

LOK SABHA DEBATES (English Version)

**Ninth Session
(Tenth Lok Sabha)**



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LOK SABHA DEBATES

LOK SABHA

Q.No. 581, Dr. Parshuram
Gangwar.

Friday, May 6, 1994/
Vaisakha 16, 1916 (Saka)

11.01 hrs

**ORAL ANSWERS TO
QUESTIONS**

*The Lok Sabha met at
Eleven of the Clock*

[Translation]

Sick Public Sector Undertakings

[MR. SPEAKER *in the Chair*]

+
*581. DR. PARSHURAM
GANGWAR:
SHRI INDRAJIT GUPTA:

[Translation]

*SHRI C. K. KUPPUSWAMY (Coimbatore): Hon'ble Speaker, Sir, I wish to inform the House that Shri Muthupandian, the Editor of Dinakaran the Tamil daily has been arrested in Tamil Nadu as per the orders issued by the Speaker of the Tamil Nadu Legislative Assembly. It has now derailed. Law and Order maintenance in Tamil Nadu is in a very bad shape now.

Will the Minister of FINANCE be pleased to state:

(a) whether the public sector banks and financial institutions provide adequate funds/facilities to the sick Public Sector Undertakings as per the guidelines of the Reserve Bank of India/Board for Industrial and Financial Reconstruction;

Hon'ble Speaker, Sir, I request you to intervene in the matter of the arrest of Shri Muthupandian, the Editor of Dinakaran—the Tamil daily. You may kindly ensure his release at the earliest. The journalist must be released immediately.

(b) if not, the reasons therefor and the banks/financial institutions which have been found violating the guidelines in this regard; and

(c) the steps taken or proposed to be taken by the Government to revive the sick Public Sector Undertakings?

[English]

[English]

MR. SPEAKER: You may raise it later. on. Afterwards please.

THE MINISTER OF STATE IN THE
MINISTRY OF FINANCE (SHRI M.V.)

CHANDRASHEKHARA MURTHY): (a) to (c). A *Statement* is laid on the Table of the House.

STATEMENT

(a) and (b). As per provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), sick public sector companies are required to be referred to the Board for Industrial and Financial Reconstruction (BIFR) for determination of remedial and other measures which need to be taken in respect of such companies. Where a scheme for rehabilitation of a company is sanctioned by BIFR under Section 17(2) and 19(4) of SICA, public sector banks/financial institutions provide facilities in terms of the sanctioned scheme. In other cases, banks/financial institutions extend need-based support and allow 'holding-on' operations on a case to case basis.

(c) Several steps have been taken by the Government to improve the functioning of the sick Public Sector Undertakings. These, *inter alia*, include efforts being made by administrative Ministries to evolve restructuring of financial and managerial base to bring economy in operations, periodic performance review meetings to review the performance of the enterprises in relation to the revival measures taken up efforts being made by the administrative Ministries to bring in professionalisation of the Board of Directors, reduction of surplus manpower through voluntary retirement, schemes, technology upgradation through research and development, diversification of product-mix and improved maintenance management practices.

Government policy relating to sick public sector industries was announced

as a part of the Industrial Policy of 24th July, 1991 which, *inter alia*, included reference of chronically sick public sector enterprises to the BIFR. Accordingly, the SICA was amended in December 1991 to bring sick public sector companies within the purview of BIFR.

Government have also recently constituted a Group of Ministers to periodically review the performance of public sector enterprises, particularly sick enterprises.

[Translation]

DR. P. R. GANGWAR: Mr. Speaker, Sir, I would like to ask the hon. Minister whether the Government has taken a decision to refer sick Public Sector Undertakings to the Board for Industrial and Financial Reconstruction under Sick Industrial Companies Act 1985? If so, the total number of sick units at present and the number of units referred to BIFR?

I would also like to know the names of the Institutions or Banks which have violated the rules? The action taken against them and whether National Renewal Fund has been set up by the Government to protect the interests of the affected workers of the sick units and the extent to which economic assistance will be provided from this fund?

[English]

SHRI M.V. CHANDRASHEKHARA MURTHY: As per provisions of the Sick Industrial Companies Act, sick public sector companies are required to be referred to the Board for Industrial and Financial Reconstruction for determination of remedial and other measures.

As on 31.03.94, there were about 111 cases for sick public sector companies registered with the BIFR; out of which, 49 companies are central PSUs and 62 are of the State PSUs. So far, the rehabilitation schemes have been sanctioned in two cases and winding up has been recommended in four cases and 22 cases have been dismissed as non-maintainable. Fourteen companies have been issued winding up notices. A draft scheme has been circulated in five cases.

When the scheme was formulated by the BIFR. We have issued regular instructions to the public sector banks and financial institutions regarding the complaints of the rehabilitation schemes of those units.

[Translation]

DR. P. R. GANGWAR: Mr. Speaker, Sir, I would like to know whether Board for Industrial and Financial Reconstruction has recommended to wind-up three sick public sector units viz. National Bicycle Corporation of India Ltd., Cycle Corporation of India Ltd. and Waybird India Limited? Whether the Government is contemplating to give a part of the ordinary equity shares of these public undertakings to them? If so, the time by which a declaration would be made by the Government in this regard?

[English]

SHRI M. V. CHANDRASHEKHARA MURTHY: Sir, the case relating to National Bicycle Corporation of India Limited was referred to BIFR. Under Section 21(a) the case relating to National Bicycle Corporation of India Limited is before the BIFR. And in respect of seven cases, winding up notices have been issued.

The case relating to Waybird India Limited has been stayed by the High Court.

SHRI INDRAJIT GUPTA: Sir, there are many reasons, many factors, which are held to be responsible for some of these public sector undertakings being declared as sick. It is the Government's policy, which is making these healthy undertakings sick and then to get them closed down? I cannot go into a long dissertation now. There are many public sector undertakings which are facing crisis because they are being deprived of orders from the Government. We all know very well about the wagon builders. The question about the railway wagon builders has come up here one hundred times. The Railways Ministry is refusing to give any more orders. They will be declared sick, go to the BIFR and be asked to be closed down. Who is responsible? They are perfectly units. Take in Kanpur, TAFCO, which makes boots for the Army, for the Armed Forces. There was a decision that at least 50 per cent of the production has to be bought by the Government for the Army. But what do we find? Those orders are not coming. That means, they are preferring to buy from the open market. Take even IDPL. You would not find the medicines and drugs manufactured by IDPL in the Government Hospitals and Government Dispensaries. They prefer to buy from the private manufactures. So my question is that it is not only a question of some industries falling sick because of other reasons but there are a number of public sector undertakings, which are deliberately, I am charging that they are deliberately, being made sick by the Government's policy, with the object of getting them referred to BIFR with the purpose of closing them down.

One other part of my question is that the Labour Ministry and the Finance

Ministry—I am glad that both the Ministers are here—on this issue of revival schemes, they should be working with a common policy outlook. Our experience, Sir, is that the Labour Ministry on the whole is encouraging those revival schemes, which are jointly formulated by the management and the worker's unions. In fact the Minister had told us several times that if you come up with the revival scheme, which is jointly formulated by the workers as well as the management, then they will consider it favourably. But as far as the Finance Ministry is concerned, they seem to be putting much greater emphasis on development schemes coming from what are called the operating agencies, that is, IDBI, IFCI—financial institutions. And the two are contradictory to each other in their content very often. One is floundering on the issue of money only. The others are not given a chance to be operated though they would be viable. My question is whether the Government as a whole, both the Ministries concerned, will adopt a common policy, attitude, towards this question of revival of public sector undertakings. Many of which can be revived. But they are not being revived because of this contradiction in the policy.

THE FINANCE MINISTER (SHRI MANMOHAN SINGH): Mr. Speaker, Sir, I would like to state categorically that it is not our Government's policy to do anything which will come in the way of revival of potentially viable units. The hon. Member has referred to lack of order books. In a situation, where the Railways needs vary, I do not think anybody can guarantee that the Railways will always place orders even when they have no money or they do not need to have a particular commodity.

As far as IDPL is concerned. I am personally familiar with this case in the

last two years. I and my other colleagues have taken all possible measures to see that the IDPL is revived and it is given all possible encouragement and its restructuring takes place. I do not share the view of the hon. Member that it is our Government's Policy which is coming in the way of revival of sick units.

With regard to coordination between the Labour Ministry and other wings of the Government, I would like to say that we attach great importance to working out joint cooperative solutions to these problems. We do not recognise the human dimensions of the problems. The Prime Minister has categorically said that whatever we may do about the sick units we are going to protect the interest of workers. Retrenchment is no part of our Policy. But, it has to be recognised that when packages are prepared these have to be packages which have to be appraised by those institutions which ultimately will have to provide money. It is no use workers and employers getting together and saying a project is viable. But when it comes to providing money, the financial institutions do not accept their proposition. Therefore, I think, we have to use various mechanisms, financial institutions have to be brought in, the operating agencies have to be brought in. But, as far as possible, it is our effort to work out joint cooperative solutions to these problems. On that point there is no difference between the Labour Ministry and other wings of our Government.

SHRI INDRAJIT GUPTA: Mr. Speaker, Sir, I had also specifically asked about the TAFCO which he has not referred to. Secondly, I would like to know from him through you, Sir, whether it is not a fact that many of these undertakings can carry on viably provided they are provided with some working capital and even that working capital is

being denied to them. How can they carry on?

SHRI MANMOHAN SINGH: I do not have the details of TAFCO with me. I will collect those details and send them to the hon. Member.

KUMARI MAMATA BANERJEE: Mr. Speaker, Sir, I appreciate what Shri Indrajit Gupta has said. It is true that because of the lack on the part of the Government, the important public sector undertakings are going to be closed down specially the Burn Standard, JESSOF and Braith Co. Earlier, the Ministry of Railways have given wagon orders to them. Now they have said 'own your own wagon'. As a result of which big industrial houses are purchasing these wagons. But now the small scale and middle scale industries would not be able to purchase the wagons in this competition. That is why these are going to be closed down. May I request the hon. Minister that instead of closing down these units will the hon. Minister prepare a rehabilitation package for these industries so that the industries and workers' interests are protected?

SHRI MANMOHAN SINGH: Mr. Speaker, Sir, with regard to the problem of wagon builders, that is the question which ought to be addressed properly to the Railway Minister.

KUMARI MAMATA BANERJEE: I think, it is because the Government is not giving the order.

[Translation]

SHRI NITISH KUMAR: Has the wagon breaker gone with you?

KUMARI MAMATA BANERJEE: The question is not of wagon breaker but of wagon order.

[English]

SHRI SYED SHAHABUDDIN: Mr. Speaker, Sir, for long we have been hearing from both sides about the worker's cooperatives offering to take over sick mills being one of the viable and feasible alternatives. In this context, I welcome the statement of the hon. Finance Minister that he has made just now. But, I would like to know regarding the sick mill that has been referred to the BIFR, whether it has been presented with a specific proposal that the workers cooperatives by itself or in consultation with their management shall take over that sick mill.

Also, I would like to know the attitude of the financial institutions in that regard. Whether they have offered the working capital or not, or whether there has been no such proposal at all?

SHRI MANMOHAN SINGH: Sir, as early as 1991, soon after our Government came into office, at a meeting of the Tripartite Committee, at which both I and the Labour Minister were present, I had made a standing offer that as far as various sick units are concerned, if workers or their representatives would come forward and run an enterprise, Government will give all possible assistance, including the writing off of loans. My impression is that very few workers or the trade unions are really interested in this.

SHRI SYED SHAHABUDDIN: That is a vague reply, I want a specific answer.

SHRI MANMOHAN SINGH: I do not have the figure.

SHRI SYED SHAHABUDDIN: Can you collect it and send it to us?

Inflation Rate

+

*582. DR. K.V.R. CHOWDARY:
SHRI M.V.V.S. MURTHY:

Will the Minister of FINANCE be pleased to state:

(a) whether the attention of the Government has been drawn to the news-item regarding inflation rate crossing double digit as appeared in the "Statesman" dated April 4, 1994;

(b) the corresponding rate of inflation on March 31, 1992 and March 31, 1993;

(c) the reason for inflation crossing the double digit mark to reach its highest level in 74 weeks;

(d) the impact of the increased inflation rate on the wholesale and retail prices of essential commodities; and

(e) the steps taken by the Government to contain the inflation rate?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) to (e). A *Statement* is laid on the Table of the House.

STATEMENT

(a) Yes, Sir.

(b) Annual rate of inflation was 13.56 per cent at the end of March, 1992 and 7.02 per cent at the end of March, 1993.

(c) While it is difficult to be precise about the relative contribution of underlying causes for the uptrend in inflation, the following factors have been at work:

- (i) A high fiscal deficit in 1993-94 has contributed to inflationary expectations;
- (ii) Growth of money supply partly because of a steep increase in foreign exchange reserves, was also on the high side;
- (iii) Supply factors such as partial crop failures in cotton, jute and groundnut and decline in sugar production;
- (iv) Sizable increases in minimum support prices for the past three years have contributed to higher primary product prices. Consequent changes in issue prices effected in late January caused fresh prices spurt in February-March, 1994.

(d) During the year 1993-94 the wholesale prices of essential commodities increased by 12.2 per cent while retail prices registered an increase of 9 per cent by January 1994 over March 1993.

(e) The Government remains concerned about the recent uptrend in prices. A number of steps have recently been taken to dampen the inflationary expectations especially in essential commodities such as rice, wheat, sugar and edible oils. Import of sugar and cotton

has been placed on OGL with zero duty. Import of Palmolein has been placed on OGL with 65% duty. Open market sale of wheat and rice by FCI are continuing with a view to dampen the rise in foodgrain prices. Fiscal deficit and money supply growth are being strictly monitored.

DR. K.V.R. CHOWDARY: Mr. Speaker, Sir, the current inflation rate is much higher and has crossed the 10.62 mark in the last few weeks. For the manufacturing commodities, which account for 52 per cent, it is close to 7.4 per cent; for primary articles, accounting for 27 per cent, it is close to 6.5 per cent. Fuel prices have gone up by sixteen per cent, agricultural power has been fixed at fifty paise per unit and domestic LPG is costing twenty per cent more. We were happy that previously the Finance Minister had contained the inflation rate to single digit, but today the Government is just shedding crocodile tears and are not doing anything specific for containing the inflation rate. Considering the high inflation rate, I would like to know whether the Government is taking any further steps to contain it to single digit.

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): Mr. Speaker, Sir, I share the concern of the hon. Member about the current rate of inflation. There are several factors which have contributed to this. It is partly because of delayed adjustment of some prices which should have been adjusted long ago. These were necessary and desirable and although they initially put pressure on prices, in the long run they are necessary for the health of some important public sector units like the oil industry. There have also been some factors this year which have contributed to this. For example, there is shortage of cotton crop. The prices of raw cotton

have gone up by eighty per cent. This is a worldwide phenomenon. Although our cotton today has been placed on OGL at zero rate of duty, the international prices are much higher than the Indian prices and, therefore, that has affected the inflation rate. Same has been the problem with regard to some other commodities. Apart from cotton, there is shortage of sugar. There have also been problems with regard to jute crop. I think these are seasonal pressures. For the next two or three months it is possible that the price index may remain high, but thereafter I do expect that the inflation rate will come down. On our part, we will try to control the fiscal deficit and we will try to limit the monetisation of the fiscal deficit. Government has ample food stocks with it and there is no shortage of basic goods, other than sugar. We have ample food stock plus foreign exchange. Vegetable oils like Palmolein have now been placed under OGL and this should cap the increase in the prices of vegetable oils. But I do believe that we have to live with two or three months of these adjustments. Therefore, I think, you will see a visible down trend.

DR. K.V.R. CHOWDARY: Sir, there is a wide variation in the inflation figures. It is 28.4 per cent in Rajasthan, 28.6 per cent in U.P. and 28.4 per cent in Punjab. I would like to know whether it is due to high procurement of foodgrains? The Consumer Price Index for agriculture labour which is more than seventy per cent, per force, in the unorganised sector...

They do not come under wage neutralization also. Some of the rural people like teachers are working for Rs. 100 per month in some convents and schools. How can they live? So, what are the steps which the Finance Minister is

going to take to save these people from high rate of inflation?

SHRI MANMOHAN SINGH: Sir, as far as the organised sector is concerned. I would respectfully submit to the hon. Member that they are much better protected against inflation through variations in their Dearness Allowance. In fact, in the lowest slab of Rs. 3,500/- there is more than 100 per cent neutralization. But in the unorganised sector including the rural sector, there is, indeed, a problem and the only way by which we can resolve this problem is that we control the inflation. As I said earlier, it will be our sincere attempt to ensure that the inflation rate is brought down and I also expect that in the next few months there will be a downward pressure on prices as some of these seasonal pressures which have operated this year will abate. Furthermore, in 1,750 blocks which contain the hard-core of rural poverty we have expanded the Public Distribution System. So, these various strategies hurts poor the most and every effort should be made to control inflation.

SHRI M.V.V.S. MURTHY: Mr. Speaker, Sir, in 1993-94 originally planned fiscal deficit was 4.6 per cent, but we ended up with 9.3 per cent and this year we have planned a fiscal deficit of 6 per cent. Taking the same analogy of 15 per cent increase, it is going to end up at 9 per cent. That is why, the inflationary tendency is directly because of the fiscal deficit and unless very drastic steps are taken by the hon. Minister it is going to be highly difficult to control the inflation, irrespective of whatever he may be saying today. In the last two years they have introduced a 10 per cent expenditure cut in all the Ministries. But ironically, this year such a move also has not been initiated so far by the hon. Minister. So, ultimately the

poorer classes where their incomes have not been indexed are the worst hit. He says that the Public Distribution System has been strengthened, but foodgrains and other things are not available in the Public Distribution System. Therefore, I would like to know specifically as to how he is going to take care of these poorer sections and whether a reasonable quantity of palm oil and sugar will be given through the Public Distribution System. I would also like to know whether an expenditure cut is going to be introduced or not.

SHRI MANMOHAN SINGH: Sir, this matter about the fiscal deficit has been discussed in this august House on several occasions and I have reiterated our Government's resolve to contain the fiscal deficit this year to 6 per cent. As of now, I feel confident that we will be able to achieve it.

SHRI NIRMAL KANTI CHATTERJEE: Sir, our Finance Minister is increasingly becoming a politician of a wrong kind. Kindly look at the quality of the reply. For the end of 1992-93, it is in terms of the inflation rate. It is a different kind of statement from the wholesale prices of essential commodities. For 1993-94, he gives us a figure of 12.2 per cent in terms of wholesale prices which is not exactly the inflation rate. If the wholesale price index is 12.2 per cent, the inflation rate is a little higher and this 13.56 per cent figure may have been approximated if this is a provisional figure. I do not know whether it is a provisional figure or not. He has to correct me or correct himself about the figures. This is one part. The second part is, what is surprising is, a steep rise has taken place towards the end of this year.

It is continuing this month, for April and May also. This is in the background

of a huge trade deficit in the month of March. That is very surprising.

On the one hand, he is trying to justify, from one point of view to contain deficit in the balance of trade. It is an old economic theory.

Will he pursue this path of containing increasing deficit in the balance of trade to contain rise in the inflationary tendency that is being witnessed very recently?

SHRI MANMOHAN SINGH: With regard to the figures, the figures that are given in part (b) are the actual figures. I have no other figures. It is measured in that way. I have these figures.

SHRI NIRMAL KANTI CHATTERJEE: You have these figures. Do you admit that the inflation rate percentage and the wholesale price index percentage are two different percentages?

SHRI MANMOHAN SINGH: This is the wholesale price index. (*Interruptions*)

SHRI NIRMAL KANTI CHATTERJEE: He is not stating what should have been stated by him. Are inflation rate and whole sale index rates same?

SHRI MANMOHAN SINGH: We are measuring the inflation rate that way. I have forgotten what was the second part of your question.

SHRI NIRMAL KANTI CHATTERJEE: You have also forgotten that the inflation rate index is different from the whole sale price index.

SHRI MANMOHAN SINGH: You are wrong there.

SHRI NIRMAL KANTI CHATTERJEE: It is in terms of GDP. GDP inflation rate is different from the wholesale price index. He has asked me to remind the second part.

MR. SPEAKER: Just remind him and sit down.

SHRI NIRMAL KANTI CHATTERJEE: I do not want to place him in a hopeless position. He is a good friend of mine.

Second part is that by importing more and having a larger trade deficit, you can have an impact on the inflation rate. In March, that has been done. Even then, the result is not shown. The question is, are you going to decrease your trade deficit in the coming year so that the inflationary tendency is contained?

SHRI MANMOHAN SINGH: With regard to the first part of the question, Prof. Nirmal is a distinguished statistician. But there are several ways of measuring inflation-wholesale price index, consumer price index. We have several variants of consumer price index. In some countries, they use GDP deflator. These are various ways. But these are the figures which are wholesale price index figures.

I am not making any mistake. I know my facts well.

As far as the second part of the question is concerned, it is true that there has been a rise in the trade deficit. Imports have also risen. I am told, according to preliminary information, I think, a very substantial part of increase in import is because of the aircraft which comes to about \$400 millions and that, I think, has raised the deficit.

But I said, more than once we have ample foreign exchange reserves. If it is necessary to use these foreign exchange reserves to control inflation, we will use these. We can use them and we still have foreign exchange reserves which are adequate for maintaining confidence in our currency.

Capital Adequacy Norms

*583 SHRI R. SURENDER REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether the Shah Committee and the Securities and Exchange Board of India (SEBI) have recommended extension of Capital Adequacy Norms to the intermediaries in the financial sector;

(b) if so, the details of the recommendations in this regard;

(c) whether the Reserve Bank of India has consulted the regulatory organisations of the non-banking financial companies in the matter;

(d) if so, their reaction in this regard; and

(e) the time by which the Capital Adequacy Norms are likely to be extended to the intermediaries of the financial sector?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) to (e). A *Statement* is laid on the Table of the House.

STATEMENT

(a) In its report the Working Group on Financial Companies (Shah Commit-

tee) recommended capital adequacy norms for non-banking financial companies. The Securities and Exchange Board of India (SEBI) has recommended capital adequacy norms for stock brokers, merchant bankers, underwriters, portfolio managers, registrars to the issue/share transfer agents and asset management companies.

