - (i) by undertaking investment promotion activities; and (ii) through facilitating investment in the country by international companies, non-resident Indians (NRIs) and other foreign investors in projects which are considered to be of benefit to the Indian economy but do not qualify for automatic approval by the Reserve Bank of India (RBI) and/or are outside the parameters of the existing policy for clearance of investment proposals. The Board shall consider all investment proposals with or without technical collaboration and/or industrial licence.

The Board inter-alia ensures expeditious clearance of the foreign direct investment proposals; periodically reviews the

implementation of FDI projects; undertakes review on a continuous basis of the general and sectoral policy regimes relating to Foreign direct investment (FDI) in consultation with Administrative Ministries and other concerned agencies and evolves a set of transparent guidelines for facilitating foreign investment in various sectors.

Tobacco Export

2089. DR. RAVI MALLU : Will the Minister of COMMERCE be pleased to state :

(a) whether a significant increase in tobacco exports is expected during the next five years;

(b) if so, the details thereof;

(c) whether Tobacco Board has agreed to finance thousands of new tobacco units in Andhra Pradesh; and

(d) if so, the details thereof?

THE MINISTER OF COMMERCE (SHRI RAMKRISHNA HEGDE) : (a) and (b) It is not possible to project the expected exports of tobacco in the global market during the next five years as no reliable estimates of International demand and consumption are available. The exports of Indian tobacco would depend upon international demand and supply position, carryover stocks in international and domestic markets, domestic demand and international and domestic prices;

(c) No, Sir.

(d) Does not arise.

Mismanagement in Mahe, Pondicherry

2090. SHRI S. ARUMUGHAM : Will the Minister of TEXTILES be pleased to state :

(a) whether the Government are aware that the textiles mill at Mahe under the control of N.T.C. is mismanaged and the mill is at loss; and

(b) if so, whether the Government propose to take suitable action to prevent the malpractice and loss in Mahe Textile Mill in Pondicherry?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA) : (a) and (b) NTC has one mill at Mahe, namely Cannanore Spinning & Weaving Mill (CSWM) which is under the control of NTC (APKK&M) Ltd., Bangalore. The mill has been incurring losses continuously due to non-viability of its operations and continued shortage of working capital. On the basis of a unit wise viability study made by NTC, Government is considering a revised turn around strategy for the viable subsidiaries of NTC alongwith the viable mills under them, keeping in view the BIFR norm of the net worth of these mills turning positive within the period prescribed by the BIFR. The interest of the workers will be kept in view in the revival plan.

There have been some general complaints alleging mismanagement in Cannanore Spinning & Weaving Mills which have not been substantiated.