

Dunlop India Limited

768. SHRI BASUDEB ACHARIA: Will the Minister of FINANCE be pleased to state:

(a) whether the State Bank of India and United Bank of India have submitted before BIFR that the Dunlop India Limited turned into a sick company on account of diversion of funds and not because of its actual operations;

(b) if so, the amount involved in such diversion of funds;

(c) the areas where the funds have been diverted; and

(d) the steps taken by the Government to recover the diverted funds and use them for the revival of the unit?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) to (d) Dunlop India Limited (DIL) was registered with the Board for Industrial and Financial Reconstruction (BIFR) on 3.2.98. As regards the submission by State Bank of India (SBI) and United Bank of India (UBI) relating to the genuineness of certain entries etc. in the accounts of DIL, BIFR in the hearing held on 31.3.98, appointed IDBI under section 16(2) of Sick Industrial Companies (Special Provisions) Act, 1985(SICA) to look into the accounts of the company and submit status report. BIFR, thereafter in its meeting held on 22.6.98 as per provisions of SICA declared DIL a sick unit and appointed Industrial Development Bank of India (IDBI) as the Operating Agency (OA) to examine the viability of the company and submit a scheme for its rehabilitation. The orders of the BIFR have been stayed by the Appellate Authority for Industrial and Financial Reconstruction (AAIFR). Further action in the matter will be taken by the AAIFR/BIFR as per provisions of SICA.

Accident in Ling Raj Project of MCL

769. SHRI RAVINDRA KUMAR PANDEY: Will the Minister of COAL be pleased to state:

(a) whether Coal handling plant in Ling Raj Project in Sambalpur mines under Mahanadi Coalfields Limited was damaged entirely on July 21,1998;

(b) if so, the details thereof;

(c) the causes of accident and the number of persons died in this accident; and

(d) the action taken against the persons found guilty, alongwith the details of compensation provided to the deceased?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY): (a) to (c) Out of five mini coal handling plants only the bunker of one mini coal handling plant No. 1 in Lingraj project of Mahanadi Coalfields Ltd collapsed on 21.7.98 due to failure of supporting structures. The supporting structures buckled and fell on the North-West side over a tipping truck which was under process of loading. In the accident two persons were fatally injured.

(d) It has been reported by Coal India that on the basis of the enquiry conducted by the Internal Safety Organisation show-cause notices have been issued to five executives and one supervisor. Apart from ex-gratia payment of Rs. 10,000/- for each deceased, compensation as per Workman Compensation Act, 1923 has been paid as per details below:—

1. Bibhoo Pd. Sahu	Rs. 2,09,920/-
2. Laxman Naik	Rs. 2,15,280/-

Lignite Deposit in Cauvery Basin

770. SHRI M. SELVARASU: Will the Minister of COAL be pleased to state:

(a) whether good quality of lignite deposits have been found in the Cauvery basin in Mannargudi;

(b) if so, whether there is any proposal to set up third unit of Neyveli Lignite Corporation in Mannargudi to fully utilise newly found lignite deposits;

(c) if so, the progress made so far in the land acquisition proceedings in this regard; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY): (a) Lignite deposits have been found in Mannargudi. The quality is as under:—

(i) Moisture	40-50%
(ii) Ash	4-12%
(iii) Volatile matter	18-23%
(iv) Fixed Carbon	17-22%
(v) Calorific Value	2200-3200 K.Cal./Kg
(vi) Bulk density	1.15-1.20 gm/cc
(vii) Total Sulphur	0.7-1.4%

(b) No, Sir. Neyveli Lignite Corporation does not propose to open any mine in Mannargudi in the near future, since detailed exploration of the deposits is not yet complete.

(c) and (d) Does not arise in view of (b) above.

Refinance Scheme by R.B.I.

771. DR. T. SUBBARAMI REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has announced a refinance scheme for banks against their development of Resurgent India Bonds proceeds in Government securities;

(b) if so, the details thereof;

(c) whether the R.B.I. proposes to provide a special liquidity support finance facility upto limits specified for each bank;

(d) if so, the details thereof; and

(e) the name of banks to which this facility is likely to be provided and to what extent these facilities are likely to help these banks for better performance?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) to (e) Reserve Bank of India had announced in September 1998 a Special Liquidity Support Facility to eligible banks under Section 17(4) (1) of RBI Act, 1934 by way of refinance to those scheduled commercial banks which would be temporarily deploying the rupee resources

available against Resurgent India Bonds (RIB) in Government Securities sold by RBI through the Open Market Operations (OMO) of the Bank on or after September 17, 1998 in excess of SLR requirements. This facility is available to banks for two blocks of four weeks each and at the end of eighth week, banks have to adjust their entire outstandings under this facility. Banks are not provided any refinance under the facility for two weeks thereafter. Rate of interest for the first block of four week is Bank rate (9.0 per cent per annum at present) and for the next block of four weeks it is Bank Rate plus one percentage point (10.0 per cent per annum). This will remain in force only upto March 31st, 1999.

The facility has been provided to the following banks. This facility would enable the banks to tide over their unanticipated temporary liquidity problems.

1. State Bank of India.
2. ABN Amro Bank.
3. Abu Dhabi Commercial Bank.
4. ANZ Grindlays Bank.
5. Bank of America.
6. British Bank of Middle East.
7. Citibank.
8. Credit Lyonnais.
9. Hongkong Bank.
10. Standard Chartered Bank.
11. Bank of Bahrain & Kuwait.
12. Barclays Bank.
13. Credit Agricole Indosuez.
14. Mashreq Bank.
15. Oman International Bank.
16. Global Trust Bank.
17. HFDC Bank.
18. ICICI Banking Corp.
19. Indusland Bank.