(b) The Shah Committee has recommended that non-banking financial companies with net owned funds of Rs. 50 lakhs and above should achieve a capital adequacy ratio of 8 percent of risk-weighted assets by 31st March, 1995.

SEBI has recommended capital adequacy norms in terms of minimum net worth for different intermediaries as under:

(i) Stock Broker (Individual Member): Deposit of Rs. 2 lakhs to Rs. 5 lakhs depending on Stock Exchange.

Stock Broker (Corporate Member): Paid up capital should be Rs. 10 to Rs. 30 lakhs depending on Stock Exchange.

(ii) Merchant Banker: Rs. 20 lakhs to Rs. 100 lakhs depending on category of Merchant Banker.

(iii) Underwriter: Rs. 20 lakhs.

(iv) Portfolio Manager: Rs. 50 lakhs

(v) Registrar to Issue or Share Transfer Agent: Rs. 3 lakhs

Registrar to Issue and Share Transfer Agent: Rs. 6 lakhs

- (vi) Asset Management Company:
Rs. 5 crores.

(c) to (e). Reserve Bank of India (RBI) is the regulatory authority for non-banking financial companies. RBI has recently framed draft guidelines for capital adequacy of larger non-banking financial companies with net owned funds of Rs. 50 lakhs and above. These guidelines will be finalised after consultation with the Institute of Chartered Accountants of India and association of financial companies.

In the case of stock brokers, SEBI has stipulated that capital adequacy norms are to be implemented between 1.12.93 and 1.12.94. In the case of other capital market intermediaries referred to in reply to part (a) of this Question, the norms have already been implemented.

SHRI R. SURENDER REDDY: The concept of capital adequacy norms was first introduced two years back in the commercial banks and extended recently to the financial institutions in the country. This is a welcome move and we should congratulate the hon. Finance Minister for doing this.

But it should be the utmost concern and endeavour of the Government and the Reserve Bank of India to protect the interests of the common investors who do not mostly possess adequate information and knowledge about the inner working of the non-banking finance companies and the stock exchanges.

My question is, whether the eight per cent capital adequate norms as laid down for commercial banks and the financial institutions would be adequate and sufficient in the case of these intermediaries of financial institutions, partic-

ularly non-banking finance companies which have more than 50 percent of their funds sourced from the public deposits?

Is there a need for higher capital adequacy ratio for those companies and if so, whether the Reserve Bank of India propose to sort out the matter with the regulatory organisations and those non-banking finance companies? If so, the details thereof.

In the reply, the Minister has stated that the guidelines would be finalised after consultation with the Institute of Chartered Accountants of India and associations of financial companies. It is already late. How long, will he take to finalise the norms?

SHRI M.V. CHANDRASHEKHARA MURTHY: The Shah Committee was set up, which was the working group on financial companies in May 1992 and it had submitted the report in September, 1992. Because of the larger number of companies, nearly about 35,000 non-banking financial institutions, even RBI is not in a position to have effective supervision and control over the activities of these institutions. The committee has suggested that the RBI should be confined to the companies which own funds of Rs. 50 lakhs and above.

So far only 850 companies have registered their names in the Reserve Bank of India. The RBI have formulated the guidelines which are to be discussed with the non-banking financial institutions before finalising the capital adequacy norms.

Even SEBI has laid down capital adequacy norms in various categories for the intermediaries in the capital market like stock brokers, merchant bankers,

underwriters and portfolio managers. The RBI is taking action in this regard.

SHRI R. SURENDER REDDY: I would like to know whether there has been deterioration in the financial health of some of the financial institutions and the State funding institutions like the State financial corporations. If so, the reasons thereof. I think, presently there is no provision for financing of those shortfalls in those institutions as in the case of commercial banks for which sizable budgetary provisions has been made in the last two Budgets.

I would like to know whether there is any proposal to extend the uniform prudential accounting system including the income recognition norms and provision for doubtful debts to the financial institutions for keeping the financial institutions in good health.

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): Mr. Speaker, Sir, the health of the State financial corporations is a matter of great concern to me. I have taken two meetings with the IDBI. Since then, the Finance Secretary has also discussed this matter at a meeting with the Chief Executives of the State financial corporations. The IDBI is now working out packages to improve performance of the State financial corporations. There is a large proportion of assets which are simply non-performing assets and these corporations have to be run along the commercial lines to a much greater extent than has been the case before.

We have been in discussion with the State Government one by one so that we can evolve viable packages to restore *State financial corporations to the normal health.*

Schemes for Farmers

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*584. SHRIMATI SHEELA
GAUTAM:
SHRIMATI BHAVNA
CHIKHLIA:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government/ Reserve Bank of India have launched some schemes such as Kisan Credit Card Scheme for farmers;

(b) if so, the details of these schemes and the States where these schemes have been launched/proposed to be launched; and

(c) the facilities provided to farmers under each scheme?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) to (c). A *Statement* is laid on the Table of the House.

STATEMENT

At a suggestion made by the Government of India to public sector banks in April, 1988, 20 public sector banks have introduced schemes for the issue of Agriculture Credit Cards to farmers in selected districts of a number of States. These cards are issued to farmers who have a good credit record and enable them to receive their credit needs, within certain pre-determined limits set in respect of each borrower, without having to make separate applications. The names of States where this scheme has been made applicable by the 20 public sector banks, are not readily available. This

information is being collected and will be laid on the Table of the House.

[*Translation*]

SHRIMATI SHEELA GAUTAM: Mr. Speaker, Sir, I would like to know from the hon. Minister the number of farmers benefited so far under the Credit Card Scheme which was launched in the interest of farmers in 1988? Whether some problems are coming in the way of implementing this scheme comprehensively? If so, the steps being taken in this regard?

[*English*]

SHRI M.V. CHANDRASHEKHARA MURTHY: It is true in April, 1988, 20 public sector banks have introduced this scheme for Agriculture Credit Cards to farmers in the selected district of a number of States. The 20 public sector banks have taken up this job and this has been received very well among the farmers.

Regarding the number of farmers benefited by this scheme. I do not have the information. I will collect and furnish to the hon. Member.

[*Translation*]

SHRIMATI SHEELA GAUTAM: Mr. Speaker, Sir, the hon. Minister has said that a large number of farmers have been benefited by this scheme. It may be correct that some farmers might have benefited but there are other farmers also who have to go through lot of difficulties while applying for loans from the banks. Sometimes Bank officers ask for 50% service charges and harass them. The farmers find it very difficult to go to the bank again and again. Whether

Government is aware of such incidences and if so, the measures being taken to give them necessary relief?

[*English*]

SHRI M.V. CHANDRASHEKHARA MURTHY: This is a special scheme available to the farmers so that they can avail of these credit facilities towards the expansion for cultivation of crops and purchase of agricultural inputs and for payments of labour. The scheme is well received among the farmers of the irrigated States.

[*Translation*]

SHRIMATI BHAVNA CHIKHLIA: Mr. Speaker, Sir, the condition of the farmer of our country is very pitiable. It is his misfortune that he never knows about the production cost of his produce in advance. Further, he also does not get the support price on the basis of cost of production. I would like to tell the hon. Minister that Sardar Vallabh Bhai Patel and Mahatma Gandhiji had also said that if we want to make India a prosperous country, then we would first have to take up the development at village level and the villages can be developed only when our farmers are prosperous. There are number of difficulties before the farmers of our country. The hon. Minister has not given a satisfactory reply to my question. My question was: What are the details of these schemes? He has replied in one sentence that if the farmer, who is given loan, has a good credit record he will be able to avail of this facility. I would like to know what is this good credit record? Our agriculture depends on rain. Somewhere it is less and somewhere it is more and there are also a few areas where there is no rainfall. As a result of this, the crops get destroyed. Those farmers,

who have got irrigation facilities, can show good credit record but so far as the small farmers and the marginal farmers are concerned, how can they keep their record good? Now I would like to ask the hon. Minister that what other facilities are proposed to be given to such farmers under this scheme?

[English]

SHRI M.V. CHANDRASHEKHARA MURTHY: This calls for issue to the farmers who have a good credit record if they do not have any loan in other financial institutions. These are the preliminary requisites.

So far as the right price for the farmers for their produce is concerned, this question has to be addressed to the Ministry of Agriculture.

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): Mr. Speaker, Sir, the Government have several programmes to provide credit to the weaker sections of society at reasonable rates of interest. The banking system is obliged to provide at least 40 percent of credit for these weaker sections. There are limits for agriculture—up to 18 percent. In the same manner, up to 25 percent of the total credit, out of this 40 percent has to be made available to the weaker sections. I would like to point out that no third party guarantee or collateral security is to be insisted upon for loan up to Rs. 15000/- So, the small farmers are taken care of through a different mechanism than his credit card scheme.

[Translation]

SHRI SURYA NARAYAN YADAV: Mr. Speaker, Sir, there are cases where

bank officials go by their own directions due to heavy demand for Agriculture Credit Cards and shortage of these cards in the banks. I would like to know from the hon. Minister whether Government propose to make special arrangements to bring improvement in the situation?

[English]

SHRI MANMOHAN SINGH: If there are any specific suggestions, we would welcome them.

[Translation]

DR. CHATTARPAL SINGH: Sir, through you, I would like to know from the hon. Minister that during the current financial year, how many new districts are likely to be covered under this scheme?

[English]

SHRI M.V. CHANDRASHEKHARA MURTHY: At present, it is covered by only 20 banks of the country.

[Translation]

SHRI NARAIN SINGH CHAUDHARI: Sir, I would like to know whether Agriculture Credit Card Scheme is applicable for private land owners only or whether other cultivators are also covered under this scheme? My second question is whether this scheme is only for getting crop loan, or medium term loan and long term loan can also be received under this scheme?

MR. SPEAKER: You can ask him to send the entire scheme and you will get all the details therein.

[English]

SHRI M.V. CHANDRASHEKHARA MURTHY: They can avail of this facility for a continuous period of three year's agricultural operation. Even they can take the crop loan. No collateral security is required up to the tune of Rs. 15,000 and the maximum interest is charged at 12 percent on this amount.

DR. MUMTAZ ANSARI: It is very much interesting to note that credit card scheme has been introduced for the welfare of the farmers. At the same time, I would like to know from the hon. Minister that whatever loan waiver was allowed in the year 1989 and 1991, what has happened to all those farmers because these farmers are going to be put to a lot of grotesque harassment by all the bank officials. I would like to have a clarification from the Finance Minister in this respect. What steps are going to be taken in order to improve the situation and the lot of these farmers.

MR. SPEAKER: It has already been replied.

DR. MUMTAZ ANSARI: I am talking about loan waiver scheme.

SHRI MANMOHAN SINGH: As far as the loan waiver scheme is concerned, although the previous Government announced it, yet we had to foot the bill. For the third year in succession, we have been making a provision, in the budget, of Rs. 1500 crores; last year also it was made. I do not believe that as a result of this the farmers are benefiting. It has vitiated the atmosphere for repayment because the farmers have been made to believe that the next time when there is

an election there will be another loan waiver. The banking system has suffered; the farmers have suffered. I think, it should be the collective effort of all the political parties not to go through the route of loan waiver.

[Translation]

Repayment of Loans

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*586. SHRI GUMAN MAL

LODHA:

SHRI NITISH KUMAR:

Will the Minister of FINANCE be pleased to state:

(a) whether the loans provided to the industrial sector by the various financial institutions of the country are not being repaid timely;

(b) if so, the percentage amount of loans provided to the industrial sector by the financial institutions during 1991-92, 1992-93 and 1993-94 which were repaid within the stipulated period;

(c) the number of cases involving loans of big amount i.e. one crore or more which could not be repaid in time during each of the above three years, separately; and

(d) the steps taken by the Government in this regard?

[English]

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) to (d). A *Statement* is laid on the Table of the House.

STATEMENT

Repayment of loans by the industrial concerns to financial institutions is made as per the repayment schedules incorporated in the relative loan documents and as per the procedures followed by financial institutions. The percentage of recovery of dues of the

financial institutions, namely the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India Ltd. (IFCI), Industrial Credit and Investment Corporation of India Ltd. (ICICI) and Industrial Reconstruction Bank of India (IRBI) during 1990-91, 1991-92 and 1992-93 (latest available) is as under:

	(Percentage)*		
	1990-91	1991-92	1992-93
IDBI	84	84	90
IFCI	80	80	80
ICICI	81	77	78
IRBI	54	50	46

*figures rounded off

The number of cases where the outstanding loan amount is Rs. one crore or more that have not repaid

their loans in time during 1990-91, 1991-92 and 1992-93 is shown in the table below:

	(Number)		
	1990-91	1991-92	1992-93
IDBI	340	404	304
IFCI	242	262	271
ICICI	116	265	216
IRBI	102	110	117

(The numbers may not be added up as the same company might have appeared in more than one institution.)

Apart from the steps taken by these financial institutions for recovery of their dues, 'The Recovery of Debts due to Banks and Financial Institutions Act,

1993' has been enacted for expeditious adjudication and recovery of debts due to banks and financial institutions.

The Reserve Bank of India (RBI) have also issued guidelines to all scheduled commercial banks and financial institutions on 23rd April, 1994 with regard to disclosure of information regarding defaulting borrowers of banks and financial institutions. These guidelines, inter alia, provide for submission by banks and financial institutions to RBI the details of borrowal accounts which have been classified as Doubtful, Loss and Suit-filed with outstandings (both funded and non funded) aggregating of Rs. 1 crore and above, and circulation by RBI to banks and financial institutions this information which they may make use of while considering on merits the requests for new or additional credit limits by existing and new constituents. Based on the information so collected, RBI would publish every year in a booklet from the list of suit-filed accounts and also an update of the list half-yearly.

[Translation]

SHRI GUMAN MAL LODHA: Mr. Speaker, Sir, the reply given by the hon. Minister makes it evident that 54 percent of the total loan provided to the industries by the Public Sector Financial institutions on liberal terms is proposed to be included in irrecoverable debt. The number of those industrial houses which have been given loans to the extent of more than one crore rupees and have proved to be defaulters comes to about 800 or more than 800 during 1991-92 and 1992-93. At the same time, I would like to know from the hon. Minister whether it is a fact that the Reserve Bank of India has passed a resolution on April 1, 1994 that a 'who's who' will be published under the title "Our Bankrupt Industries" which will disclose the names of those industries which have taken loans of more than one crore rupees and are not repaying the amount: All the financial institutions and

public sector banks will send the list of such industries to the Reserve Bank of India which will publish the said book about the bankrupt industries in every six months? I understand the decision to this effect has been taken by the Reserve Bank of India. Therefore, I would like to know from the hon. Minister first, the names of first such five industries, if not all, who are covered under the above mentioned 54 percent irrecoverable loans not likely to be recovered and the total dues to be paid by the respective industrial houses. Part (b) of my question is whether the Government proposes to issue licences for starting private banks by several such people whose irrecoverable debt exceeds one crore rupees during the year 1990-91, 1991-92 and 1992-93. The hon. Minister of Finance may please give reply to part(a) and part (b) of my question.

[English]

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): Mr. Speaker, Sir, the requisite information is already contained in part B of the reply. The Reserve Bank have issued guidelines to all scheduled commercial banks and financial institutions on 23rd April, 1994 on this new scheme. This new scheme will be operated prospectively. There is no question of applying it retrospectively. Hereafter, whenever there are defaulters, that information will be regularly reported to the Reserve Bank of India. This information will be communicated by the Reserve Bank of India to various scheduled commercial banks; where defaults lead to filing of cases that information will be made up. So this system will operate in the future.

SHRI NIRMAL KANTI CHATTERJEE: Why do you not make it available to Parliament?

SHRI MANMOHAN SINGH: If it becomes public, it will also be made available to Parliament.

[*Translation*]

SHRI GUMAN MAL LODHA: Mr. Speaker, Sir, the hon. Minister has not mentioned the names of first five industrial houses having dues more than one crore rupees in the figures provided by him.

[*English*]

SHRI MANMOHAN SINGH: I do not have that information.

[*Translation*]

SHRI GUMAN MAL LODHA: Mr. Speaker, Sir, I would like to know whether all the Private Sector or Public Sector banks continued to conceal from the Reserve Bank of India the names of industrial houses who had become bankrupt and whose debts had become irrecoverable and they kept on misguiding the Reserve Bank of India during the last 40-42 years? The Government is going to start the scheme prospectively but does that mean that they did not reveal it to them?

[*English*]

MR. SPEAKER: Lodha Ji, please make it brief.

[*Translation*]

SHRI GUMAN MAL LODHA: Mr. Speaker, Sir, I would like to know whether for the last 40-42 years the said institutions did not reveal it to the Reserve Bank and whether the Government

also remained ignorant about the names of industrial houses against whom about Rs. 8000/- crore are outstanding as per the bank accounts and this amount is irrecoverable. I had requested the Government to tell the names of five such industrial houses.

MR. SPEAKER: No, please, Lodha Ji, the hon. Minister has already stated that the information to that effect is not available with him at the moment.

SHRI GUMAN MAL LODHA: Mr. Speaker, Sir, I want your protection. Does the hon. Minister not have the list of top five industrial houses, or he is not willing to disclose it?

MR. SPEAKER: No please, it is not so.

SHRI GUMAN MAL LODHA: Mr. Speaker, Sir, it means that the hon. Minister is concealing the names of such people from the public. When the debt is increasing every year, they should, at least, bring it to the notice of the public.

Mr. Speaker, Sir, in my second supplementary I would like to know the amount recovered so far after the implementation of "The Recovery of Debts due to Banks and Financial Institutions Act 1993", by the Government.

[*English*]

SHRI MANMOHAN SINGH: Mr. Speaker, Sir, I would like to clarify that on the whole, it is not true that our financial institutions have excessively large portfolio of non-performing assets. For example, the figure of asset classification as on 31st March 1993 shows that the

standard assets in the case of the IDBI is as high as 92.5 percent; in the case of ICICI, it is as high as 91.2 percent; in the case of IFCI, it is 70.3 per cent; and in the case of IRBI, there is a problem because a very substantial part of IRBI lending is done to sick units; and therefore, the ratio for this is 54.5 per cent. So, I would like to state respectfully that the general picture that is sought to be portrait by the hon. Member is not borne out by the facts as they are available today.

With regard to the loan recovery, the first tribunal has been set up; it has started the operation only this month; and it is too early to say as to how many cases of recovery have been effectively done.

[Translation]

SHRI NITISH KUMAR: Mr. Speaker, Sir, I had read a news in a newspaper, stating "RB; to release list of defaulters." This inspired me to ask the question. I am surprised that the hon. Minister has failed to furnish the required figures in reply to the question asked by Shri Lodha. Only the God and not Dr. Manmohan Singh can save the Government, which does not have the figures of those industrial houses which have become defaulters regarding the debt taken by the banks and financial institutions.

We, in our daily life witness what fate do the small industries of small people meet who get loans from banks or financial institutions. If a small industrialist gets a loan of one lakh rupees or fifty thousand rupees, all his movable and immovable property is auctioned whereas the names of those who get more than one crore rupees, will be

published by the Reserve Bank of India to put moral pressure on them. Now it has been decided on 23rd April that the Government is going to publish their names in a booklet I do not think that such immoral people would be influenced by moral pressure.

Through you, I would like to know from the Government as to what penal action is proposed to be taken against such people? Whether these big industrialists will be treated in the same way as small entrepreneurs are treated?

[English]

SHRI MANMOHAN SINGH: I have already mentioned that we have brought in this legislation for debt recovery precisely with a view to provide enough teeth to our banking system to recover loans. I think, we deserve some credit for having brought forward this legislation. Hereafter, all bank loans exceeding Rs. 10 lakhs will be the subject matter of the tribunal; they will be before the tribunal; these recovery tribunals will expedite the recovery of these loans; there will also be, of course, appellate provisions. But, for the first time, we have instituted a mechanism which will ensure speedy recovery of these dues.

SHRI LOKANATH CHOUDHURY: In the reply, while giving the number of defaulters, it is said:

"The numbers may not be added up as the same company might have appeared in more than one institution."

So, I want to know as to how many companies have taken loan in one institution's name and also, again in another

institutions's name. This way, they have made a practice of avoiding the repayment. May I know whether that factor will be coming out in the booklet or not?

SHRI MANMOHAN SINGH: It is a fact that many large loans are not given by institutions individually, but they are consortium loans. So, if a unit turns sick, it is quite possible that it will be defaulting in its payment to all the constituent members of the consortium.

[Translation]

SHRI GEORGE FERNANDES: Mr. Speaker, Sir, the Government has introduced the "Recovery of Debt Due to Banks and Financial Institutions Act 1993" in the form of an ordinance. This ordinance was issued in the month of June last year and was passed on 10th August. In the other House, it was passed on 17th August and the hon. President approved it on 27th August. Toady the hon. Minister has stated two things in the House. It was only after the matter was raised that a tribunal in Calcutta was set up on 27th of the last month. The Government proposes to set up such tribunals in 10 cities but these have not been set up so far. Whether it is not true that some of the industrial houses which have been issued licence for private banks, include those against whom about 8000 crore rupees of banks are outstanding? It was perhaps due to the pressures put on the Government after the ordinance was issued that the Bill passed in the form of ordinance,

[English]

deemed to have come into effect from 24 June of last year, prevented from

[Translation]

setting up tribunals. Secondly, it has been stated just now that the tribunals will be from prospective effect and the recovery of debt refers to prospective cases. Does the Government not intend to recover the previous loans?

[English]

SHRI MANMOHAN SINGH: No, no. That is not true, they will recover all dues which are due for payment regardless of when they fall due. I would like to clarify that there has been some delay in the establishment of the tribunals.

SHRI GEORGE FERNANDES: I am referring to the ordinance. The Bill was brought through an ordinance, deemed to have been passed by the President.

SHRI MANMOHAN SINGH: I admit there has been some delay. But this has not been for want of time. We have not been able to locate enough people with requisite qualifications. Several people had turned down the offer. That is the reason why this delay had taken place. But I hope in the coming few months, all these tribunals will be in position.

As far as any pressure from any quarter is concerned, I totally deny it.

SHRI GEORGE FERNANDES: He has not answered my question. My point is that there are Rs. 8000 crore outstanding against those industrial houses who have been allowed to set up their own private banks. Is it true or not? Will you at least release their names, if you don't have any other names?

