

include, subdued export growth, slow down in investment and sluggishness in demand. The sectors which were adversely affected are commercial vehicles, capital goods, sugar, steel, auto ancillary, newsprint, sewing machines, electrical fans and leather and fur products.

(c) The mid-year reviews were conducted to identify areas of concern. As a consequence, certain initiatives have been taken. Bank rate has been brought down by 1 per cent and action has been initiated to increase investment in infrastructure sectors particularly, power, mining etc. This is expected to provide increased demand for the industrial sector. Dialogue will be continued with Industry Associations to identify measures to stimulate growth.

[Translation]

Royalty rates of Coal

*54. SHRI RAMANAND SINGH :
SHRI G. GANGA REDDY :

Will the Minister of COAL be pleased to state :

(a) the established conventions to stipulate the rates of coal royalty;

(b) whether the Government have received any representations regarding discrimination in distribution of coal royalty;

(c) if so, the details thereof;

(d) whether the study group constituted to review the royalty rates of coal had submitted its report to the Government in September, 1997;

(e) if so, the details of recommendations of the study group;

(f) whether according to recommendations of the study group the new rates were to be notified by October, 1997;

(g) if so, the reasons for delay in notifying the recommended rates within the stipulated time; and

(h) the time by which new rates are likely to be notified?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY) : (a) Since 1968 the royalty rates on coal have been stipulated on tonnage basis.

(b) and (c) In addition to royalty on coal, several State Governments had in the past imposed cesses on coal. The Acts imposing such cesses had been struck down by the Supreme Court and the High Courts except in the case of West Bengal the Cess Acts of the State are pending the decision of the Supreme Court. As the cesses in West Bengal are levied at a rate much higher than the royalty on

coal, the rates of coal royalty introduced in August, 1991 are continuing in the State of West Bengal. A representation from the Government of West Bengal requesting for the extension of coal royalty at the current rates has been received.

(d) to (f) The Ministry of Coal had constituted a Study Group on 28.1.97 to interact with the coal producing States and the consuming bodies and to submit a report on the matter for assisting the Government in considering a revision in the rates of royalty. It is beyond the purview of the Group to suggest any specific date for the introduction of new royalty rates. The recommendations of the Group are under consideration of the Government.

(g) and (h) The Mines and Minerals (Regulation & Development) Act, 1957 does not contemplate the automatic revision of royalties on minerals after any specified period. However, it provides that no upward revision of rate of royalty with respect to any mineral can be done more than once during any period of three years. In fact in the decade 1981-91 the Central Government did not revise the royalty rates on coal at all.

[English]

Disbanding of FIPB

*55. SHRI K.C. KONDAIAH : Will the Minister of INDUSTRY be pleased to state:

(a) whether the Government are considering disbanding of Foreign Investment Promotion Board (FIPB) and preferring case-by-case approach in giving approval to foreign direct investment proposals; and

(b) if so, the details thereof and if not, the steps proposed to be taken to ensure greater inflow of foreign direct investment in Industries?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) No, Sir. No such proposal is under consideration.

(b) Detailed guidelines for the consideration of Foreign Direct Investment (FDI) proposals by the FIPB are already in place. The guidelines endeavour to provide a time-bound, transparent, non-discriminatory and non-discretionary FDI regime to attract greater inflows of foreign capital.

The policy towards FDI is a dynamic one, which is aimed at progressively liberalising the FDI regime with a view to encouraging foreign investments.

Amount Collected through VDIS

*56. SHRI TATHAGATA SATPATHY : Will the Minister of FINANCE be pleased to state:

(a) the total amount collected through the Voluntary Disclosure of Income Scheme (VDIS) during 1997-98;