

efforts are being made for expeditious allotment of PAN to all applicants. Complaints received by the Department regarding non-issuance of PAN are Being attended to.

[English]

Assistance to Essar Steel by Financial Institutions

3886. SHRI C.D. GAMIT: Will the Minister of FINANCE be pleased to state:

(a) whether financial institutions are being pressured to provide substantial financial assistance to Essar Steel in order to bail them out from the present crisis;

(b) whether no concrete study has been made in the affairs of the company with a view to assure safeguards for the proposed financial investments of the Financial Institutions in the company;

(c) if so, the reasons for departing from the policy guidelines set for the financial institutions in the matter of investments in the corporate sectors;

(d) whether attention of the Government has also been drawn to the news-item captioned "Government pressures FIs on steel company bailouts" appearing in "The Indian Express" dated January 15, 1999;

(e) if so, the facts of the matter reported in the news paper and the reasons for imposing compulsions on financial institutions; and

(f) the steps the Government propose to take to clear the depressing impression on the minds of investors including financial institutions?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) No, Sir. The sanction of financial assistance or restructuring of loans is decided by the financial institutions concerned based on their considered commercial judgement and RBI guidelines on the subject.

(b) and (c) Financial Institutions have reported that in the context of problems being faced by the steel industry, large steel projects (including Essar Steel) which are at advance stage of implementation have been reviewed by them. FIs have considered it essential that the long term viability of these projects be reassessed and need based assistance be provided to them to ensure early completion of projects if the projects were found viable. Also that the need-based reliefs and assistance be provided to assisted steel projects, subject to necessary safeguards, including inter-alia strict financial discipline in the part of promoters, close control over end use of funds, tighter norms for financing and adherence to guidelines laid down by RBI regarding asset classification and income recognition.

(d) Yes, Sir.

(e) and (f) No compulsions are imposed on financial in-

stitutions and sanction of financial assistance is decided in accordance with procedure stated at (a) above.

[Translation]

Discount Schemes on Tin Plates

3887. PROF. RITA VERMA: Will the Minister of STEEL AND MINES be pleased to state :

(a) whether discount scheme for the sale of tin plates by Steel Authority of India were launched and if so, when and the period thereof;

(b) the details of schemes launched during 1997-98 and 1998-99;

(c) the reason of launching the discount schemes; and

(d) the amount of discount given on the sale of tin plates and the market price of tin plates during that period alongwith the discount schemes, separately?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS) : (a) to (d) Steel Authority of India Limited (SAIL) offers marketing incentives in the form of rebates/other commercial terms to improve the sales of its products in a competitive market. These schemes are generally linked with quantity. The extent of incentive depends on several factors such as market conditions, overall demand, availability, stock situation, competitor's activities, seasonality and other local factors etc. However, other details are commercially sensitive in nature, therefore, it may not be possible to reveal them.

[English]

Floor Price for Rubber

3888. SHRI SURESH KURUP : Will the Minister of COMMERCE be pleased to state :

(a) whether the Government are aware that the rubber growers have been constantly demanding for fixation of floor price for rubber; and

(b) if so, the reaction of the Government thereto?

THE MINISTER OF COMMERCE (SHRI RAMA-KRISHNA HEGDE) : (a) and (b) Price of Rubber is basically determined by demand and supply factors. Since Government of India is taking all possible measures to help the rubber growers to get remunerative price for their produce, fixation of floor price of rubber is not warranted.

Comparison of FDI Inflow

3889. SHRI NADENDLA BHASKARA RAO : Will the Minister of INDUSTRY be pleased to state :