SHRI MANMOHAN SINGH: Which people have been allowed to set up banks?

SHRI GEORGE FERNANDES: That is for you to tell us.

SHRI MANMOHAN SINGH: You tell me !

Mr. Speaker Sir, since the hon. Member is making an allegation, let him give a concrete instance.

SHRI GEORGE FERNANDES: Then you may say, 'it is not true'.

SHRI MANMOHAN SINGH: It has not been given. I don't know what he is saying.

SHRI GEORGE FERNANDES: My question is very simple. The Minister can say that it is not true that any licence for a private bank has been given to any party which owes money or where money is outstanding. He has only to say that! I have information on the basis of which I am raising this issue.

MR. SPEAKER: Then you give that information to him. He will confirm or deny.

SHRI GEORGE FERNANDES: Let him confirm or deny.

MR. SPEAKER: Yes, he will do it on the basis of information given by you.

[*Translation*]

SHRI RAJNATH SONKAR SHASTRI: Mr. Speaker, Sir, the hon. Minister in his reply has stated that usually the industrial houses do not either

repay or do pay the loan late. As a result, millions of rupees of IDBI, IFCI, ICICI and IRBI have been blocked. There are some farmers and entrepreneurs in the country who have dues of Rs. 25 to 30 thousand and they want to pay the dues. But the interest on them has increased into multiples. I would like to know from the hon. Minister whether Government proposes to formulate any scheme with a view to waive off the interest on the loan to enable the people to repay the principle amount of the loan outstanding against them.

[*English*]

SHRI MANMOHAN SINGH: Mr. Speaker, Sir, as far as I know—I am speaking from memory—the Reserve Bank of India has issued guidelines for dealing with the loans of small farmers and other borrowers to the effect that wherever the total amount has been repaid with interest and if the interest is equal to the principal, the banks should really go in for expeditious out-of-court settlement. Such guidelines are already there.

WRITTEN ANSWERS TO QUESTIONS

[*English*]

Vayudoot

*585. SHRI PRAKASH V. PATIL: Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) the number of operational aircraft of Vayudoot at present and the routes on which these aircrafts are operating;

(b) the total loss incurred by the Vayudoot as a result of non-operation of flights due to grounding of some of its aircraft from January, 1993 to March, 1994, month-wise;

(c) the total strength of Vayudoot pilots and the number of those whose services are not being fully utilised at present; and

(d) the action being taken to fully utilise their services?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) At present two aircraft in the fleet of Vayudoot are operational.

(b) Cost of operation is not met on any of the routes operated by Vayudoot; as such the company incurs less loss when it reduces its operations.

(c) There are 80 pilots in Vayudoot out of which 70 are in Airline wing and 10 are in the Agro-Aviation wing. Due to reduction in operations the flying of pilots has decreased.

(d) Efforts are on to absorb the pilots of Vayudoot in various organisations under the Department of Civil Aviation.

ILO Report

*587. SHRI RABI RAY:
SHRI SANAT KUMAR
MANDAL:

Will the Minister of LABOUR be pleased to state:

(a) whether the Government are aware of the International Labour Organisation report which has cautioned

the Government of India to restructure its economic programme to acquire a human face as reported in Hindustan Times dated April 4, 1994;

(b) if so, the details of the report; and

(c) the reaction of the Union Government thereon?

THE MINISTER OF STATE OF THE MINISTRY OF LABOUR (SHRI P.A. SANGMA): (a) to (c). The Report titled "India: Employment, Poverty and Economic Policies", prepared under a project sponsored by the UNDP under Technical Support Services, has observed that the stabilisation measures have induced industrial recession and have involved cuts in public expenditure on anti-poverty programmes. The report has pointed out that "both the level of under-employment and the incidence of poverty have very probably increased since 1991 although this cannot be empirically confirmed". The Government is aware of any possible adverse consequences of economic reforms in the short-run and has, therefore, followed a conscious policy to minimise the social cost of reforms. Following the manoeuvrability gained through overall fiscal correction, allocations for social sectors and poverty alleviation programmes were significantly stepped up during 1993-94. The 1994-95 Budget carries forward this process of higher allocations for social sectors, rural development and anti-poverty programmes. Government's success in bringing down the rate of inflation since 1991 would have benefited the poor.

NTC/BIC Mills in Kanpur

*588. SHRI GEORGE FERNANDES: Will the Minister of TEXTILES be pleased to state:

(a) whether there has been no wage revision in NTC/BIC mills in Kanpur since 1973;

(b) if so, the reasons therefor; and

(c) the steps taken by the Government to do justice in the matter?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI G. VENKAT SWAMY): (a) to (c). Wages in the NTC/BIC mills in Kanpur have been increased from time to time after 1973 on the basis of settlements negotiated between the managements and the workers under the auspices of the State Government. The issue of wage parity of staff of these Public Sector Undertakings is sub-judice in the National Industrial Tribunal on the directions of the Supreme Court.

Cooperative Spinning Mills

*589. SHRI SHANTARAM POTDUKHE: Will the Minister of TEXTILES be pleased to state:

(a) whether the Government propose to set up new cooperative spinning

mills in the country during the Eighth Five Year Plan;

(b) if so, the number and location thereof, State-wise; and

(c) the existing pattern of financial assistance to cooperative spinning mills?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI G. VENKAT SWAMY): (a) and (b). According to information furnished by the National Cooperative Development Corporation (NCDC), there are proposals to set up 40 cooperative spinning mills in the country during the Eighth Five Year Plan period. The tentative State-wise break-up is as under:

Andhra Pradesh-4, Maharashtra-8, Haryana-2, Rajasthan-2, Karnataka-4, Tamil Nadu-2, Uttar Pradesh-1, Kerala-2, Assam-2, Orissa-2, Bihar-1, Tripura-1, Madhya Pradesh-4, Punjab-2, West Bengal-1, Gujarat-2.

(c) The pattern of assistance under the NCDC Scheme for cooperative spinning mills is as under:

(% age of project cost)

	H.loom Weavers Coop. spinning mills			Growers Coop. spng. mills		
	New Mills	Expn.	Mod.	New Mills	Expn.	Mod.
Normal States						
Equity:						
(i) Members contribution as share capital.	5.00	5.00	—	10.00	10.00	5.00

	H.loom Weavers Coop. spinning mills			Growers Coop. spng. mills		
	New Mills	Expn.	Mod.	New Mills	Expn.	Mod.
(ii) State Govt.'s share capital						
(a) Own resources	22.50	17.50	10.00	20.00	15.00	7.50
(b) With NCDC's loan assistance	22.50	17.50	10.00	20.00	15.00	7.50
Sub Total(ii):	45.00	35.00	20.00	40.00	30.00	15.00
Debt:						
(iii) Term loans	50	60	80	50	60	80
TOTAL	100	100	100	100	100	100
Cooperatively under developed States:						
Equity:						
(i) Members Contribution as share capital	5.00	5.00	—	7.50	7.50	5.0
(ii) State Govt's Share capital						
(a) Own Resources	11.25	8.75	10.00	12.50	9.75	7.50
(b) With NCDC's loan assistance	33.75	26.25	10.00	30.00	22.75	7.50
Sub Total:	45.00	35.00	20.00	42.50	32.50	15.00
Debt:						
(iii) Term Loans	50	60	80	50	60	80
TOTAL:	100	100	100	100	100	100

Debt Recovery Tribunals

*590. SHRI MOHAN RAWALE
SHRI SULTAN SALAHUD-
DIN OWAISI:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have decided to establish ten tribunals for effecting recovery of debts due to banks and financial institutions; and

(b) if so, the time by which and the places where these tribunals are proposed to be established?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) and (b). Under "The Recovery of Debts Due to Banks and Financial Institutions Act, 1993 (No. 51 of 1993)," it has been decided to establish ten Debts Recovery Tribunals and one Debts Recovery Appellate Tribunal for the expeditious adjudication and recovery of debts due to banks and financial institutions and for matters connected therewith or incidental thereto at the following places:

1. Delhi
2. Bombay
3. Calcutta
4. Madras
5. Ahmedabad
6. Bangalore
7. Guwahati
8. Jabalpur
9. Jaipur
10. Patna

While the Debts Recovery Tribunal at Calcutta, having jurisdiction over West Bengal and Andman & Nicobar Islands, has been constituted with effect from 27th April, 1994, the process of establishing the remaining Tribunals is also under way.

Cotton Mills

*591. SHRI SHANKER SINH VAGHEIA:
SHRI SATYNARAYAN JATIYA:

Will the Minister of TEXTILES be pleased to state:

(a) the number of cotton mills in the organised sector which are lying closed at present, State-wise;

(b) the main reasons therefor;

(c) the number of workers rendered jobless due to the closure; and

(d) the steps taken by the Government for their rehabilitation and resumption of production in these mills?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI G. VENKAT SWAMY): (a) to (c). As per the information available, 29 Cotton/Man-made Fibre Textile Mills are reported to be closed under Official Liquidation. The number of workers affected due to closure of these mills is 61,000 (approx.). In all, as on 31.1.1994, 127 Cotton/Man-made Fibre Textile Mills were lying closed due to financial crises, labour problems and lockout. State-wise details of these mills is given in the attached *Statement*.

(d) The Government has established a Board for Industrial and Financial Reconstruction (BIFR) to evolve and manage Rehabilitation Packages in respect of sick/closed viable mills.

STATEMENT

Statewise No. of Cotton/man-made Fibre Textile Mills closed as on 31.1.1994

Sl. State/Union No. Territory	Closed Mills
1. Andhra Pradesh	10
2. Bihar	3
3. Gujarat	35
4. Haryana	1
5. Karnataka	7
6. Kerala	3
7. Madhya Pradesh	7
8. Maharashtra	16
9. Orissa	2
10. Rajasthan	5
11. Tamil Nadu	21
12. Uttar Pradesh	10
13. West Bengal	7
Total	127

[Translation]

Bridge Loans

*592. SHRI MOHAN SINGH
(DEORIA):
SHRI HARI KISHORE
SINGH:

Will the Minister of FINANCE be
pleased to state:

(a) the guidelines issued by the
Reserve Bank of India regarding sanction

of bridge loans to companies by the
public sector banks;

(b) whether the public sector banks
have been found violating the above
guidelines;

(c) if so, the cumulative amount of
bridge loans given by the banks to the
companies over and above the pres-
cribed limits;

(d) whether the Government have
inquired into the circumstances leading

to the violation of Reserve Bank of India guidelines by the banks;

(e) if so, the details thereof stating the action taken by the Government in this regard; and

(f) the steps proposed to be taken by the Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) The guidelines issued by the Reserve Bank of India (RBI) with regard to sanction of bridge loans *inter-alia* include that the extent of bridge loan should not exceed 50% of the amount actually called up by a company on each occasion of a public issue and that such a loan should be utilised for the purpose for which the public issue is intended with no diversion of these funds for other purposes.

(b) The RBI has reported that no instances have been brought to their notice and nor have they observed any instance of violation of RBI guidelines by commercial banks while sanctioning bridge loans/interim finance.

(c) to (f). Do nos arise.

[English]

Powerloom Workers

*593. SHRI D. VENKATESWARA
RAO:
SHRI V. SREENIVASA
PRASAD:

Will the Minister of TEXTILES be pleased to state:

(a) whether the Union Government have urged the States to implement schemes for the welfare of powerloom workers and also to provide insurance cover to them;

(b) whether the directions of the Union Government have been implemented; and

(c) if so, the details thereof and the assistance the Government propose to give to State Governments for the purpose?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI G. VENKAT SWAMY): (a) to (c). The Union Government has urged the State Govts. to implement the Powerloom Workers Insurance Scheme.

Six State Governments started implementing the Powerloom Workers Insurance Scheme in 1993-94. The other States are actively considering its adoption.

Under this scheme an annual premium of Rs. 120/- for an Insurance cover of Rs. 10,000/- is to be equally shared by Central Government, State Government and the Powerloom Worker. Therefore, an assistance of Rs. 40/- per worker insured would be provided by the Union Government.

Overdraft by States

*594. PROF. PREM DHUMAL: Will the Minister of FINANCE be pleased to state:

(a) whether some States are facing the problem of overdraft at present;

(b) if so, the names of the States and the amount of overdraft in their accounts; and

(c) the steps being taken by the Government to provide some relief to these States to overcome this problem?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) and (b). Depending on the volume of transactions of each State, the Reserve Bank of India has fixed the Ways and Means Limit for each State separately. The States are allowed to overdraw their account upto the Ways and Means Limit. When the States draw beyond the Ways and Means Limit for more than 10 working days continuously, Reserve Bank of India stops the payment.

The position of overdrawal varies from day-to-day and from State to State. Since it is a matter of relationship between the banker and the client, (between R.B.I. and a State Government) information of States which have overdrawn their account with the R.B.I. are not publicised by the Government of India. This was also the suggestion by the Members of Parliament during a recent debate regarding overdraft of one particular State.

(c) It is for the State Governments to take necessary steps to clear their overdraft in their accounts with the Reserve Bank of India. The Reserve Bank has with effect from 1st November, 1993 increased the limit of authorised Ways and Means advances by 50 per cent. Moreover, in order to improve the resource position of the States they have been allowed by the Centre to raise market loans of Rs. 4511.45 crores i.e. 91.3% of the total allocations of market borrowing for the entire financial year

1994-95 in the first tranche itself. This amount of Rs. 4511.45 crores which the States have been allowed to raise in the first tranche is higher by Rs. 1867.45 crores compared to the originally contemplated amount of Rs. 2644.00 crores.

Private Airlines

*595. SHRI MANORANJAN BHAKTA:
SHRIMATI VASUNDHARA RAJE:

Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) whether the private airline have been observing the rules laid down by the Directorate General of Civil Aviation (DGCA), particularly in regard to maintaining the minimum complement of engineers with valid licences in five different areas;

(b) if so, the details thereof;

(c) if not, the action being taken against the defaulting airlines;

(d) whether the ground facilities at the various airports have been unable to keep pace with the increase in the number of private airlines;

(e) whether both manpower and equipment are inadequate; and

(f) if so, the action taken or proposed to be taken by the Government in this regard?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) to (c). The Private

Operators have been generally observing the rules laid down by the Director General of Civil Aviation (DGCA) including maintaining of the minimum complement of engineers with valid licences in five different areas in respect of aircraft with All Up Weight of 15,000 kg and above as required. However, whenever any violation of the rules is found to have taken place, action is taken against the erring personnel and the operators.

(d) The ground facilities on the air side such as runways, taxiways, apron etc. are considered adequate. Facilities on city side are being augmented to cope up with the traffic generated by private taxi operators.

(e) and (f). Inadequacy of equipment and manpower has been felt at certain airports. Common user terminal equipment is being provided wherever so needed to bring about the economies of scale and to facilitate smooth flow of passengers.

[*Translation*]

Regional Rural Banks

*596. SHRI PHOOL CHAND VERMA: Will the Minister of FINANCE be pleased to state:

(a) whether the services of Regional Rural Banks are likely to be discontinued in the rural areas;

(b) if so, the reasons therefor;

(c) whether crores of rural farmers, workers and small artisans who used to earn their livelihood by taking loans will now be deprived of the facility as a result thereof; and

(d) if so, the remedial measures proposed to be taken by the Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) No, Sir.

(b) to (d). Do not arise.

[*English*]

Foreign Institutional Investors

*597. PROF. UMMAREDDY VENKATESWARLU: Will the Minister of FINANCE be pleased to state:

(a) whether the Government have given specific incentives to Foreign Institutional Investors to invest funds in specific sectors;

(b) if so, the details of different incentives and tax rules for domestic and foreign investors in stocks and shares; and

(c) the reasons for two different sets of rules for domestic and foreign investors?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) No, Sir, There are no sector specific incentives offered to Foreign Institutional Investors (FIIs) investing in Indian Capital Markets.

(b) and (c). Do not arise.

Bank Deposits

*598. SHRI C. P. MUDALA GIRI-YAPPA: Will the Minister of FINANCE be pleased to state:

(a) the original target of deposits of scheduled commercial banks for 1993-94;

(b) whether the above target was revised later; and

(c) if so, the details thereof and the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) to (c). Under the Monetary and Credit Policy announced by the Reserve Bank of India (RBI) in April 1993 for first half of the year 1993-94, working estimates of aggregate bank deposits growth was stipulated at Rs. 34750 crores for the year 1993-94 keeping in view the projected monetary expansion at 12% during the above period. However, the above working estimates were revised from Rs. 34750 crores to Rs. 39000 crores in October 1993 after reviewing the position of monetary expansion and the growth in bank deposits in the first half of 1993-94. It was observed that the primary money expansion had been very large in the first half of the year which was attributable to the large increase in net RBI credit to Government and the *improvement in the net foreign exchange assets. With the strong growth in primary liquidity in the first half of the year, it was estimated that the monetary expansion*

for the full year 1993-94 would be around 14.0% as against the expansion of 12.0% projected in April 1993. Consistent with the revision in the growth of monetary expansion, the working estimates of the increase in aggregate deposits of scheduled commercial banks for the year 1993-94 were also revised as stated above.

Jute Corporation of India

*599. SHRI AJOY MUKHOPADYAY: Will the Minister of TEXTILES be pleased to state:

(a) the total amount of funds provided to the Jute Corporation of India for purchase of raw jute directly from the growers in West Bengal and the total quantity of actual purchase made by JCI during the last three financial years;

(b) the support prices of jute announced by the Union Government during the above period;

(c) whether the number of purchase centres of JCI in West Bengal had gradually reduced since 1991-92; and

(d) if so, the details thereof and the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI G. VENKAT SWAMY): (a) The amount of funds provided to and the quantity of actual purchase made by the Jute Corporation of India during the last three years are detailed below:

('000 bales of 180 Kgs. each)

Year	Amount of funds provided (Rs. Crores)	Purchases made	
		West Bengal	All India
1991-92	12.00	355.3	618.1
1992-93	32.00	626.5	916.7
1993-94	24.00	4.9	7.0

(b) The minimum support price of raw jute is announced for TD-5 variety (Ex-Assam) only. For the other varieties, the minimum support price is calculated with this as the basis. The prices announced during the last three years are as under:

Year	Minimum support price of TD-5 Ex-Assam
1991-92	Rs. 375
1992-93	Rs. 400
1993-94	Rs. 450

(c) and (d). The JCI had 116 purchase centres in West Bengal in 1991-92. None of these centres has since been closed down.

Cardamom

*600. PROF. P.J. KURIEN: Will the Minister of COMMERCE be pleased to state:

(a) the per hectare production of cardamom in India and Guatemala;

(b) the steps taken to raise the per hectare production;

(c) whether new high-yielding varieties of cardamom have been developed by scientists in India; and

(d) if so, the details thereof?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) The per hectare production of cardamom in India and Guatemala are as follows:

India	: 110 kg. per hectare for 1993-94.
Guatemala	: About 200 kg. per hectare in recent years

(b) For increasing the per hectare production, the Spices Board has implemented short and long term programmes like production and distribution of quality planting materials, replantation of old/senile gardens, promotion of irrigation and post harvest improvement, and imparting of technical guidance to farmers by field officers.

(c) Yes, Sir.

(d) Indian Cardamom Research Institute of Spices Board has released two high yielding cardamom selection viz. ICRI-I and ICRI-2 for Kerala. Another selection viz. SKP-14 evolved at ICRI Regional Station of Spices Board at Saklespur has been released for Karnataka.

[*Translation*]

Setting up of Agro Based Industries

6469. SHRI SURENDRA PAL PATHAK: Will the Minister of FINANCE be pleased to state:

(a) whether any survey for setting up of agro-based units in Uttar Pradesh has been conducted by National Bank for Agriculture and Rural Development;

(b) if so, the details thereof; and

(c) the places at which such units are proposed to be set up?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) The National Bank of Agriculture and Rural Development (NABARD) has reported that it has not conducted any survey to set up Agro-based industries in Uttar Pradesh.

(b) and (c). Do not arise.

[*English*]

Madhya Pradesh Handicraft Development Corporation

6470. SHRI SUSHIL CHANDRA VARMA: Will the Minister of TEXTILES be pleased to state:

(a) whether the Madhya Pradesh Handicraft Development Corporation forwarded any proposals for providing Financial assistance for activities such as wood carving, bell metal, hand printing, carpet weaving, terracotta, bambo work in the State; and

(b) if so, the action taken by the Union Government thereon?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI G. VENKAT SWAMY): (a) and (b). The position with regard to the proposals received from Madhya Pradesh Handicrafts Development Corporation, Bhopal and action taken thereon is as under:

(i) The expenditure in connection with 14 proposals for exhibition-cum-sale of Handicrafts of Madhya Pradesh Handicrafts Development Corporation, Bhopal have been fully reimbursed totalling Rs. 10.69 lakhs during 1993-94.

(ii) No proposal for training in any crafts was received from the corporation during 1993-94. However proposals received during 1992-93 for training in zari, chicken craft, bamboo craft, cloth painting and bell metal could not be considered as the corporation failed to submit audited accounts for the grants received by them for their earlier programmes.

(iii) Two proposals for Craft Development Centre (CDC) were received during 1993-94 and these proposals could not be considered because of delays in satisfactory commissioning of the earlier sanctioned Craft Development Centres at Jagdalpur for metal and wood carving crafts and at Gwalior for carpet manufacture sanctioned to the corporation.

(iv) The corporation proposal for holding a craft bazar at Bhopal

and Shilpi Haat Bazar at Gohar Mahal, Bhopal were sanctioned during 1993-94 and funds to the extent of Rs. 6.30 lakhs and Rs. 15.50 lacs were released respectively.

- (v) The corporation's proposal for renovation of the emporium at New Delhi during 1993-94 was sanctioned and funds to the tune of Rs. 4.50 lakhs was released.

Venture Capital Fund Scheme of IDBI

6471. SHRI B. DEVARAJAN: Will the Minister of FINANCE be pleased to state:

(a) whether Industrial Development Bank of India has liberalised its policy regarding the size of its Venture Capital Fund Scheme to promote research and development and absorption and adoption of technologies and innovations; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) and (b). The Industrial Development Bank of India (IDBI) has reported that it has liberalised its Venture Capital Fund (VCF) Scheme. The liberalised VCF Scheme will continue to promote ventures based on indigenous research and development and adaption of imported technologies and innovations. The scope of VCF Scheme has, however, been widened to cover development of new kind of innovative products and services which are in the early stages of life cycles holding substantial potential for growth and risk. The upper limit of cost

of individual projects has also been increased from Rs. 150 lakh to Rs. 500 lakh. Ventures costing above Rs. 500 lakh may also be considered on merits.

Moreover, the assistance under VCF Scheme will now be available not only for creation of fixed assets, development expenditures, and margin money for working capital, as hitherto, but it will also be available selectively for crore current assets during commercial operations. Hitherto under VCF Scheme, IDBI's assistance was mainly in the form of debt instruments like term loans, conditional loans etc. In the liberalised VCF Scheme, other forms of assistance like equity, convertible loans and working capital term loans would also be provided.

[Translation]

Bungling In RRBs

6472. SHRI N.J. RATHVA: Will the Minister of FINANCE be pleased to state:

(a) whether the Government have received any complaints in regard to the irregularities/bungling prevailing in the Regional Rural Banks in rural areas of Gujarat;

(b) if so, the details thereof during the last three years; and

(c) the action taken by the Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) to (c). The reporting system in Reserve Bank of India (RBI) and National Bank for Agriculture and Rural Development (NABARD) as well as Regional Rural

Banks (RRBs) does not generate information on the number of complaints about the functioning of RRBs in general or their branches in the country. The RRBs are to function under the general supervision and guidance of their Board of Directors, and as per the guidelines issued by NABARD/RBI as well as Government. The complaints as and when received at various levels including Government are looked into by the management of the RRBs concerned or by the sponsor bank or NABARD as may be the requirement of the situation. The remedial measures are taken by the competent authority after such inquiries are completed.

[English]

Consignment Exports

6473. SHRI MANIKRAO HODLYA GAVIT: Will the Minister of FINANCE be pleased to state:

(a) whether recently Reserve Bank of India has decided to consider individual request on merit for extension of time limit for realisation of proceeds for exports on consignment basis to CIS and East European countries; and

(b) if so, the details regarding the time limit so far the policy of consignment exports which is governed by the Foreign Exchange Regulations Act, 1993 is concerned?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) Yes, Sir.

(b) The policy on consignment exports which is governed by the Foreign Exchange Regulation Act, allows con-

signment exports only on the condition that export proceeds should be realised within six months. The time limit of six months is extendable to 15 months if exports are made to Indian owned warehouses established abroad with the prior permission of the Reserve Bank of India. With a view of support the revival and growth of India's export to the CIS and East European countries, it has been decided by Reserve Bank of India to consider requests from Indian exporters desirous of exporting goods on consignment basis for extending the period prescribed for realisation beyond six months, up to a period of 12 months. Such requests for extension of time will be considered by Reserve Bank of India only in respect of exports in freely convertible currency.

Powerloom Workers

6474. SHRI BOLLA BULI RAMAIAH:
SHRI M.V.V.S. MURTHY:
SHRI SULTAN SALAHUDDIN OWAISI:

Will the Minister of TEXTILES be pleased to state:

(a) whether the Union Government have received any memorandum from the powerloom workers of Andhra Pradesh;

(b) if so, the details thereof and main points raised in the memorandum; and

(c) the reaction of the Union Government thereto?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI G. VENKAT SWAMY): (a) Yes, Sir. The

Union Government have received a memorandum from the Kakatiya Textile Weavers Cooperative Society Ltd. based in Thorrur Distt. Warangal, Andhra Pradesh.

(b) The Kakatiya Textile Weavers Cooperative Society Ltd., Thorrur, Dist. Warangal, Andhra Pradesh have stated that they have a plan to set up a complex with 100 powerlooms with a total outlay of Rs. 4,64,40,000/- and that they have requested the State Bank of Hyderabad, Thorrur, A.P., IDB, New Delhi, S.E.T.W.A.R. of Warangal, A.P. and the I.R.D.P. funds. No financial assistance has been envisaged from Government of India.

(c) These institutions will consider proposals according to their norms.

Private Banks

6475. SHRI SANAT KUMAR MANDAL: Will the Minister of FINANCE be pleased to state:

(a) whether private sector banks are subject to prudential regulations by the Reserve Bank of India; and

(b) if so, the safeguards taken to prevent consideration of credit and ensure that these private banks strictly adhere to priority and social sector targets laid down by the apex bank?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) Yes, Sir.

(b) Reserve Bank of India (RBI) have prescribed credit concentration limits according to which banks, including those in private sector, cannot take an exposure exceeding 25% of owned funds on any single borrower and 50% on any group. Banks are also subject to priority sector obligations which are closely monitored by RBI.

Targets for Exports

6476. SHRI HARISINH CHAVDA: Will the Minister of COMMERCE be pleased to state:

(a) the targets set for exports during the last two years;

(b) the extent to which these targets have been achieved;

(c) the reasons for slow growth in export; and

(d) the strategy adopted during the Eighth Plan to accelerate the growth of exports?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) to (c). The details of export targets/performance for the years 1992-93 and 1993-94 are given below:

Year	Rs. Crores		US \$ Million	
	Target	Performance	Target	Performance
1992-93	57850	53688	20132	18537
1993-94	70842	72806*	22138	22173*

*Provisional figures

Export target for 1993-94 has been achieved. However, the export performance in 1992-93 was lower than the target due to factors, such as, sluggish growth in world trade, recession in industrially advanced countries and rapid fall in trade with CIS and East European countries.

(d) In order to increase exports in the Eighth Plan period, the Government have taken major steps for liberalisation of trade which include facility of export linked imports, reduction of import licensing, strengthening export incentives and removal of procedural irritants through simplification of policies and procedures and a gradual reduction in both the level and dispersion of tariff rates. Emphasis is also being placed on improving quality to increase competitiveness and increasing production, specifically for exports.

[Translation]

Closure of Bank Branches in Rajasthan

6477. PROF. RASA SINGH RAWAT: Will the Minister of FINANCE be pleased to state:

(a) whether the Government have decided to close down several banks and to encourage private sector banks in various parts of the country during this financial year;

(b) if so, the criteria followed to close down these banks and to start private sector banks;

(c) the names of the banks indicating their branches in Rajasthan proposed to be closed and the manner in which the officers and employees work-

ing in these bank branches are likely to be adjusted; and

(d) the decisions taken in regard to the incidents of fraud and bungling occurred in these banks and in the matter of recovery of the outstanding loans and future uses of the buildings of these banks which are proposed to be closed down?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) and (b). There is no proposal at present to close down any bank. However, in the light of the recommendations of the Committee on the Financial System (Narasimham Committee), Reserve Bank of India (RBI) have issued detailed guidelines in January, 93 on entry of new private sector banks. So far, RBI have issued two licences under Section 22 of the Banking Regulation Act for establishment of new private sector banks.

(c) to (d). Do not arise.

Tourism Development in Madhya Pradesh

6478. SHRI SHIVRAJ SINGH CHAUHAN: Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) the number of the projects approved by the Union Government to encourage tourism in Madhya Pradesh during the Seventh Five Year Plan and the amount sanctioned for each of these projects;

(b) the places at which these projects were to be implemented;

(c) the names of the projects which have been completed;

(d) the expenditure incurred on each of these projects so far; and

(e) the time by which the remaining projects are likely to be completed?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) to (e). The Central

Department of Tourism sanctioned nineteen projects/schemes amounting to Rs. 203.76 lakhs for development of tourism in Madhya Pradesh during Seventh five Year Plan period. The names of the projects with places, amount sanctioned and amount released and status of the projects are given in the *Statement* attached.

STATEMENT

Projects/Schemes sanctioned during Seventh Five Year Plan period in the State of Madhya Pradesh

Sl. No.	Name of the Project	Year of sanction	Amount sanctioned	Amount released	Status
1.	Cafeteria at Sanchi	1985-86	8.32	7.82	Completed
2.	Construction of Wayside facilities at Keskal, (Bastar dist.)	-do-	4.90	2.00	Completed
3.	Construction of Tourist Complex at Jagdalpur (Bastar)	-do-	31.86	17.00	In Progress
4.	Sound & Light show at Man Mandir, Gwalior	-do-	28.83	28.83	Completed
5.	Provision of toilet and drinking water facilities at Sanchi, Khajuraho (Through ASI)	-do-	3.00	2.00	Completed
6.	Mini buses for Bandavgarh	-do-	4.06	4.06	Purchased
7.	Jeeps for Shivpuri	-do-	2.02	2.02	Purchased
8.	Mini buses for Kanha	-do-	4.06	4.06	Purchased
9.	Construction of wayside amenities (Motel) at Biora (Rajgarh)	-do-	18.36	15.00	In progress
10.	Construction of cafeteria-cum-toilet facilities at Kankar (shifted from Dantewda)	1988-89	12.54	6.00	In progress

Sl. No.	Name of the Project	Year of sanction	Amount sanctioned	Amount released	Status
11.	Wayside amenities at Kawardha (Rajnandgaon)	-do-	18.36	13.00	In progress
12.	Construction of Cafeteria-cum-toilet facilities at Chitrakoot (Bastar)	-do-	12.54	10.00	In progress
13.	Wayside amenities at Chanderi	-do-	8.05	4.00	In progress
14.	Wayside amenities at Karera (Morana)	-do-	8.05	7.55	In progress
15.	Floodlighting of Bir Singh Deo Palace, Datia	-do-	2.12	2.12	Commissioned
16.	Purchase of mini buses for Kanha National Park	1989-90	7.03	6.30	Purchased
17.	Wayside amenities at Khalghat (Dhar)	1988-89	14.87	10.00	In progress
18.	Fishing huts near Orcha, Tikamgarh	-do-	6.44	4.00	Completed
19.	Wayside amenities at Datia	-do-	8.35	7.00	In progress
TOTAL			203.76	152.76	

[English]

(c) the total additional foreign grant during 1993-94; and

Foreign Exchange Reserves

6479. SHRI SYED SHAHABUDDIN:
Will the Minister of FINANCE be pleased to state:

(d) the latest estimates of the amount payable to service the existing loans including repayment of principal during 1994-95?

(a) the foreign exchange reserves of the country in SDRs, dollars and rupees as on April 1, 1994 and on April 1, 1993;

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V CHANDRASHEKHARA MURTHY): (a) the level of foreign exchange reserves (including Gold and SDRs) of the country as at end March 1993 and at end March 1994 is as follows:

(b) the total additional foreign loan during 1993-94;

	In SDRs Million	In US \$ Million	In Rupees Crore
End March 1993	7034	9832	30745
End March 1994	13630	19254	60420

(b) The total additional foreign loans during 1993-94 are estimated to be about US \$ 6 billion consisting of loans on Government and Non-Government account, external commercial borrowings and from IMF.

(c) The total additional foreign grants during 1993-94 are estimated to be about US \$ 250 million.

(d) The amounts payable to service the existing loans including repayment of principal during 1994-95 would depend on repayments falling due in the year according to various amortisation schedules, interest falling due with reference to the subsequent drawals during the year, and also on other factors like pre-payments, if any, during the year. It is therefore difficult to project debt-servicing requirements in future. However, the provisional latest estimates indicate that during 1994-95 about US \$ 10.5 billion would be payable to service the existing loans including repayment of principal.

Assistance by UNDP for Export of Spices

6480. SHRI GOPI NATH GAJAPATHI: Will the Minister of COMMERCE be pleased to state:

(a) whether the United Nations Development Programme (UNDP) has been providing assistance for increasing production and also to enhance the export of good quality spices;

(b) if so, the amount of UNDP assistance received or sought by the Central Government for the purpose; and

(c) the details thereof?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) to (c). UNDP is providing assistance for implementing a project entitled 'Promoting Quality and Export of Indian Spices' for a period of three years. The objective of the project is to upgrade quality, promote export of value added spices from India and generate income and employment opportunities in spices from India and generate income and employment opportunities in spices growing rural areas. The UNDP assistance will be to the tune of US\$ 968500.

Patenting of Transgenic Cotton Seeds

6481. DR. R. MALLU: Will the Minister of COMMERCE be pleased to state:

(a) whether the Governments attention has been drawn to patenting of transgenic cotton seeds by a U.S. multinational both in India and USA;

(b) whether this patent has since been revoked and if so, the details thereof; and

(c) whether the Government propose to alert this Patent Office and CSIR Patent Office in the matter?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) Yes, Sir.

(b) No, Sir.

(c) The matter is under examination.

Loan to Educated Unemployed Youth

6482. SHRI A. VENKATESH NAIK: Will the Minister of FINANCE be pleased to state:

(a) the number of educated unemployed youth in Karnataka who applied for loan from the nationalised banks for starting their own industries/business during each of the last two years;

(b) the amount of loan sanctioned and disbursed by the said banks;

(c) the number of applications pending; and

(d) the time by which the remaining applications are likely to be disposed of?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) and (b). Presumably, the Hon'ble Member is referring to the Scheme for providing Self Employment to the Educated Unemployed Youth (SEEUY). Reserve Bank of India (RBI) has reported that during the year 1992-93, 7241 applications for loan were received by banks in Karnataka under SEEUY Scheme for undertaking industries, service and business ventures and of these 3894 applications were sanctioned loan amounting

to Rs. 778.00 lakhs (Provisional). Information for the year 1993-94 is not yet available.

(c) and (d). For a programme year, applications received under SEEUY but not sanctioned upto 31st March automatically lapse for that programme year.

Romanian National Airlines

6483. SHRI UDAYSINGRAO GAIKWAD: Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state;

(a) whether the flight operations by the Romanian National Airlines in India were discontinued in the past;

(b) if so, the reasons therefor;

(c) whether the Romanian National Airlines has been permitted to resume its flight between Calcutta and Bucharest;

(d) if so, the details thereof;

(e) whether this resumption is likely to have an adverse economic effect on the Air India;

(f) if so, the details thereof; and

(g) the reasons for giving such permission to the Romanian National Airlines?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) Yes, Sir.

(b) The Romanian Airlines had discontinued the operations on their own. Airlines introduce/withdraw their services on commercial considerations.

(c) and (d). The permission was not withdrawn. In December, 1993, Romanian airlines were permitted to serve Calcutta and Delhi on the same flight. Following this, the airline started its twice weekly services between Bucharest and India with A-310 aircraft touching Delhi and Calcutta on the same flight with effect from 7.4.1994.

(e) and (f). Air India does not operate on India-Romania route. For unilateral operations of Romanian Airlines, a commercial arrangement has been entered into between Air India and Romanian Airlines.

(g) This was done to attract international flights to Calcutta and increasing air capacity to India for promotion of Tourism and trade.

Computerisation in RBI

6484. SHRI PALAS BARMAN: Will the Minister of FINANCE be pleased to state;

(a) the department of Reserve Bank of India, Calcutta, where computerisation work has been introduced as on March 31, 1994; and where computerisation work is yet to be introduced;

(b) the time by which the computerisation work is likely to be introduced in all the departments of Reserve Bank of India, Calcutta;

(c) whether the bank authorities had already given inservice training to officials of bank for such computerisation;

(d) if so, the number of officials trained as on March 31, 1994; and

(e) the manner in which the Government propose to utilise their services?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) Reserve Bank of India (RBI) have reported that the following Departments at Calcutta have been provided computers as on 31st March, 1994:

- (i) Clearing House (Main Frame)
- (ii) Exchange Control Department
- (iii) Department of Statistical Analysis and Computer services
- (iv) Public Debt Office
- (v) Department of Economic Analysis & Policy
- (vi) Zonal Training Centre

In addition, simple wordprocessing systems have been provided to Urban Banks Department and Department of Banking Operations and Development.

(b) RBI propose to introduce computers in the following Departments in a phased manner:

- (i) Issue Department : Currency Chest Accounting
- (ii) Department of Financial Companies
- (iii) Manager's Section
- (iv) Establishment Section
- (v) Deposit Account Department
- (vi) Public Accounts Department

(c) RBI have their own training establishments where computers training is provided to offices and staff. For specific projects, on the job training is also provided to the officers. For advanced courses, officers are nominated to undergo training in outside training institute.

(d) Information is being collected and will be laid on the Table of the House.

(e) RBI have reported that as more Departments are computerised, the requirement of trained manpower in computer applications will rise and the Bank will ensure that all computer trained officials and staff are deployed in areas where computers are introduced.

Airport Facilities at Goa

6485. SHRI SUDHIR SAWANT:
SHRI HARISH NARAYAN
PRABHU ZANTYE:

Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) whether the Government have any plans to construct a separate civil airport at Goa;

(b) if so, the details thereof;

(c) whether, in view of the ever increasing national and inter-national air traffic of chartered flights from and to Goa and also to harness the tremendous tourism potential, the Government are considering to upgrade the airport facility at Goa and to bring it to the international level;

(d) if so, the details of the proposals under consideration/finalised by the National Airports Authority/International Airports Authority of India; and

(e) the main economic factors which are positively supporting upgradation of the airport facilities in Goa and time bound action Plan finalised for implementation during the Eighth Five Year Plan?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) No, Sir.

(b) Does not arise.

(c) and (d). Yes, Sir. National Airports Authority has undertaken plans to upgrade the following facilities at Goa airport:

- (1) Expansion & modification of the Terminal Building to cater to 350 arriving and 350 departing domestic passengers and 250 arriving and 250 departing international passengers simultaneously.
- (2) Expansion of apron to 500 ft. x 300ft. to accommodate additional aircraft.
- (3) Replacement of Very High Frequency Omni, Range (VOR) by Doppler Very High Frequency Omni Range (DVOR), navigational aids.

(e) Upgradation of facilities at Goa airport have been taken up to cater to current traffic as well as for the expected growth in tourist traffic. The projects being implemented by NAA from their own resources are expected to be completed by October, 1995.

Seizure of Electronic Items by DRI

6486. SHRI SOMJIBHAI
DAMOR:
SHRI CHHITUBHAI GAMIT:

Will the Minister of FINANCE be pleased to state:

(a) the contraband electronic items seized from the Airport Sorting Office, New Delhi by the Directorate of Revenue Intelligence (DRI) during each of the last three years;

(b) whether some instance of illegal sale of such items from Customs disposal stores came to the notice of the Government;

(c) if so, whether the matter has been investigated by the Government; and

(d) if so, the outcome thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) Directorate of Revenue Intelligence has not made any seizures from the Airport Sorting Office, New Delhi during last three years.

(b) No, Sir.

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

Revival of Sick Units in West Bengal

6487. SHRIMATI GEETA MUKHERJEE: Will the Minister of LABOUR be pleased to state:

(a) whether the representatives of major central trade unions in the country have submitted a memorandum to the Union Government for reviving the ailing public sector units of West Bengal;

(b) if so, the details thereof; and

(c) the reaction of the Government thereon?

THE MINISTER OF STATE OF THE MINISTRY OF LABOUR (SHRI P.A. SANGMA): (a) to (c). In the meeting of the Tripartite Industrial Committee on Engineering Industry held on 4.2.94 and 14.2.94 cases of the following 15 Central Public Sector Undertakings (CPSUs) were considered:

1. Heavy Engineering Corporation (HEC)
2. Mining & Allied Machinery Corporation (MAMC)
3. Cycle Corporation of India Limited (CCIL)
4. Nagaland Pulp & Paper Corpn. (NPPC)
5. Mandya National Paper Mills (MNPM)
6. Scooter India Ltd. (SIL)
7. Triveni Structurals Ltd. (TSL)
8. Bharat Process & Mechanical Engineering Ltd. (BPMEL)
9. Bharat Ophthalmic Glass Ltd. (BOGL)

10. Bharat Brakes & Valves Ltd. (BBVL)
11. Tannery & Footwear Corpn. Ltd. (TFCL)
12. National Instruments Ltd. (NIL)
13. Weighbird India Ltd. (WIL)
14. Braithwaite & Co. Ltd. (BCL)
15. Tyre Corporation of India Ltd. (TCIL)

9 out of the 15 CPSUs are located in West Bengal. Based on the decision taken in the said meeting, trade unions have so far submitted their consolidated proposals for revival of 14 out of 15 CPSUs for consideration of the Government. The summary of the proposals are given in the enclosed *Statement*. These proposals have been forwarded to the Department of Heavy Industry for being incorporated in their Notes for the Cabinet for finalising Government's stand in respect of each CPSU.

STATEMENT

The summary of the proposals given by the Central Trade union organisations in respect of Central Public Sector Undertakings considered by the tripartite Industrial Committee on Engineering Industry.

1. Government should continue to discharge its responsibility as promoter of the CPSUs.
2. Government should consider financial restructuring of the CPSUs.

3. Banks should provide financial support to the sick units.
4. Excise duty reliefs should be given.
5. Sales tax reliefs from State Govt. should be given.
6. Marketing support to enable capacity utilisation and fulfilment of production targets should be provided.
7. Inter-ministerial assistance to be assured.
8. Revival proposals prepared jointly by unions and managements should be considered.
9. Government should explore the possibilities of merger/amalgamation of sick units for their revival.
10. NRF should be utilised for redeployment/retraining.
11. State Government should also be engaged in the tripartite consultation.
12. There should be no closure or winding up of any unit.
13. Necessary budgetary support to the sick units should continue.

Prime Minister's Rozgar Yojana

6488. SHRI ARJUN CHARAN SETHI: Will the Minister of FINANCE be pleased to state:

(a) whether some of the nationalised banks in the country are against financing the beneficiaries selected under Prime Minister's Rozgar Yojana in Urban areas;

(b) if so, the reasons therefor; and

(c) the guidelines issued by the Reserve Bank of India to the nationalised banks to provide finance to the beneficiaries selected under PMRY?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) No, Sir.

(b) Does not arise.

(c) The guidelines issued by the Reserve Bank of India to banks on 28th September, 1993 for implementation of the Prime Minister's Rozgar Yojana (PMRY) are briefly as under:—

- (i) All educated unemployed youth between the age of 18 and 35 belonging to families having total family income of less than Rs. 24,000/- per annum from all sources would be eligible for assistance under the scheme.
- (ii) These educated unemployed entrepreneurs would be given a subsidy of 15% subject to a ceiling of Rs. 7,500/- each for starting the micro-enterprises.
- (iii) They would be required to bring in 5% of the project cost as margin money.
- (iv) Each entrepreneur will be eligible for a loan upto a ceiling

of Rs. 1 lakh and this loan would not require a collateral guarantee.

- (v) The entrepreneur selected under the scheme would be provided training, before the loan is disbursed.
- (vi) Matric (passed or failed) students, ITI passed youth and all persons who have undergone Government sponsored technical courses for a minimum duration of 6 months will be eligible for assistance under the scheme.
- (vii) Reputed Non-Governmental Organisations (NGOs) would also be associated in the implementation of the scheme.
- (viii) A reservation of 22.5% for SC/ST and 27% for other backward classes (OBCs) has been provided.

[Translation]

insurance Schemes

6489. SHRIMATI SAROJ DUBEY: Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to introduce an insurance scheme in order to make up the loss of life and property due to natural calamities and communal riots;

(b) if so, the details in this regard; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) and (b). The insurance schemes covering loss of life and property arising from various natural calamities like Flood and allied perils viz. Storm, Cyclone, Typhoon, Tempest, Hurricane, Tornado, Flood & Inundation, Subsidence and Landslide including Rockslide damage, Earthquake Fire and Shock and violences, such as, Riots, Strike, Malicious and Terrorist damage are already available with the four subsidiary companies of the General Insurance Corporation of India viz. (i) National Insurance Company Ltd., (ii) New India Assurance Company Ltd., (iii) Oriental Insurance Company Ltd. and (iv) United India Insurance Company Ltd. These covers can be obtained from these Companies by paying the requisite premium.

(c) Does not arise.

[English]

SC/ST Employees in Air India

6490. SHRI UDDHAB BARMAN: Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) whether the Air India has been retiring/removing a large number of Scheduled Caste/Scheduled Tribe employees;

(b) if so, the reasons therefor;

(c) the number of such employees retired/removed, category-wise, since 1988; and

(d) the reaction of the Government in this regard?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) to (d). The information is being collected and will be laid on the Table of the Sabha.

Hot Food and Craft Bazar

6491. SHRI ANAND RATNA MAURYA: Will the Minister of TEXTILES be pleased to state:

(a) whether a Hot Food and Crafts Bazar has been constructed in Delhi;

(b) if so, the details thereof and the aim behind it;

(c) the expenditure incurred in the construction of this bazar; and

(d) the steps being taken by the Government to put a check on the prices of the items being sold in this bazar?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI G. VENKAT SWAMY): (a) and (b). Yes, Sir. A permanent Food and Crafts Bazar, also called 'Delhi Haat' has been constructed at Aurobindo Marg, opposite INA Market, New Delhi by the Delhi Tourism in collaboration with the Ministries of Textiles and Tourism government of India and New Delhi Municipal Committee. This joint project is aimed at providing direct marketing outlets to genuine crafts-persons from the handicrafts and handlooms sector throughout the country by rotation, besides providing ethnic food of different States.

(c) As per the information furnished by the Delhi Tourism and Transportation Development Corporation, the total expenditures incurred is Rs. 3.14 crores.

(d) While taking into consideration the artistic nature of the items being sold by the genuine craftspersons in this bazar, the prices of various types and categories of items are determined by the market demand and supply. However, the craftspersons are advised from time to time that it would be beneficial for them to keep their prices reasonable and competitive.

Export of Basmati Rice

6492. SHRI R. JEEVARATHINAM: Will the Minister of COMMERCE be pleased to state:

(a) the export of basmati rice during 1993-94;

(b) the foreign exchange earned therefrom; and

(c) the steps taken/proposed to be taken to increase the export of different varieties of rice from the country?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) and (b). During 1993-94 (April 1993-January 1994), 4,55,786 tons of basmati rice valued at Rs. 879.46 crores have been exported.

(Source: DGCI&S, Calcutta)

(c) Steps taken to enhance the export competitiveness of Indian rice include (i) removal of inter-state restrictions on movement of rice and suspension of the levy on superfine non-basmati rice meant for export purposes by some State Governments, (ii) rationalisation of Minimum Export Prices, (iii) giving permission to exporters to import milling equipment at concessional duty under the Export Promotion Capital Goods

Scheme, (iv) rice exporters are also eligible for the benefits of the 100% Export Oriented Unit Scheme.

Economic Cooperation with France

6493. SHRI RAM KAPSE: Will the Minister of FINANCE be pleased to state:

(a) whether the French Government have evinced keen interest in the field of economic cooperation with India;

(b) if so, the details of areas where cooperation is expected; and

(c) how far Indo-French ties are likely to enhance country's export?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) Yes, Sir.

(b) It is expected that bilateral economic cooperation will cover a wide range of areas of mutual interest, with a focus on key sectors such as infrastructural development.

(c) The infusion of French technology and tie-ups will increase technological upgradation and the competitiveness of Indian Industry in international markets, thus generating additional exports.

Bank Profits

6494. SHRI GURUDAS KAMAT: Will the Minister of FINANCE be pleased to state:

(a) whether fresh depreciation norms are likely to hit bank profits;

(b) if so, the reasons therefor; and

(c) the steps taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) Reserve Bank of India (RBI) have decided that the Indian Banks Association in consultation with the Institute of Chartered Accountants of India, should evolve a method for valuation of Government and other securities which should be adopted by the banks while finalising the balance sheet and profit and loss account as on 31st March, 1994.

(b) The impact, if any, on the profits of banks will be known only after finalisation of the balance sheet of banks for 1993-94.

(c) Does not arise.

Border Trade Between India and Myanmar

6495. SHRI RAM PRASAD SINGH: Will the Minister of COMMERCE be pleased to state:

(a) whether in bilateral interest, Government propose to open border trade between India and Myanmar by land route in Manipur and Mizoram sectors; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION AND MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KAMALUDDIN AHMED): (a) Yes, Sir.

(b) India and Myanmar signed a Border Trade Agreement on 21.1.1994,

which is expected to give an impetus to the enhancement of bilateral trade between the two countries. The Border Trade Agreement envisages overland trade to be initially conducted through the customs posts at Moreh in Manipur and Champai in Mizoram; trade through additional customs posts is to be considered at a later stage as many be mutually agreed between the two countries. The Agreement provides for the continuation of customary exchange of locally produced goods along the border. The trade under this Agreement may be conducted in freely convertible currencies or in currencies mutually agreed upon by the two countries including through counter trade arrangements.

Evasion of Tax in Export of Coal

6496. SHRI SULTAN SALAHUDDIN OWAISI: Will the Minister of FINANCE be pleased to state:

(a) whether the Government are suffering a huge loss by way of evasion of tax at the Dawki International border with Bangladesh from Jayanti Hill coal mines as reported in 'The Hindustan Times' dated March 11, 1994;

(b) if so, the facts and details thereof;

(c) whether the Government have conducted any inquiry in this regard;

(d) if so, the outcome thereof; and

(e) the steps being taken by the Government to prevent such activities at this border?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V.

CHANDRASHEKHARA MURTHY: (a) There is no duty on export of coal. Hence, there has been no loss and evasion of tax at the Dawki international border on export of coal to Bangladesh.

(b) Not applicable in view of reply to part (a) above.

(c) No enquiry has been conducted in view of reply to para (a) above.

(d) and (e). Does not apply in view of reply to (c) above.

Employment for Women

6497. PROF. SAVITHRI LAKSHMANAN: Will the Minister of LABOUR be pleased to state:

(a) whether the Government have appointed any task force to assist the female job seekers registered with the Emploment Exchange of National Capital Territory of Delhi; and

(b) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF LABOUR (SHRI P.A. SANGMA): (a) No, Sir.

(b) Does not arise.

[Translation]

New Projects in Bihar

6498. SHRI KHELAN RAM JANGDE: Will the Minister of FINANCE be pleased to state:

(a) whether any new projects have been sanctioned in Bihar which are to be

executed in the near future with foreign assistance; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) and (b). The details of externally aided projects in Bihar approved in the last two years are as follows:

Name of the Project	Donar Agency	Amount (in million)
1. Bihar Plateau Dev.	IDA	US\$ 117.0
2. USSB Plant at Chapra	Nether-lands	Dfl. 0.4

The following are the pipeline projects in Bihar:

Name of the Projects	Donor Agency
1. Bihar Forestry	World Bank
2. Restructuring of Power Project	-do-
3. Sone Command Area Dev.	Germany
4. Darmoah Branch Canal Command Area Dev.	-do-

Gaya Airport

6499. SHRI PREM CHAND RAM: Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) the total area under the Gaya Airport in Bihar;

(b) whether there is any proposal to close down the Airport; and

(c) if so, the reasons therefor?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) The total area under Gaya Airport in Bihar is 1289.7 acres.

(b) and (c). The airport at Gaya, presently, is non-operational due to lack of demand from air operators.

[English]

Merger of D.A. with Basic Pay

6500. SHRI RAJNATH SONKAR SHASTRI: Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No. 3391 on March 18, 1994 regarding merger of DA with basic pay and state:

(a) the reasons for not merging the Dearness Allowance (DA) in the present basic pay and for the purposes of pension and gratuity;

(b) the reasons for merging only 20 per cent of the DA in the basic pay for purpose of death-cum-retirement gratuity; and

(c) the steps being taken by the Government to merge Dearness Allowance with the basic pay for the purposes of pension and gratuity?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) to (c). The major demands of the Staff Side of the National Council (JCM), including merger of dearness allowance with pay, was considered in the Standing Committee of the National Council in September 1993 and on the basis of a mutual agreement arrived at between both the

Official Side and the Staff Side, it was decided, *inter-alia*, to treat dearness allowance equal to 20% of basic pay as dearness pay for the purpose of death-cum-retirement gratuity alone in respect of employees retiring on or after 16.9.93. There is no further proposal in this regard.

ESI Scheme in Gujarat

6501. SHRI SHIVLAL NAGJIBHAI-VEKARIA: Will the Minister of LABOUR be pleased to state:

(a) whether the Government have received any representative from the Government of Gujarat regarding poor services rendered by the ESI Corporation in the State;

(b) whether the Gujarat Government has also requested the Union Government for implementing an alternative scheme in the State; and

(c) if so, the reaction of the Union Government thereon?

THE MINISTER OF STATE IN THE MINISTRY OF LABOUR (SHRI P.A. SANGMA): (a) No, Sir.

(b) and (c). No, Sir, However, a proposal from the Ankleshwar Industries Association suggesting an alternative scheme for the Ankleshwar area has been received by the ESI Corporation through the Government of Gujarat. The proposal is under consideration of the ESI Corporation.

Prevention of Smuggling in North Eastern Region

6502. SHRI BIJOY KRISHNA HANDIQUE: Will the Minister of FINANCE be pleased to state;

(a) whether adequate arrangements have been made to prevent smuggling, particularly in the North Eastern region; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) and (b). Considering the vulnerability of North Eastern Region to smuggling an exclusive Custom Prevention Collectorate has been established in 1993 with seven custom Divisions located at Imphal, Dimapur, Aizwal, Agartala, Shillong, Karimaganj and Guwahati to check and contain smuggling in that region. Besides, anti-smuggling agencies are being strengthened by equipping them with better means to combat smuggling. Anti smuggling agencies of Central and State Governments are acting in concerted manner and close coordination is being maintained amongst all the agencies concerned with detection and prevention of smuggling.

Bilateral Trade Between India and Norway

6503. DR. AMRIT LAL KALIDAS PATEL: Will the Minister of COMMERCE be pleased to state;

(a) whether the Norway has shown keen interest on increasing bilateral trade between India and Norway;

(b) if so, the details thereof; and

(c) the reaction of the Government thereto?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) Yes, Sir.

(b) and (c). Official level discussions were held on 2nd May, 1994 in New Delhi aimed at promoting economic cooperation including trade.

Floating of Plywoods Tender by DGS&D

6504. SHRI CHHITUBHAI GAMIT: Will the Minister of COMMERCE be pleased to state:

(a) whether DGS&D has floated tender for plywoods for the year 1993-94; and

(b) if so, the details and outcome thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION AND MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KAMALUDDIN AHMED): (a) Yes, Sir.

(b) The Plywoods tender for 1993-94 were invited on 09-03-1993 through advertised tender enquiry. Against this, 16 offers were received which were opened on 21-05-1993. Rate/Trial Rate Contracts have been concluded with 5 firms. Remaining firms were not considered on account of the offers not being in accordance with tender enquiry or their not accepting the counter offer proposed by DGS&D.

Servicing of IA and AI Aircraft

6505. SHRIMATI CHANDRA PRABHA URS: Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state;

(a) whether the aircraft of Indian Airlines and Air India are being sent

outside the country for various checks and servicing of these aircraft annually; and

(b) if so, the average expenditure being incurred for maintenance and servicing of these aircraft annually; and

(c) the steps being taken for development of such maintenance and servicing facilities within the country?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) and (b). Aircraft of Indian Airlines are sent abroad only for specific repairs/modifications work which cannot be carried out within the country. During 1993-94, Air India sent its A-300 aircraft abroad for major checks and the expenditure incurred in this regard was US \$3.30 million. This is not a recurring annual expenditure.

(c) The existing facilities in Indian Airlines are sufficient for maintenance facilities for A-320 in its fleet, Maintenance facilities for A-320 aircraft are being created in a phased manner. Air India has full capability to maintain its B-747-200/300 and A-310-300 type of aircraft in its fleet. It relies on Indian Airlines and foreign agencies for major maintenance for its three A-300 aircraft.

Sharing of Corporation Tax

6506. SHRI GIRDHARI LAL BHARGAVA: Will the Minister of FINANCE be pleased to state:

(a) whether the Sarkaria Commission has recommended the sharing of Corporation Tax between the States and the Union Government;

(b) if so, the steps taken by the Government in this regard so far; and

(c) the time by which the States are likely to get their due share, for discharging their financial liability in the development of the State?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) Yes, Sir.

(b) and (c). Corporation Tax is presently not shareable in terms of the provisions of Article 270 (4) (a) of the Constitution of India. The recommendations of the Sarkaria Commission on Centre-State Financial Relations contained in Chapter X of the Commission's Report were placed before the Inter-State Council. The Inter-State Council in their meeting held on 10th October, 1990 decided to constitute a sub-committee to consider the recommendations of the Sarkaria Commission to give concrete suggestions thereon. Preliminary discussion on the recommendations contained in Chapter X took place in the Fifth Meeting of the sub-committee of Inter-State Council. Pursuant to the decision taken in the above meeting of the sub-committee, recommendations contained in Chapter X of the Report are to be considered in a meeting of the Finance Ministers of States which is going to be convened after the Budget Session of the Union and State Governments. The outcome of the proposed meeting is awaited.

Handloom Weavers

6507. SHRI DHARMANNA MONDAYA SADUL: Will the Minister of TEXTILES be pleased to state:

(a) whether the Government have prepared any scheme to provide jobs to handloom weavers;

(b) if so, the details thereof, and

(c) the funds earmarked for the purpose during 1994-95?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI G. VENKAT SWAMY): (a) Yes, Sir.

(b) The Government of India has been implementing a number of schemes to increase the employment of handloom weavers and also enable them to earn higher wages. These include the Scheme for Setting up of Handloom Development Centres, Project Package Scheme and Janata Cloth Scheme. The Market Development Assistance Scheme also facilitates marketing of handloom goods and thereby provides sustained employment.

(c) A sum of Rs. 317.04 Crores have been proposed under the budget of 1994-95 for implementation of various schemes for the handloom sector.

[*Translation*]

Special Investigation Cell

6508. SHRI KASHIRAM RANA: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has set up a *Special Investigation Cell* (SIC) for undertaking investigation and scrutiny into reported cases of frauds;

(b) if so, the details thereof; and

(c) the extent to which achievements have been made by the *Special Investigation Cell* during 1993-94?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) and (b). Reserve Bank of India (RBI) has reported that it has set up a *Special Investigation Cell* (SIC) for taking up investigation and scrutiny of reported cases of major frauds as also complaints against Chairmen and Managing Directors and Executive Directors of public sector banks. It also investigates into very serious allegations against bank officials for violation of guidelines, on the basis of source information such as press reports or specific complaints etc.

(c) RBI has reported that during the year 1993-94, the Cell had either received or investigated 21 complaints against Chairman & Managing Directors/ Executive Directors/other senior executives of public sector banks. On the basis of findings of the investigation, the matter was taken up by RBI with the concerned banks, whenever necessary, for further examination and appropriate action from the staff accountability angle. In some cases, RBI also issued caution advices to banks advising them to be circumspect while considering the sanction of credit facilities to those parties who were involved in the frauds reported to RBI.

Share of Multinational Companies in Export

6509. SHRI RAMASHRAY PASAD SINGH: Will the Minister of COMMERCE be pleased to state:

(a) the total share of multinational companies in the total export from India; and

(b) the steps taken/proposed to be taken to increase the export by both the multinational and indigenous companies?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) Data on share of multinational companies in total export are not maintained.

(b) Export Promotion is a continuous and on-going exercise and steps are taken to boost exports in consultation with trade and industry. In order to increase exports, the Government have taken major steps for liberalisation of trade which include promotion of export-linked imports, reduction of import licensing, strengthening of export incentives, removal of procedural irritants through simplification of policy and procedures and pruning of negative list of exports. In the Budget for 1994-95 these measure have been further reinforced by introduction of several measures, such as, allowing exporters to retain higher percentage of their export earnings, convertibility of rupee on the current account, reduction in customs and excise duties and rationalisation of their structure etc. Further liberalisation has been made in the EXIM Policy as amended on 30.3.94. Special attention has been paid to the simplification and streamlining of procedural aspects of EXIM Policy, care has been taken to fully protect the interest of small scale industry, the list of imports under the Special Import licence has been expanded and a new category of Super-Star Trading House created.

Daily-Wage Workers

6510. SHRI RAJENDRA AGNIHOTRI: Will the Minister of LABOUR be pleased to state:

(a) the details of decisions taken on the basis of arbitration regarding the wages of daily wage workers during the last three years; and

(b) the steps taken by the Government for the implementation of these decisions?

THE MINISTER OF STATE OF THE MINISTRY OF LABOUR (SHRI P.A. SANGMA): (a) and (b). The information is being collected and will be laid on the Table of the House.

Beedi Workers

6511. SHRI GAYA PRASAD KORI: Will the Minister of LABOUR be pleased to state:

(a) the places in Uttar Pradesh where beedi manufacturing is going on;

(b) the amount fixed by the government as remuneration to the Beedi workers of Bundelkhand area for manufacturing one thousand beedies;

(c) whether the Government are assured that Beedi workers are being paid their justified wages;

(d) if so, whether the Beedi manufacturers and contractors in Bundelkhand area are exploiting Beedi workers by imposing final conditions and paying less wages to them;

(e) if so, the various schemes introduced by the Government to improve the condition of Beedi workers and to save them from all types of exploitation; and

(f) the action being taken by the Government in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF LABOUR (SHR P.A. SANGMA): (a) The major places of beedi manufacturing in Uttar Pradesh are Gursahayaganj, Farrukhabad, Moradabad, Amroha, Allahabad, Jhansi and some other parts of eastern Uttar Pradesh.

(b) The remuneration with effect from 3.1.1994 fixed by the Government of Uttar Pradesh for making one thousand beedies is Rs. 35/- subject to a minimum amount of Rs. 210/- per week.

(c) and (d). The State Government is the appropriate Government for enforcement of the provisions of the Minimum Wages Act, 1948 and necessary action is taken by them when contravention of the provisions of the Act comes to their notice.

(e) and (f). A *Statement* indicating the schemes/programmes launched for the welfare of beedi workers in all the States including the State of Uttar Pradesh is annexed.

STATEMENT

Name of the Scheme

HEALTH

1. Static - cum - Mobile/Static Allopathic and Statics Ayurvedic dispensaries for Beedi Workers.
2. Scheme for Reservation of Beds in T.B. Hospitals for Beedi Workers.

3. Scheme for Domiciliary Treatment of Beedi Workers.
4. Scheme for Treatment of Beedi Workers suffering from Cancer.
5. Scheme for Treatment of Beedi workers suffering from Mental Diseases.
6. Scheme for treatment of Beedi Workers (including Gharkhata Workers) suffering from Leprosy.
7. Grant of Financial Assistance to Beedi Workers for purchase of Spectacles.
8. Maternity Benefit Scheme for Female Beedi Workers.
9. Scheme for payment of Monetary Compensation for Sterilisation to Beedi Workers.
10. Re-imbursment of expenditure as financial assistance to Beedi Workers in respect of Heart Diseases.
11. Re-imbursment of expenditure as financial assistance to Beedi Workers in respect of Kidney Transplantation.

SOCIAL SECURITY SCHEME

1. Group Insurance Scheme for Beedi Workers.

HOUSING

1. Build Your Own House Scheme for Beedi Workers.
2. Housing Scheme for Economically Weaker Section of Beedi Workers.
3. Grant of subsidy to Co-operative Societies of Beedi Industry for construction of worksheds and godowns.

4. Group Housing Scheme for Beedi Workers.

(c) the success achieved by the Government in this regard?

EDUCATION

1. Award of Scholarship to the children of Beedi Workers (including Gharkhata Beedi Workers).
2. Financial Assistance to the school going children of Beedi Workers for supply of one set of dress.

RECREATION

1. Establishment of Audio Visual Sets/Cinema Vans/Exhibition of films.
2. Organising sports, games, social and cultural activities for Beedi Workers.
3. Holiday Home Scheme for Beedi Workers.
4. Supply of T.V. sets to the Beedi Cooperative Societies for Beedi Workers.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) to (c). The Reserve Bank of India (RBI) has reported that the per capita credit by all scheduled commercial banks in Uttar Pradesh and also the average per capita bank loans for the country as a whole based on provisional population figures, for the last three years are as under:

Period	Per Capita Credit (Rs.)	
	U.P.	All India
March, 1991	668	1569
March, 1992	706	1684
March, 1993	756	1964

Per Capita Bank Loan In Uttar Pradesh

6512. SHRI HARIKEWAL PRASAD:
SHRI ARJUN SINGH YADAV:

Will the Minister of FINANCE be pleased to state:

(a) the amount of per capita bank loan in Uttar Pradesh and average per capita bank loan in the country, as a whole during each of the last three years;

(b) the efforts made by the Government to increase the per capita bank loan in Uttar Pradesh; and

Reserve Bank of India(RBI) constituted a Committee on Credit Deposit Ratio in U.P. in August, 1992 to make recommendations for a time bound improvement in Credit Deposit Ratio. The Committee in its report has inter-alia observed that the infrastructural support required for dispensation of credit to agriculture is well developed and consequently, this sector is in position to absorb credit to its potential. The same however, is not true for industry with the result the overall improvement in credit deposit ratio is gradual and uneven. Accordingly, the Committee has recommended that both the Government and banks need to intervene and step up their efforts considerably in the provision of infrastructure, development of linkages and deployment of credit.

**Accidents of Air Taxi Operators
Aircraft**

6513. SHRI CHANDRESH PATEL:
Will the Minister of CIVIL AVIATION AND
TOURISM be pleased to state:

(a) the names of the air taxi operators whose aircraft have been involved in accidents or incidents involving violation of air safety norms during January 1, 1994 to April 10, 1994;

(b) the details of each of these accidents/incidents; and

(c) the details of the inquiry report in regard to each of these accidents/incidents?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) to (c). A *Statement* furnishing the requisite information is annexed.

STATEMENT

Sl. No.	Date	Operator	Brief Detail	Action Taken
1.	3.1.94	Damania Airways	During a flight from Calcutta to Bombay on 3.1.94, one passenger got intoxicated and started fighting with fellow passengers when the aircraft was descending.	Action was taken against Damania Airways.
2.	5.1.94	East West Airlines	Aircraft carried out missed approach due to indication of unsafe landing gear position.	Incident is under investigation.
3.	6.1.94	East West Airlines	One airhostess fell on apron from aircraft while closing the door.	Incident is under investigation.
4.	13.1.94	East West Airlines	Aircraft aborted take-off due to No.2 engine oil filter bypass light coming on.	Incident is under investigation.
5.	17.1.94	East West Airlines	On landing, No.1 engine thrust reverser did not deploy.	Incident is under investigation.
6.	25.1.94	Modiluft	During flight from Delhi to Bombay, the commander climbed to flight level 280 from 260 without clearance from Delhi or Bombay ATC.	Both the pilots of Modi Luft were not allowed to exercise privileges of their licences for a period of five weeks.
7.	7.2.94	UB Air	Pressure surge/fluctuation was felt alongwith cabin altitude fluctuation.	Incident is under investigation.
8.	10.2.94	Damania	Reduction in separation minima with Air India flight over Beigaum-Bangalore.	Incident is under investigation.

- | | | | | |
|-----|---------|--------------------|--|---|
| 9. | 16.2.94 | East West Airlines | No. 1 generator failed in flight followed by auto shut down of auxiliary power unit. | Incident is under investigation. |
| 10. | 17.2.94 | Sahara India | Left wing tip of the aircraft hit a coach parked on the parking area adjacent to apron at Bangalore. | Pilot-in-command endorsement of the pilot was suspended for period of three months from the date of the incident; |
| 11. | 19.2.94 | Jet Airways | During flight, No.1 engine vibrations were observed to be 4 units. | Incident is under investigation. |
| 12. | 8.3.94 | Sahara India | During the sixth touch and go exercise at IGI Airport, Delhi, after the take-off from Runway 28, the aircraft took a sharp turn to the left and crashed at the International Terminal Apron near Bay No. 46. | The accident is under investigation. |
| 13. | 16.3.94 | Damania | During flight, pilot reported stall on No.2 engine. 21 fan blades were found damaged | Incident is under investigation. |

[English]

Trade with Gulf Countries

6514. PROF. M. KAMSON: Will the Minister of COMMERCE be pleased to state:

(a) whether the Government propose to widen the scope of export and import with Gulf countries during 1994-95;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION AND MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KAMALUDDIN AHMED): (a) and (b). Government will continue efforts to expand and diversify our trade with Gulf countries during 1994-95. These include discussions at Government level at the fora of Joint Commissions/Committees, encouragement to Indian companies to establish direct contacts with their counterparts in these countries, participation in trade fairs and exhibitions, measures to overcome problems faced by Indian businessmen, etc.

(c) Does not arise.

World Bank Report Regarding the Status of Women

6515. SHRI SHRAVAN KUMAR PATEL: Will the Minister of LABOUR be pleased to state:

(a) whether the attention of the Government has been drawn to the

recent World Bank Report bringing out discrimination against women workers in India, in the matter of wage bill, health care and suggesting measures for improvement in their condition;

(b) if so, the main observations and suggestions made in the World Bank Report regarding the conditions of women labour in India; and

(c) the steps taken by the Government for the improvement of their conditions?

THE MINISTER OF STATE OF THE MINISTRY OF LABOUR (SHRI P.A. SANGMA): (a) Yes, Sir.

(b) The World Bank Report on Gender and Poverty in India(1991) covers within the scope of its study areas such as women's status and role in agricultural and non-agricultural sectors like dairing, forestry and the urban informal sector; women's access to social services like education, health, nutrition and family care; the institutional context of efforts made by Government and the NGOs to reach women. Some of the major observations made in the Report are that despite their statistical 'invisibility' women are vital and productive workers in Indian economy, the poorer the family the more it depends for its survival on the women's earnings; that India invests less in its women workers than their male counterparts; that women receive a smaller share of the social services in terms of health care, education and productive assets. It further observes that there is a shift in the trend followed in the past where programme targetted women is passive beneficiaries and also the gap between male and female agricultural wage rates have narrowed. The suggestions made include viewing women as

economic actors and enhancing their capacity for earning, increasing their access to education and technical training on a massive scale as also their access to institutional credit and supportive services for helath, child care and family planning, group formation and advocacy.

(c) The Government have enacted various labour laws which prescribe protective provisions covering aspects like health, welfare, maternity benefits, restrictions in hazardous employment, obligatory rest, etc. for women workers. Equal payment of wages to men & women workers is prescribed under the Equal Remuneration Act, 1976. The responsibility for implementation of these laws rests primarily with the State-Governments. The Central Government has been impressing upon the State Governments from time to time to make greater efforts in ensuing that women workers get the benefit of the existing legal provisions and many of them have set up separate cells for the purpose. Apart from programmes for their education, a grant-in-aid scheme for assisting women labourers through skills upgradation, setting up of creches and organising them is in operation.

[Translation]

Recovery of Loan Disbursed Under SEEUY

6516. SHRI SANTOSH KUMAR GANGWAR: Will the Minister of FINANCE be pleased to state:

(a) whether the recovery of the loans distributed under the scheme for providing Self Employment to the Educated Unemployed Youth (SEEUY) is being made according to expectations

and the percentage of the recovery in various States during the last two years;

(b) if not, whether the Government have reviewed this scheme; and

(c) if so, the plans of the Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) The recovery of loans disbursed under SEEUY Scheme is not satisfactory. As per the information furnished by the Reserve Bank of India (RBI), the recovery position under SEEUY Scheme is as under:

Year ended	Percentage of recovery
June 1992	20.11 (Provisional)
June 1993	15.59 (Provisional)

Reserve Bank of India have reported that State-wise figures are not available.

(b) and (c). The performance of SEEUY is reviewed periodically by the Board of Directors of public sector banks and Government also reviews the performance of SEFYU at half-yearly intervals with the senior level officers of all public sector banks and RBI. SEEUY scheme has been subsumed with Prime Minister's Rozgar Yojana (PMRY) with effect from 1.4.1994.

Export of Tea

6517. DR. SAKSHIJI: Will the Minister of COMMERCE be pleased to state:

(a) the target fixed for the production and export of tea during the year 1993-94; and

(b) the steps taken by the Government to increase the production thereof?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) Target fixed for production and export of tea during 1993-94 have been as under:

Production target	:	730 MN kgs.
Export target	:	210 MN kgs.

(b) Tea Board operates a number of developmental schemes to increase production of tea. The Board has prepared a perspective plan to increase the production of tea so as to obtain higher exportable surplus of tea. The plan includes short-term measures such as optimisation of inputs and improved agricultural practices; medium-term measures such as irrigation, drainage, rejuvenation, pruning and infilling; as well as long-term measures such as replanting and extension planting.

[English]

Trade Agreement Between India and Bangladesh

6518. SHRI ANANTRAO DESHMUKH: Will the Minister of COMMERCE be pleased to state:

(a) whether trade agreement between India and Bangladesh has been extended for a further period of 3 years; and

(b) if so, the salient features of the agreement?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) The Indo-Bangladesh Trade Agreement has

been extended for a further period of three years w.e.f. 3rd October, 1992.

(b) The salient features include an agreement between the two countries to

(i) explore all possibilities for expansion and diversification of trade on the basis of mutual advantage;

(ii) take appropriate measures in accordance with their evolving international commercial policy for the benefit of developing countries;

(iii) accord treatment no less favourable than that accorded to the commerce of any third country to each other, with certain exceptions; and

(iv) make mutually beneficial arrangements for the use of their waterways, railways and roadways for commerce between them etc.

[Translation]

Reservation in Nationalised Banks in U.P.

6519. SHRI RAM BADAN: Will the Minister of FINANCE be pleased to state:

(a) the number of nationalised banks opened in Uttar Pradesh during the last three years;

(b) whether several class three and class four posts reserved for the candidates of Scheduled Castes/Scheduled Tribes are lying vacant in these Banks;

(c) if so, the details thereof and the reasons therefor; and

(d) the steps taken to fill up the above vacancies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) 175 branches of nationalised banks were opened in Uttar Pradesh during the last three years from June, 1991, to June, 1993.

(b) and (c). Statewise information of backlog of vacancies reserved for SC/ST is not available. In respect of Special Recruitment Drive in public sector banks for the year 1993-94 information regarding backlog in Recruitment of vacancies reserved for Scheduled Caste/Scheduled Tribe was collected. Information has also become available in respect of filling up of the backlog vacancies under the Special Recruitment Drive. Based on this information and subject to variations on account of fresh shortfalls, the backlog of reserved vacancies in Recruitment in 27 Public Sector Banks works out to:

Cadres	Scheduled Castes	Scheduled Tribes
Officers	104	67
Clerks	347	299
Sub-staff	170	298

The backlog is because of non availability of suitable candidates belonging to Scheduled Castes/ Scheduled Tribes, and for non-availability of actual vacancies in the banks where backlog exists.

(d) The steps taken by the Government to fill up the reserved vacancies

for Scheduled Castes and Scheduled Tribes in Public Sector Banks and Financial Institutions are as under:

- (1) Special Recruitment drives have been carried out during the years 1989, 1990, 1992 and 1993-94 and a substantial backlog has been cleared.
- (2) The recruitment and representation position of the Scheduled Castes/Scheduled Tribes in the public sector banks is being reviewed through a comprehensive proforma by the Boards of Directors of each of the public sector banks every year and the position is being reported to the Government.
- (3) The banks have been advised of a revised format of the indent to be placed by them on the Banking Service Recruitment Boards/Employment Exchanges to ensure that the total backlog is taken into account at the time of indenting for fresh recruitment.
- (4) Pre-recruitment training is being imparted by all banks to the candidates appearing for the Banking Service Recruitment Boards examinations.
- (5) Centres are being established for examination nearest to the areas of concentration of the Scheduled Tribe population; and
- (6) Banks have been advised to hold training workshops for the personnel working in their Scheduled Caste/ Scheduled Tribe Cells to make them fully

aware of the need for implementation of the reservation policy.

[English]

Emergency Landing of Aircraft near Tirupati

6520. SHRI ANNA JOSHI: Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) whether the airbus which made an emergency landing in a field near Tirupati has been written-off due to not being air-worthy;

(b) if so, the total loss suffered as a result thereof;

(c) whether the undamaged parts of the aircraft have been salvaged for further use;

(d) if so, the cost thereof; and

(e) the amount recovered from insurance of the aircraft?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) to (d). The aircraft fleet of Indian Airlines is fully insured. The aircraft involved in the forced landing was considered a constructive total loss by the insurers and settled the insurance claim at the full insured value of the aircraft. Indian Airlines, therefore, have not incurred any loss on this account. The aircraft in its damaged condition is the property of the Insurers.

(e) US Dollar 45 million representing the full insured value of the aircraft has been recovered from the insurers.

Export to Spain

6521. SHRI HARIN PATHAK: Will the Minister of COMMERCE be pleased to state:

(a) the details of the items exported to Spain from India during the last two years and their value in terms of dollar;

(b) the details of the items imported by India from Spain during the above period and the amount paid by India in foreign exchange;

(c) whether the Government have received an export order from Spain recently;

(d) if so, the details thereof;

(e) whether the Government have also placed an import order with Spain and if so, the details thereof; and

(f) the steps taken to improve the trade between the two countries?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) During the last two years, the main items of Indian exports to Spain were marine products, leather and manufactures, RMG cotton including accessories, handicrafts, manmade yarn, fabrics, madeups, drugs and pharmaceuticals/chemicals. The value of exports during 1991-92 and 1992-93 was U.S.\$ 197.18 million and U.S.\$ 199 million respectively.

(b) Major items of our imports from Spain have been organic/inorganic chemicals, iron and steel, project goods, medicinal and pharmaceutical products, professional instruments, optical goods, machinery/electrical machinery and machine tools. These imports amounted to

U.S. \$ 73.09 million and U.S. \$ 83.31 million in 1991-92 and 1992-93 respectively.

(c) to (e). Details of orders received or placed by Government, if any, during the current financial year, are being ascertained.

(f) Some measures to improve trade between the two countries include exchange of business delegations, holding of meetings of the Indo-Spanish Joint Business Council and participation in Trade Fairs.

Central Excise Raids in Andhra Pradesh

6522. SHRI S.M. LALJAN BASHA: Will the Minister of FINANCE be pleased to state:

(a) the number of Central Excise raids conducted by the Central Excise Department in Andhra Pradesh during 1991-92, 1992-93 and 1993-94;

(b) the estimated value of seized goods;

(c) whether the seized goods were auctioned; and

(d) if so, the amount received from these auctions?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) and (b). The number of Central Excise raids conducted by the Central Excise Department in the State of Andhra Pradesh during 1991-92, 1992-93 and

1993-94 and the value of seized goods are given as under:

Year	No. of Raids	Estimated Value of Seized Goods (Rupees in lakhs)
1991-92	133	369.27
1992-93	221	1456.11
1993-94	157	2935.56

(c) Seized goods were not auctioned.

(d) Question does not arise in view of (c) above.

[Translation]

Export of Spices

6523. SHRI PRABHU DAYAL KATHERIA: Will the Minister of COMMERCE be pleased to state:

(a) whether the Government are giving special attention to the export of the spices;

(b) if so, the names of the countries to which these spices have been exported during the last three years; and

(c) the amount of foreign exchange earned therefrom?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) Yes, Sir.

(b) Bangladesh, Canada, France, Germany, Japan, Netherlands, Pakistan, Russia, Saudi Arabia, Singapore, Sri Lanka, UAE, UK, Ukraine and the

USA are major markets where Indian spices are exported;

(c) Year	Exports (Rs. crores)
1990-91	233.94
1991-92	372.13
1992-93	368.82
1993-94 (April-January)	459.80

Source: DGCI&S, Calcutta.

[English]

Economic Reforms

6524. SHRI K. PRADHANI: Will the Minister of FINANCE be pleased to state:

(a) whether the International Monetary Fund(IMF) has advised the Union Government to bring quick reforms in the country's economy;

(b) if so, the details thereof; and

(c) the steps taken or proposed to be taken by the Union Government in this direction?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) No Sir.

Accelerating the reform process in the country's economy was stated by the Finance Minister as the first major task that he has sought to address in formulating the budget proposals for 1994-95. The IMF has also observed in its "World Economic Outlook" brought out in March

1994 that there is need to press ahead with structural reforms in India.

(b) and (c). The details are contained in the Discussion Paper titled "Economic Reforms; two years after and the Tasks ahead" published by the Ministry of Finance in July, 1993 copies of which have been placed in Parliament Library.

More Powers to SEBI and BIFR

6525. SHRI ANKUSHRAO RAOSAHEB TOPE: Will the Minister of FINANCE be pleased to state:

(a) whether the Government have decided to give more powers to the Securities and Exchange Board of India and the Board for Industrial and Financial reconstruction;

(b) if so, the details thereof; and

(c) the time by which the new powers are likely to come into effect?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) The Finance Minister in his Budget Speech for 1994-95 had indicated that the Government proposes to make amendments to the Securities and Exchange Board of India Act and the Securities Contracts (Regulation) Act in order to give additional powers to SEBI. The Government has taken no decision on the precise scope of additional powers to be given to SEBI. As regards the Board for Industrial and Financial Reconstruction, Government had appointed a committee under the Chairmanship of Dr. Onkar Goswami to suggest changes to improve its effectiveness. The Committee has since submitted its report. The Government has taken

no decision on the recommendations of the Committee.

(b) and (c). Do not arise.

Supply of Iron-Ore to Japan

6526. SHRI SURYA NARAYAN SINGH: Will the Minister of COMMERCE be pleased to state:

(a) whether the quantity and price of iron-ore to be supplied by Minerals and Metals Trading Corporation to Japan during 1994-95 has been reduced;

(b) if so, the details and reasons therefor;

(c) whether Minerals and Metals Trading Corporation has reduced the quantity and price of its procurement from MNDC and private mine owners accordingly; and

(d) if so, the details thereof?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) to (d). The supplies of iron ore by MMTC to Japan in 1994-95 are likely to be about 2 lac tonnes lower as compared to supplies made in 1993-94. The price of iron ore lumps and iron ore fines has been reduced by 5.9% and 9.5% respectively over 1993-94 prices. On account of the reduction in export prices and hike in railway freight, MMTC had to propose reduction in procurement prices of iron ore lumps and fines.

Insurance Claims by Trawler Owners

6527. SHRI LOKANATH CHOUHDURY: Will the Minister of FINANCE be pleased to state:

(a) whether some trawler owners in Andhra Pradesh have claimed insurance amount on the ground that their trawlers have been drowned in the Sea;

(b) if so, the number and amount of such claims made and settled;

(c) whether the Orissa Trawler Owners Association has complained that the trawlers are not actually drowned but sold to some persons in Orissa;

(d) if so, whether any enquiry has been made into the complaints; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) Yes, Sir.

(b) GIC have reported that from 1989 onwards a total number of 32 claims from Andhra Pradesh for sinking of trawlers have been received by its four subsidiaries. Of these 7 claims have been settled for a total amount of Rs. 44.82 lakhs while 2 claims have been repudiated. The remaining 23 claims estimated at an amount of Rs. 2.79 crores are currently under investigation/process.

(c) GIC have reported that no such complaint had been received.

(d) and (e). Do not arise.

[Translation]

Merger of Vayudoot with I.A.

6528. DR. LAXMINARAYAN PANDEYA: Will the Minister of CIVIL

AVIATION AND TOURISM be pleased to state;

(a) whether the employees working in the Vaydoot have been protesting against its merger with the Indian Airlines;

(b) if so, the details thereof; and

(c) the reaction of the Government in this regard?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) No, Sir.

(b) and (c). Do not arise.

Review of Complaints Engaged in Exports

6529. SHRI LALL BABU RAI: Will the Minister of COMMERCE be pleased to state;

(a) whether the Government conducted any review of the working of the companies engaged in exports from time to time;

(b) if so, the details thereof;

(c) whether any action has been taken against the complaints found guilty in such review during the last three years;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) to (e) The country's foreign trade is regulated under the Foreign Trade (Development

and Regulation) Act, 1992. The Foreign Trade (Regulation) Rules, 1993 have been notified to carry out the provisions of the Act. The Export and Import Policy is formulated and announced by the Government under Section 5 of the Act. There is no provision in the Act, Rules or the Export and Import Policy to review the working of the companies engaged in exports. Appropriate action for any contravention of the provisions of the Act, Rules or the Policy is initiated against the defaulting companies. The number of companies against which action has been taken in the past 3 years under the erstwhile Imports and Exports (Control) Act, 1947 and the orders framed thereunder and the Foreign Trade (Development and Regulation) Act, 1992 is as under:

Year	Number of firms debarred	Number of firms on which fiscal penalty imposed
1991-92	302	281
1992-93	130	188
1993-94	40	58

[English]

Small Investors

6530. SHRI TEJ NARAYAN SINGH:
SHRI BRAHMANAND MANDAL:

Will the Minister of FINANCE be pleased to state:

(a) whether Securities and Exchange Board of India has issued direc-

tives to small investors regarding investment in primary capital market;

(b) if so, the details thereof;

(c) the concept of market lot and the reasons for which SEBI has fixed a minimum subscription by the investors more than the market lot compulsorily; and

(d) the steps being taken by the Government/ SEBI to protect the interests of small investors of the capital market?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) and (b). Yes, Sir. The Securities and Exchange Board of India (SEBI) issues from time to time "Investors Guidance Series" to clarify, guide and educate the investor community on matters such as Mutual Funds, grievances and remedies available to investors holding debentures, the Stockinvest scheme, investment considerations in the primary market, and caution against illegal transactions.

(c) Market lot denotes the number of shares or multiple thereof in which trading takes place in stock exchanges. Based on the feedback received by SEBI from Stock Exchanges, merchant bankers and investor association on its consultative paper, the minimum number of shares to be applied for has been fixed at 500 shares of Rs. 10/- each if the issue is at par and in case of premium issues, such number (in market lots) so that the total amount payable is not less than Rs. 5000/- to cover application money allotment money, and any calls.

(d) SEBI has taken various measures to protect, investors such as:

- announcing guidelines on disclosure and investors protection,
- registration and regulation of market intermediaries,
- appointment of SEBI's representative to oversee allotment where issues are oversubscribed, and
- setting up an investor grievance cell to handle investor complaints.

Loan to Educated Unemployed Youth

6531. SHRI PROBIN DEKA: Will the Minister of FINANCE be pleased to state;

(a) the number of educated unemployed youth from Assam who have sought loans from the public sector banks during 1992-93 and 1993-94 under the Self Employment to Educated Unemployed Youth Scheme;

(b) the number of persons to whom loans have been provided under the scheme during the same period;

(c) the number of loan applications still pending; and

(d) the time by which these applications are likely to be disposed of?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) and (b). During the year 1992-93, under

the Scheme for providing Self Employment to the Educated Unemployment Youth (SEEUY), 2470 loan applications (provisional) were sanctioned in Assam by banks against the target of 2700. Reserve Bank of India (RBI) has reported that information for the year 1993-94 is not yet available.

(c) and (d). Under the SEEUY Scheme, for a programme year, applications received but not sanctioned upto 31st March automatically laps for that programme year.

ITDC Investment in Kerala

6532. SHRI K. MURALEE DHARAN: Will the Minister of CIVIL AVIA-

TION AND TOURISM be pleased to state:

(a) the investment made by the India Tourism Development Corporation in its new Ventures in Kerala during each of the last three years;

(b) whether the ITDC has identified some new projects in Kerala for developing its units; and

(c) if so, the details thereof?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) ITDC has undertaken the following projects in Kerala during the last three years:

Sl. No.	Name of the Project	Estimated Cost	Expenditure incurred during the last three years. (Rs. in lakhs)
1.	Expansion of Kovalam Ashok Beach Resort	309.00	220.32
2.	Construction of a Convention Centre adjacent to Kovalam Beach Resort	153.00	68.99

(b) and (c). The Annual Plan of ITDC for the year 1994-95 envisages setting up of a duty free shop at Calicut Airport subject to availability of a suitable site.

Flights of AI and IA

6533. DR. LAL BAHADUR RAWAL: Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) the number of incidents of precautionary landing and delay in flights of the Air India and the Indian Airlines,

separately, following snags of one kind or the other during each of the last three years; and

(b) the amount of loss suffered by each of them as a result thereof year-wise; and

(c) the precautions taken by the Government to check recurrence of such incidents?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) to (c). The information

is being collected and will be laid on the Table of the Sabha.

scheme during the year 1991-92 and 1992-93 respectively.

[Translation]

Loan to SCs/STs in Madhya Pradesh under SEEUY

6534. SHRI MAHENDRA KUMAR
SINGH THAKUR:
SHRI PHOOL CHAND
VERMA:

Will the Minister of FINANCE be pleased to state:

(a) the number of educated unemployed youths belonging to Scheduled Castes/Scheduled Tribes in Madhya Pradesh who applied for loan from the nationalised banks for starting their own industries under the scheme for providing Self Employment for Educated Unemployed Youth (SEEUY) during the last three years, year-wise;

(b) the amount of loan sanctioned and disbursed by the said banks;

(c) the number of applications pending; and

(d) the time by which the remaining applications are expected to be disposed of?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) According to the information furnished by the Central Bank of India, Convenor Bank for State Level Banker's Committee (SLDC) of Madhya Pradesh, nationalised banks received 2823 and 2645 applications from educated unemployed youths belonging to Scheduled Castes/Scheduled Tribes for loans under SEEUY

(b) The amount of loans sanctioned and disbursed by nationalised banks to educated unemployed youths belonging to Scheduled Castes/Scheduled Tribes under SEEUY scheme in Madhya Pradesh is as under:

	(Rs. in lakhs)	
	1991-92	1992-93
Amount of loan sanctioned	218.71	252.00
Amount of loan disbursed	90.86	99.13

Note:- The above figures of applications received and amount sanctioned/ disbursed pertain to financing under SEEUY scheme covering industry, business and service sectors.

(c) and (d). For a programme year, applications received but not sanctioned upto 31st March automatically lapse for that programme year.

[English]

Loan to Sikkim by IDBI

6535. SHRIMATI DIL KUMARI BHANDARI: Will the Minister of FINANCE be pleased to state:

(a) whether the Industrial Development Bank of India provide assistance to States with no industrial units/industrially backward State;

(b) if so, the details thereof with quantum of loan in such circumstances provided and formalities required in this regard;

(c) whether the Industrial Development Bank of India has provided loan for setting up of industrial units in Sikkim during 1992-93 and 1993-94; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) Yes, Sir.

(b) The assistance sanctioned by the Industrial Development Bank of India (IDBI) to industrially backward areas during the last two years is as under:

(Rs. Crore)

	1992-93	1993-94
No Industry Districts	324	271
Other Backward Districts	2309	1509
	2633	1780

The applications received from promoters are scrutinised by IDBI from the financial, economic, commercial and technical angles and all viable projects are sanctioned assistance. IDBI sanctions assistance to units in backward areas on normal terms as in the case of non-backward areas.

(c) and (d). No assistance was provided by IDBI to industrial units in Sikkim during 1992-93 and 1993-94.

Employment to Yugoslavian Air Crew

6538. SHRI GEORGE FERNANDES: Will the Minister of CIVIL AVIA-

TION AND TOURISM be pleased to state:

(a) whether Yugoslavia had requested India to provide job opportunities to its pilots and other air crew;

(b) if so, the details thereof; and

(c) the response of the Government thereto?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) to (c). Yugoslav Airlines Pilots Association had approached Indian Airlines in May, 1993 offering their services to Indian Airlines. Since the offer was not feasible proposition. Indian Airlines did not proceed further in the matter.

Central Assistance Under Minimum Needs Programme

6537. SHRI UDDHAB BARMAN: Will the Minister of FINANCE be pleased to state:

(a) the Central assistance provided to the State of Assam under the Minimum Needs Programme during the last three years;

(b) whether there is a curtailment in the assistance to be given during the current year;

(c) if so, the details of the specific schemes for which the curtailment has been made; and

(d) the reasons for this curtailment in the assistance?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V.

CHANDRASHEKHARA MURTHY): (a) Minimum Needs Programme is a part of State Plan Schemes. Central assistance to States for their State Plans is allocated for the Plan as a whole and is not related to any specific programme/scheme. Therefore, no separate assistance was provided to the State of Assam under the Minimum Needs of Programme during the last three years.

(b) to (d). In the light of the reply to part (a) of the question, these do not arise.

[Translation]

Production of Janata Cloth

6538. SHRI N.J. RATHVA: Will the Minister of TEXTILES be pleased to state:

(a) the number of textiles mills in Gujarat which are manufacturing Janata cloth;

(b) the target fixed for production of Janata cloth in the State during 1993-94 alongwith target achieved; and

(c) the target fixed for 1994-95?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI G. VENKAT SWAMY): (a) The Janata Cloth Scheme is implemented by State Handloom agencies and not by Textile mills. The State handloom agencies implementing the scheme in Gujarat are: Gujarat State Handloom and Industrial

Cooperative Federation, Gujarat State Handloom Development Corporation and Utkarsh Regional Handloom Development Cooperative Society.

(b) The target fixed for production of Janata cloth for Gujarat for 1993-94 was 7.5 million square metres against which the State has achieved production of 2.77 million square metres upto December 1993.

(c) Target fixed for 1994-95 is 6.5 million square metres.

[English]

Tourism Development in Sunderbans

6539. SHRI SANAT KUMAR MANDAL: Will the Minister of CIVIL AVIATION AND TOURISM be pleased to refer to the reply given to Unstarred Question No. 1522 on March 4, 1994 and state:

(a) the amount of financial assistance sanctioned for each project; and

(b) the amount of financial assistance released so far for each project?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) and (b). The amount of financial assistance sanctioned as well as released for each project in Sunderbans is as under:

(Rs. in lakhs)

	Amount Sanctioned	Amount Released
1. Cruise Vessel for Sunderbans	49.50	42.49
2. Tourist Lodge at Piyali	44.80	25.00

	Amount Sanctioned	Amount Released
3. Tourist Lodge at Kaikhali	45.40	42.40
4. Wayside facilities at Damkhali.	14.41	7.90
5. Launch for Piyali	49.84	15.00

[Translation]

**Loan by Public Sector Banks in
U.P.**

6540. SHRI SURENDRA PAL PAT-HAK: Will the Minister of FINANCE be pleased to state:

(a) the amount of loans distributed by public sector banks in Uttar Pradesh to eligible borrowers under welfare schemes of the Union Government during the last three years;

(b) whether bank officers monitor the activities regarding utilization of the loans provided by these banks for the purpose for which the loan are required;

(c) if so, the number of such cases of misutilisation or non-utilisation of above loan detected by the Bank officers during the above period; and

(d) the action taken against such loanees?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) The Commercial Banks participate in the

programme sponsored by the Government to enable the identified beneficiaries to pursue viable schemes for their economic upliftment. In addition to the above, the banks also frame the schemes on their own to assist weaker sections of the society by way of providing loans to them for productive ventures. RBI has instructed that 10 % of their total advances should be for weaker sections of the society. Amongst the Government programmes, the integrated Rural Development Programme (IRDP) is the major one to assist selected families of target groups in rural areas to cross the poverty line by taking up self employment ventures. The amount provided by the banks under IRDP in the State of Uttar Pradesh during the year 1991-92, 1992-93 and 1993-94 (upto February'94) was Rs. 29830.32 lakhs, Rs. 29000.06 lakhs and Rs. 36730.55 lakhs respectively.

(b) to (d). Banks are required to follow the various guidelines issued by the Reserve Bank of India from time to time relating to sanctioning, disbursement and post appraisal of loans. During course of audit of accounts of banks and their inspection by the internal inspecting authority of the concerned banks as well as by Reserve Bank of India, various deficiencies prevailing in banks regarding credit appraisal and other matters are observed. The inspection reports of Reserve Bank of India do reveal deficien-

cies in credit management of banks including mis-utilisation of credit by some borrowers such as diversion of funds for purpose other than the purpose for which the credit was granted. However, the information regarding number of cases of misutilisation or non-utilisation of loans provided by the banks is not generated by the Data Reporting System. Appropriate action in accordance with the laid down rules and procedures is taken by banks against the employees including officers who are found guilty to have indulged or colluded with the borrowers in mis-utilisation of credit granted by banks. Efforts are also made by the banks to recover the entire amount of such loans where mis-utilisation /non-utilisation of loans established.

[English]

Payment of CCS

6541. SHRI V. SREENIVASA PRASAD: Will the Minister of COMMERCE be pleased to refer to Unstarred Question No. 2368 answered on December, 17, 1993 and state:

(a) whether the Government have received reports of violation of its instructions for payment of Cash Compensatory Support by the Regional Licensing offices to all entitled categories of exporters;

(b) whether the exporters redressal Cell in the Ministry has received large number of representation in this regard during the last three months;

(c) whether action taken by the Cell is still awaited in some cases;

(d) whether some PSUs are also there who are entitled to receive such Cash Compensatory Support payments;

(e) if so, the details thereof; and

(f) the expeditious steps being taken in this regard?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) and (b). No, Sir.

The scheme of disbursement of CCS was discontinued w.e.f. 3.7.1991. The CCS claims in respect of exports effected till midnight of 2.7.1991, to entitled categories are being considered regularly by the port licensing authorities.

(c) to (f). Do not arise.

[Translation]

Cotton Export from Madhya Pradesh

6542. SHRI SHIVRAJ SINGH CHAUHAN: Will the Minister of TEXTILES be pleased to state:

(a) the quantity of cotton exported from Madhya Pradesh during the last two years; and

(b) the steps taken by the Government to explore new markets for the export of cotton?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI G.

VENKAT SWAMY): (a). The quantity of cotton exported from Madhya

Pradesh during the last 2 years is as follows:

(Qty: in lakh bales of 170 Kgs. each)

(Value: in Rs. Crores)

	1992-93		1993-94	
	Qty.	Value	Qty.	Value
Directly	0.132	7.20	0.006	0.30
By Cotton Corpn. of India	0.50	29.17	Nil	Nil
TOTAL	0.632	36.37	0.006	0.30

(b) Government's endeavour has been to promote the export of value-added items such as yarn, fabrics, made-ups and ready-made garments. However, while releasing the exportable surplus of cotton for export the objectives of the Government have been stabilisation of prices in the domestic market, provision of remunerative prices to the cotton growers and to maintain India's presence in the international market as a stable supplier of cotton. The allottees of such quotas viz. Cotton Corporation of India, State Federations and the Private Trade have been exploring markets for exporting the quantities allotted to them.

[English]

Import of second hand capital goods

6543. SHRIMATI VASUNDHARA RAJE: Will the Minister of COMMERCE be pleased to state:

(a) whether the Government propose to liberalise the import of second hand capital goods; and

(b) if so, the details of the proposals in this regard?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) and (b). Under the Export and Import Policy, 1992-97, as amended, import of all second hand capital goods having a minimum residual life of five years; is permitted, without a licence by Actual Users subject to actual user condition. In case the value of second hand capital goods sought to be imported is over Rs. 1 crore, a certificate from an Internationally reputed Inspection and Certification Agency to the effect that the purchase price is reasonable, shall be required.

[Translation]

Foreign Tourists

6544. SHRI SUSHIL CHANDRA VARMA: Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) the number of foreign tourists visited the country under hospitality programme of his Ministry during 1993-94;

(b) the various categories of those tourists and the tourists spots in India where they visited; and

(c) the amount of foreign exchange earned from these tourists and the amount spent on them?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) The hospitality scheme of the Department of Tourism is used to project India as an attractive tourist destination by inviting travel writers, journalists, photographers, TV teams, tour operators, opinion-makers etc. to visit the country and produce publicity materials.

(b) During 1993-94, 32 TV teams, 574 travel writers and photographers, 415 tour operators and travel agents visited India under the hospitality scheme. The places visited by these guests include Delhi, Agra, Jaipur, Udaipur, Jodhpur, Bombay, Goa, Port Blair, Madras, Bangalore, Hyderabad, Cochin, Aurangabad, Puri, Pune, Leh etc.

(c) The guests invited under the hospitality scheme are generally not required to spend their money in India. However, the value of publicity received through them is estimated to be over Rs. 35 crores. The funds allocated for meeting the expenses of these guests on accommodations, meals transport and sight seeing during the year were Rs. 90 lakhs.

[English]

Losses suffered by Hotel Corporation of India

6545. SHRI R. SURENDER REDDY: Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) the number of hotels under the Hotel Corporation of India;

(b) the particulars of hotels operating and those non-operating presently;

(c) the total amount of loan taken from Industrial Development Bank of India, Industrial Finance Corporation of India and Industrial Credit and Investment Corporation of India, separately, outstanding against HCI;

(d) whether HCI is in red for the last couple of years though it has been earning small operating profits during the last three years;

(e) if so, the details thereof and the reasons therefor;

(f) whether sometime back HCI had sought approval for three years moratorium and waiver of interest thereon;

(g) if so, the reaction of the Government thereto; and

(h) the measures taken or proposed to be taken by HCI to come out of the red and also for the revival of its hotels?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) and (b). All the four hotels under Hotel Corporation of India, namely Centaur Hotel Bombay Airport, Centaur Hotel Juhu Beach, Centaur Hotel Delhi Airport and Centaur Lake View Hotel, Srinagar are operating. HCI is also operating Centaur Hokke Hotel in Rajgir, Bihar in collaboration with Hokke Club, Japan.

(c) The necessary details of outstanding amount of loans are given in the enclosed *Statement-1*

(d) and (e). The company has been incurring net losses as it has not been able to meet the liabilities of interest and depreciation. The financial performance of HCI during the last three years is detailed in the enclosed *Statement-II*.

(f) and (g). HCI had submitted a proposal to IFCI, the lead financial institution, which inter alia contained the suggestion of three years moratorium

and waiver of interest, as part of a revival plan. This proposal has to be considered by the financial institutions.

(h) To improve the financial position of the company the management has been striving to reduce operating expenditure and increase revenue. Regarding the future of Srinagar hotel and the flight kitchens various alternatives are being examined.

STATEMENT-I

Financial Institution	Loan Outstanding	Interest/Penal Interest/ Liquidated Damages accrued and due but not paid	Total Outstanding (2+3)
1	2	3	4
	(Rs. in Crores)	(Rs. in Crores)	(Rs. in Crores)
IFCI	6.13	5.58	11.71
IDBI	12.41	11.26	23.67
ICICI	6.66	5.94	12.60
Total	25.20	22.78	47.98

STATEMENT-II

Particulars	1991/92	1992/93	1993/94
	(Rs. in Crores)	(Rs. in Crores)	(Rs. in Crores) (Provisional)
Total Revenue	45.90	53.36	62.08
Total Expenditure	42.65	50.11	55.27
Gross Op. Profit	3.25	3.25	6.81
Interest	10.95	12.59	13.91
Cash Profit/(Loss)	(7.70)	(9.34)	(7.10)
Depreciation	4.08	4.09	4.35
Net Profit/(Loss)	(11.78)	(13.43)	(11.45)

Computerised Insurance Policies

6546. SHRI UDAYSINGRAO GAIKWAD: Will the Minister of FINANCE be pleased to state:

(a) whether some of Insurance Companies of country have decided to issue computerised insurance policies;

(b) if so, names of such Insurance Companies with background behind this;

(c) whether the Government propose to issue instructions to other Insurance Companies to undertake computerisation; and

(d) if so, the details and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) and (b). The Life Insurance Corporation of India (LIC) have reported that 812 branches issue insurance policies on computers. The General Insurance Corporation of India (GIC) have reported that two of its subsidiary companies viz. the New India Assurance Company Ltd. and the Oriental Insurance Company Ltd. have introduced issue of computerised policies for Motor Insurance in selected offices. New India have also introduced that the other two subsidiary companies namely National Insurance Company Ltd. and the United India Insurance Company Ltd. are about to introduce issue of computerised policies. The programme to issue policies through computers has been taken up in the Insurance companies to improve customer service and augment the place of comprehensive policy servicing.

(c) Every insurance company has its own plan of computerisation.

(d) Does not arise.

Trade Deficit with Russia

6547. SHRI SULTAN SALAHUDDIN OWAISI: Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government have urged the private sector to increase its exports of Russia to reduce Rs. 31,000 crore accumulated trade debt;

(b) if so, the incentives being provided by the Union Government to the private sector to reduce the trade debt with Russia;

(c) whether any of Indian delegation visited Russia in this regard;

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) and (b). India's outstanding debt to Russia stood at about Rs. 31,500 crores as on 31.12.93. Repayments of principal and interest are spread over a number of years and in the current financial year will total approximately Rs. 3000 crores. Through an inter-Government exchange of letters in January, 1993, it was agreed that the rupee funds received from the Indian side in repayment of the State credits granted by the erstwhile Soviet Union would be utilised by the Russian side for purchase of any goods and services from India that are permissible for export under the Export and Import Policy of Government of India. Most of the goods and services are being exported by the private sector and Government

had been taking continuous steps to facilitate exports on this track. Most incentives available to exporters are currently also available for export against the debt repayment funds. These, *inter alia*, include income tax benefits, import duty concession and duty drawback.

(c) and (d). An inter-ministerial delegation visited Moscow in June, 1993 to discuss various issues connected with India's debt repayments including the finalisation of the Banking Arrangement.

Allotment of Cotton Export Quota

6548. PROF. UMMAREDDY VENKATESWARLU: Will the Minister of TEXTILES be pleased to state:

(a) whether an export quota of 50,000 bales of cotton has been allotted to NAFED and SPINNED Punjab during 1993-94;

(b) if so, the reasons for this allotment to above organisations; and

(c) the criteria adopted by the Government for allotment of cotton export quota?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI G. VENKAT SWAMY): (a) Yes, Sir.

(b) and (c). Requests for release of export quota are received at the beginning of every cotton season from various federations and export agencies of cotton growing States While releasing quota for export amongst different federations/ agencies, the Government keeps in view their capacity demand for the variety and the need to extend buying support to different varieties of cotton according to fluctuations of prices.

Review of Import Policy of Newsprint

6549. SHRI SHANTARAM POTDUKHE: Will the Minister of COMMERCE be pleased to state:

(a) whether the Government have received any representation from the newsprint industry regarding review of import policy of newsprint;

(b) if so, the details thereof; and

(c) the action taken by the Government thereon?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) to (c). Yes, Sir. Newsprint industry have made representation for change in the entitlement and ratio of import *vis-a-vis* purchase from the indigenous mills. The representations have been considered and the import policy for newsprint continues to remain unchanged.

Milk Exports

6550. SHRI RAM KAPSE: Will the Minister of COMMERCE be pleased to state:

(a) whether the Government plan to decanalise milk exports during the current year; and

(b) if so, the foreign exchange likely to be earned therefrom?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) and (b). Export of skimmed milk powder, butter and pure milk ghee has been decanalised w.e.f. 29th September 1993. For the year 1994-95, quantitative ceilings of 25,000 metric tonnes for skimmed

milk powder and 7500 metric tonnes for pure milk ghee and butter have been released for allocation by APEDA to the intending exporters. In case the entire ceiling is utilised the estimated value of exports of these milk products would be around 180 crores during 1994-95.

Child Labour

6551. SHRIMATI BHAVNA
CHIKHLIA:
SHRI RAJESH KUMAR:
SHRIMATI SHEELA
GAUTAM:

Will the Minister of LABOUR be pleased to state:

(a) the number of projects sent by the State Governments in regard to rehabilitation of child labour lying pending with the Union Government;

(b) the details thereof, State-wise and Union territory-wise; and

(c) the steps taken/proposed to be taken by the Government for early clearance of these projects?

THE MINISTER OF STATE OF THE MINISTRY OF LABOUR (SHRI P.A. SANGMA): (a) No, project proposal sent by the State Governments in regard to rehabilitation of Child Labour is pending with the Union Government.

(b) and (c). Do not arise.

Committee on Sick PSUs

6552. SHRIMATI GEETA MUKHERJEE: Will the Minister of FINANCE be pleased to state:

(a) whether the Government have set up a high powered committee for sick Public Sector Undertakings; and

(b) if so, the composition and terms of reference of the committee?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) and (b). Government have set up a Group of Ministers under the Chairmanship of Finance Minister to review the performance of Public Sector Enterprises (PSEs), particularly sick enterprises. The other Members of the Group are Deputy Chairman, Planning Commission and Ministers incharge of Administrative Ministers of the enterprises taken up for review. The terms of reference include giving directions and guidelines to Ministers on the package of relief to take a stand or make a commitment before the Board for Industrial and Financial Reconstruction (BIFR) in each case of PSE referred to BIFR. The Group would also review the performance of sick enterprises not referable to BIFR and selectively other public enterprises.

[Translation]

Cotton and Cotton Yarn

6553. DR. P.R. GANGWAR:
SHRI GUMAN MAL
LODHA:
SHRI NAWAL KISHORE
RAI:
SHRI SHIVRAJ SINGH
CHAUHAN:

Will the Minister of TEXTILES be pleased to state:

(a) the quantity and value of cotton and cotton yarn exported during 1993-94;

(b) the names of the countries to which export was made; and

(c) the prospects of export of cotton and cotton yarn after the implementation of Dunkel proposals?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI G. VENKAT SWAMY): (a) 2.823 lakh bales (of 170 kgs. each) of cotton valued at Rs. 158.44 crores were exported during the cotton year 1993-94. 165.94 million kgs. of cotton yarn valued at Rs. 1461 crores were exported during the Calendar year 1993. Out of this, exports by 100% Export Oriented Units and exports under Advance Licence Scheme accounted for 57.60 million kgs.

(b) The names of the countries to which exports have been made are as under:

Cotton Yarn	Cotton
Bangladesh	Bangladesh
Italy	Hongkong
Turkey	USSR
Japan	Japan
Hongkong	Thailand
U.K.	Indonesia
Germany	Taiwan
Mauritius	Belgium
R.O.K. Belgium	Germany

(c) Cotton is an agricultural commodity, while cotton yarn is a textile item. Currently, no country is applying any quota restrictions on imports of cotton from India. It is anticipated that the Final Act embodying the results of the Uruguay

Round negotiations will have the way for increased export opportunities for our cotton. In the case of cotton yarn, only the European Union and the United States of America currently apply quota restrictions on import of cotton yarn from India. As and when cotton yarn gets integrated into the GATT as per the scheme envisaged in the Final Act, there will be no quota restrictions on this item. In such a situation, all countries exporting cotton yarn have to compete in these markets on the basis of quality, price and marketing techniques. The present assessment is that such a situation will be conducive for increased export of cotton yarn from India.

[English]

Mulberry Cultivation

6554. DR. K.V.R. CHOWDARY: Will the Minister of TEXTILES be pleased to state:

(a) the main places where mulberry is cultivated in Andhra Pradesh;

(b) the incentives given by the Government to increase the cultivation of mulberry in the State; and

(c) the target fixed for the cultivation of mulberry during 1994-95?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI G. VENKAT SWAMY): (a) Mulberry is being cultivated in all the 22 districts of Andhra Pradesh. However, sericulture is mainly practised in the districts of Ananthapur, Chittoor, Cuddapah, Kumool, Prakasam, Vizag, Karimnagar, Krishna, Nellore, Warangal, Medak, Khammam, West Godavari, Guntur, Mehboobnagar and Ranga Reddy.

(b) In order to increase under mulberry in the State, the Central Silk Board has supplied 2026 Metric Tonnes of improved mulberry cuttings to Andhra Pradesh during the year 1993-94. Further, the Board has provided an amount of Rs. 35.63 lakh to the State to provide assistance to the sericulturists, affected by drought, for replantation of mulberry, through free supply of sericulture inputs etc.

Besides, the State of Andhra Pradesh has also been extended the benefits of the following assistance schemes being implemented by the CSB to encourage development of sericulture:

- (i) Payment of incentive bonus to bivoltine cocoon and raw silk producers.
- (ii) Free supply of rearing equipments to SC/ST sericulturist and landless labourers.
- (iii) Assistance for mass dis-infection programme.
- (iv) Subsidy for setting up of multiend reeling units.

(c) The target fixed by the Government of Andhra Pradesh for cultivation of mulberry in the State during the year 1994-95 is 10,000 acres.

[*Translation*]

Commercial Banks

6555. SHRIMATI SHEELA
GAUTAM:
SHRI RAJESH KUMAR:

Will the Minister of FINANCE be pleased to state:

(a) the number of branches of each of the commercial banks functioning at present in the country; and

(b) the amount of profit earned by each commercial bank during each of the last three years?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) There were 61248 branches of commercial banks functioning in the country as on 30th June, 1993 (latest available). Bank-wise details are given in the enclosed *Statement*.

(b) The information is not readily available. The same is being collected and will be laid on the Table of the House to the extent possible.

STATEMENT

The number of branches of each of the commercial banks functioning in the country as on 30th June, 1993

Name of Bank	No. of Branches
Public Sector Banks	
State Bank of India	8676
State Bank of Bikaner and Jaipur	703
State Bank of Hyderabad	722
State Bank of Indore	386
State Bank of Mysore	519
State Bank of Patiala	599
State Bank of Saurashtra	344
State Bank of Travancore	611

Name of Bank	No. of Branches	Name of Bank	No. of Branches
Allahabad Bank	1820	ANZ Grindlays Bank PLC	56
Andhra Bank	959	Bank of America N.T. and S.A.	4
Bank of Baroda	2336	American Express Bank Ltd.	4
Bank of India	2358	Bank of Bahrain & Kuwait	1
Bank of Maharashtra	1128	Bank of Nova Scotia	1
Canara Bank	2072	Bank of Credit & Comm. IWTL (Overseas)	1
Central Bank of India Corporation Bank	449	Bank of Oman Ltd.	1
Dena Bank	1098	Bank of Tokyo Ltd.	3
Indian Bank	1366	Banque Indo Suez	1
Indian Overseas Bank	1312	Banque Nationale de Paris	3
New Bank of India*	—	Barclays Bank PLC	1
Oriental Bank of Commerce	559	British Bank of Middel East	1
Punjab and Sind Bank	682	Citi Bank N.A.	6
Punjab National Bank	3672	Credit Lyonnais	1
Syndicate Bank	1558	Deutsche Bank (Asia)	2
UCO Bank	1780	Hongkond and Shanghai Banking Corpn.	2 1
Union Bank of India	1866	Oman International Bank	1
United Bank of India	1323	Societe Generale	1
Vijaya Bank	752	Sonali Bank	1
Total of Public Sector Bank Branches	42643	Standard Chartered Bank	24
Foreign Banks		The Sakura Bak Ltd.	1
ABN Amro Bank N.V.	4	The Sanwa bank Limited	1
Abu Dhabi Commercial Bank Ltd.	1	Total of Foreign Bank Branches	141

*New Bank of India merged with Punjab National Bank.

Name of Bank	No. of Branches	Name of Bank	No. of Branches
Private Sector Banks		Regional Rural Banks	
Bank of Karad Ltd.	48	Andhra Pradesh	
Bank of Madura Ltd.	253	1. Chaitanya Grameena Bank	45
Bank of Rajasthan Ltd.	280	2. Godavari Grameena Bank	33
Bareilly Corporation Bank Ltd.	59	3. Golconda Grameena Bank	24
Benaras State Bank Ltd.	95	4. Kakathiya Grameena Bank	43
Bharat Overseas Bank Ltd.	49	5. Kamakadurga Grameena Bank	27
Catholic Syrian Bank Ltd.	232	6. Manjira Grameena Bank	64
City Union Bank Limited	85	7. Nagarjuna Grameena Bank	148
Dhanalakshmi Bank Ltd.	129	8. Pinakini Grameena Bank	83
Federal Bank Ltd.	338	9. Rayalaseena Grameena Bank	141
Jammu & Kashmir Bank Ltd.	306	10. Sangameshwara Grameena Bank	65
Karnataka Bank Ltd.	274	11. Shri Sathavahana Grameena Bank	46
Karur Vysya Bank Ltd.	159	12. Shri Venkateswara Grameena Bank	71
Lakshmi Vilas Bank Ltd.	172	13. Shree Anantha Grameena Bank	69
Lord Krishna Bank Ltd.	67	14. Shri Saraswati Grameena Bank	71
Nainital Bank Ltd.	49	15. Sri Visakha Grameena Bank	168
Nadungadi Bank Ltd.	140	16. Srirama Grameena Bank	25
Punjab Co-operative Bank Ltd.	9		
Ratnakar Bank Ltd.	58		
Sangli Bank Ltd.	170		
South Indian Bank Ltd.	307		
Tamilnad Mercantile Bank Ltd.	124		
United Western Bank Ltd.	188		
Vysya Bank Ltd.	296		
Bari Doab Bank Ltd.	1		
Ganesh Bank of Kurunjwad	16		
Kashi Nath Seth Bank Ltd.	31		
Total of Private Sector Bank Branches.	3935	Total for the State	1123

*Since take over by BO.I.

Name of Bank	No. of Branches
Arunachal Pradesh	
1. Arunachal Pradesh RU	19
Total for the State	19

Assam

1. Cachar Gramin Bank	44
2. Lakhimi Geonlia Bank	100
3. Langpi Dehangi Rural	43
4. Pragjyotish Gaonlia	172
5. Subsansiri Gaonlia Bank	45
Totals for the State	404

Bihar

1. Begusari Kshetriya Gramin Bank	21
2. Bhagalpur-Banks Kshetriya	24
3. Bhojpur Rohtas Gramin Bank	157
4. Champaran Kshetriya	147
5. Giridih Kshetriya Gramin	27
6. Gopalganj Kshetriya	59
7. Hazaribagh Kshetriya	31
8. Kosi Kshetriya Gramin	164
9. Madhubani Kshetriya	89
10. Magadh Gramin Bank	164
11. Mithila Kshetriya	79
12. Monghyr Kshetriya Gramin	104
13. Nalanda Gramin Bank	66
14. Palamau Kshetriya Gramin	75

Name of Bank	No. of Branches
15. Patliputra Gramin Bank	21
16. Ranchi Kshetriya Gramin	85
17. Samastipur Kshetriya	73
18. Santhal Parganas Gramin	103
19. Saran Kshetriya Gramin	64
20. Singhbhum Kshetriya	77
21. Siwan Kshetriya	69
22. Vaishali Kshetriya Gramin	189
Total for the State	1888

Gujarat

1. Banaskantha Mehsana	73
2. Jamnagar Rajkot Gramin	53
3. Junagadh Amreli Gramin	41
4. Kutch Gramin Bank	43
5. Panchmahal Vadodara	63
6. Sabarkantha-Gandhina	33
7. Surat Bharuch Gramin	40
8. Surendranagar Bhavna	42
9. Valsad-Dengs Gramin	40
Total for the State	428

Haryana

1. Ambala-Kurukshetra Gramin	39
2. Gurgaon Gramin Bank	118
3. Haryana Kshetriya Gramin	90
4. Hissar-Sirsa Kshetriya	43
Total for the State	290

Name of Bank	No. of Branches
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Himachal Pradesh

1. Himachal Gramin Bank	102
2. Parvatiya Gramin Bank	27
Total for the State	129

Jammu & Kashmir

1. Ellaquai Dehati Bank	80
2. Jammu Rural Bank	94
3. Kamraz Rural Bank	94
Total for the State	268

Karnataka

1. Bijapur Grameena Bank	84
2. Cauvery Grameena Bank	114
3. Chickmangalur-Kodagu	44
4. Chitradurga Gramin Bank	96
5. Kalpatharu Grameena	88
6. Kolar Gramin Bank	66
7. Krishna Grameena Bank	112
8. Malaprabha Grameena	208
9. Netravati Grameena Bank	22
10. Sahyadri Gramin Bank	29
11. Tungabhadra Gramin Bank	163
12. Varada Grameena Bank	25
13. Visveshvarya Grameena	26
Total for the State	1077

Name of Bank	No. of Branches
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Kerala

1. North Malabar Gramin	123
2. South Malabar Gramin	147
Total for the State	270

Madhya Pradesh

1. Bastar Kshetriya Gramin	61
2. Bilaspur-Raipur Kshetriya	150
3. Bundelkhand Kshetriya	83
4. Chambal Kshetriya Gramin	50
5. Chhindwara Seoni Kshetriya	71
6. Damon Panna Sagar Kshetriya	77
7. Dewas-Sajahapur Kshetriya	59
8. Durg Rajnandgaon Gramin	107
9. Gwalior Datia Kshetriya	32
10. Indore Ujjain Kshetriya	39
11. Jhabua-Dhar Kshetriya	86
12. Kshetriya Gramin Bank	92
13. Mahakaushal Kshetriya	41
14. Mandla Balaghat Kshetriya	57
15. Nimar Kshetriya	75
16. Raigarh Kshetriya Gramin	69
17. Rajgarh Kshetriya Gramin	46
18. Ratlam Mandsaur Kshetriya	46
19. Rewa-Siohi Gramin Bank	83
20. Shahdol Kshetriya Gramin	46
21. Sharda Gramin Bank	59

Name of Bank	No. of Branches
22. Shivpuri Guna Kshetriya	68
23. Surguja Kshetriya Gramin	83
24. Vidisha-Bhopal Kshetriya	23
Total for the State	1603

Maharashtra

1. Akola Gramin Bank	47
2. Aurangabad Jalna Gramin	53
3. Bhandra Gramin Bank	45
4. Buldhana Gramin Bank	26
5. Chandrapur Gadchiroli	60
6. Marathwada Gramin Bank	233
7. Ratnagiri Sindhudurg	39
8. Solapur Gramin Bank	35
9. Thane Gramin Bank	26
10. Yavatmal Gramin Bank	22
Total for the State	591

Manipur

1. Manipur Rural Bank	29
Total for the State	29

Meghalaya

1. Ka Bank Nongkyndong	51
Total for the State	51

Mizoram

1. Mizoram Rural Bank	50
Total for the State	50

Name of Bank	No. of Branches
Nagaland	
1. Nagaland Rural Bank	8
Total for the State	8

Orissa

1. Baitarani Gramya Bank	90
2. Balasore Gramya Bank	63
3. Bolangir Anchalik Gramin	155
4. Cuttak Gramya Bank	120
5. Dhenkanal Gramya Bank	48
6. Dahahandi Anchalik Gramin	28
7. Koaraput-Panchabati Gramin	90
8. Puri Gramya Bank	99
9. Rushikulay Gramya Bank	75
Total for the State	818

Punjab

1. Faridkot-Bathinda Kshetriya	22
2. Gurdaspur Amritsar KS	53
3. Kapurthala Ferozpur	43
4. Malwa Gramin Bank	41
5. Shivalik Kshetriya Gramin	41
Total for the State	200

Rajasthan

1. Alwar-Bharatpur Anchalik	90
2. Aravali Kshetriya Gramin	64
3. Bhulwara Ajmer Kshetriya	53
4. Bikaner Kshetriya Gramin	28

Name of Bank	No. of Branches	Name of Bank	No. of Branches
5. Bundi Chittorgarh KS	69	7. Bareilly Kshetriya Gramin	82
6. Dungarpur Banswara K	44	8. Basti Gramin Bank	103
7. Hadoti Kshetriya Gramin	1	9. Bhagirath Gramin Bank	108
8. Jaipur Nagaur Anchalik	142	10. Chhatrasal Gramin Bank	82
9. Marudhar Kshetriya	60	11. Devipatan Kshetriya	72
10. Marwar Gramin Bank	136	12. Etah Gramin Bank	67
11. Mewar Anchalik Gramin	61	13. Etawah Kshetriya Gramin	53
12. Shekhawati Gramin Bank	100	14. Faizabad Gramin Bank	67
13. Sriganganagar Kshetriya	44	15. Farrukhabad Gramin Bank	84
14. Thar Anchalik Gramin	71	16. Fatehpur Kshetriya Gramin	55
Total for the State	1071	17. Ganga Yamuna Gramin	43
Tamil Nadu		18. Gomti Gramin Bank	81
1. Adhiyaman Gramin Bank	25	19. Gorakhpur Kshetriya	200
2. Pandyan Grama Bank	161	20. Hindon Gramin Bank	24
3. Vallalar Grama Bank	22	21. Jamuna Gramin Bank	48
Total for the State	208	22. Kanpur Kshetriya Gramin	103
Tripura		23. Kashi Gramin Bank	79
1. Tripura Gramin Bank	90	24. Kisan Gramin Bank BU	58
Total for the State	90	25. Kshetriya Kisan Gram	72
Uttar Pradesh		26. Muzaffarnagar Kshetriya	25
1. Alaknanda Gramin Bank	51	27. Nainital Almora Kshetriya	57
2. Aligarh Gramin Bank	92	28. Pithoragarh Kshetriya	25
3. Allahabad Kshetriya	92	29. Prataogarh Kshetriya	71
4. Avadh Gramin Bank	113	30. Prathama Bank	164
5. Ballia Kshetriya Gramin	89	31. Rae Bareli Kshetriya	73
6. Bara Banki Gramin Bank	89	32. Rani Lakshmi Bai Kshetriya	46
		33. Samyut Kshetriya Gramin	159
		34. Sarayu Gramin Bank	46

Name of Bank	No. of Branches
35. Shahjahanpur Kshetriya	35
36. Svasthi Gramin Bank	88
37. Sultanpur Kshetriya	93
38. Tulsi Gramin Bank	83
39. Vidur Gramin Bank	37
40. Vindhyavasini Gramin Bank	42
Total for the State	3049
West Bengal	
1. Bardhaman Gramin Bank	90
2. Gaur Gramin Bank	143
3. Howrah Gramin Bank	59
4. Mallabhum Gramin Bank	176
5. Mayurakshi Gramin Bank	65
6. Murshidabad Gramin Bank	40
7. Nadia Gramin Bank	65
8. Sagar Gramin Bank	115
9. Uttar Banga Kshetriya	112
Total for the State	865
Total of Regional Rural Bank Branches	14529
Total of Commercial Bank Branches	61248

Cotton Yarn

6556. SHRI GUMAN MAL

LODHA:

DR. MAHADEEPAK SINGH

SHAKYA:

Will the Minister of TEXTILES be pleased to state:

(a) whether cotton yarn of 10 to 40 count is mostly used in the handloom industry;

(b) if so, the production of this yarn during each of the last three years;

(c) the quantity of cotton yarn of this category exported during the above period;

(d) whether the demand of handloom industry is not being met; and

(e) if so, the steps taken by the Government to discourage the export of this yarn which is used in the handloom industry?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI G. VENKAT SWAMY): (a) Yes, Sir.

(b) The production of cotton yarn of counts 40s and below during the last 3 years was as under:

1991-92	—	1248 million kgs.
1992-93	—	1317 million kgs.
1993-94 (Provisional)	—	1398 million kgs.

(c) Cotton yarn of counts 40s and below on cones exported during the last 3 years was as under:

1991-92	—	108.30 million kgs.
1992-93	—	110.00 million kgs.
1993-94	—	156.55 million kgs.

(d) while there is report of yarn price fluctuations and shortage of certain counts at certain time, there is no overall shortage of yarn for handloom sector.

(e) Export of cotton yarn in hank-form of counts 60s and below is not permitted. In addition to this export ceiling is fixed at 100 million kgs. by all exporters except 100% E.O.U. and against advanced licence.

[English]

Flights on Delhi-Bombay Sector

6557. SHRI MOHAN RAWALE: Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) whether the Indian Airlines is maintaining the time schedule of its flights on Delhi-Bombay Sector;

(b) if not, the reasons therefor;

(c) the number of flights of Indian Airlines from Delhi to Bombay and Bombay to Delhi delayed during January, February, March and April, 1994, month-wise and the extent of delay each time:

(d) the reasons for delay; and

(e) the measures taken or contemplated to ensure maintenance of time schedule strictly?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) to (d). During the period January to March, 1994, over 70% of IA flights in this sector left on time. The delayed flights were due to engineering snags, bad weather, ATC restrictions and consequential reasons etc.

The number of flights from Delhi to Bombay and Bombay to Delhi delayed during January, February & March, 1994, monthwise and the extent of delay each time, are as under:—

Bombay-Delhi

	Jan. 94	Feb. 94	March, 94
No. of flights	133	140	132
No. of flights delayed	40	17	16
Average delay	2 hrs. 11 mts.	1 hr. 47 mts.	1 hr. 17 mts.

Delhi-Bombay

No. of flights	132	140	132
No. of flights delayed	38	24	26
Average delay	1 hr. 55 mts.	1 hr. 39 mts.	1 hr. 2 mts.

Statistics for the month of April, 1994 are yet to be compiled.

(e) Delays are monitored and investigated at the regional and headquarters levels and remedial measures taken.

[Translation]

Russian Debt

6558. SHRI MOHAN SINGH
(DEORIA);
SHRI SRIKANTA JENA:

Will the Minister of FINANCE be pleased to state:

(a) the amount of Russian debt at present outstanding against India;

(b) whether the Russian Government is reportedly considering the possibility of selling part of the Indian debt to a private Russian company;

(c) if so, whether the Union Government have studied the implications of this sale of Indian debt particularly at the exchange rate of rouble *vis-a-vis* rupee; and

(d) if so, the details thereof and the reaction of the Government thereto?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY):
(a) India's outstanding debt to Russia as on 31.12.1993 was about Rs 31,566 crores.

(b) Government have seen some reports to this effect, but no official communication has been received from the Russian Government.

(c) and (d). Government is not in a position to give a reaction in the

absence of any definite proposal from the Russian authorities.

[English]

Six Seater Aircraft

6559. SHRI D. VENKATESWARA
RAO:
SHRI S.B. SIDNAL:
SHRI SULTAN SALAHUDDIN
OWAISI:

Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) whether a six seater aircraft manufactured by a private company in collaboration with Italy has been approved by the Directorate General of Civil Aviation;

(b) if so, the cost involved in the manufacture of this aircraft;

(c) whether this aircraft is likely to be inducted in the air services in the country; and

(d) if so, the time by which the aircraft is likely to be inducted?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) Yes, Sir.

(b) The cost of P68 observer 2 Aircraft is reportedly Rs. 160 lakhs approximately.

(c) and (d). Induction of the aircraft for operating domestic air services would depend on the commercial judgement of operators.

Mutual Funds

6560. SHRI MANORANJAN BHAKTA: Will the Minister of FINANCE be pleased to state:

(a) whether the Securities and Exchange Board of India has revised guidelines for investment by mutual funds in money market instruments;

(b) if so, the details thereof and the reasons therefor; and

(c) the likely impact on mutual funds for deployment of resources?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) Yes, Sir. The Securities and Exchange Board of India, in consultation with the Reserve Bank of India, has revised the guidelines for money market operations of Mutual Funds. These have come into effect from March 28, 1994.

(b) The guidelines have been revised to give more flexibility to Mutual Funds for deployment of resources in money market operations. The revised guidelines prescribe the following maximum permissible investment limits upto which Mutual Funds can invest in money market operations.

Sl. No.	Maximum permissible investment in Money Market Operations as a % of total resources mobilised under a scheme.	Period
1.	100%	During the first six months from date of allotment of units under a scheme.
2.	30%	During the next six months.
3.	25%	After the initial 12 months from the date of allotment of units under a scheme.
4.	100%	During the terminal six months of a scheme.

(c) The revised guidelines would impart greater flexibility to Mutual Funds in regard to their investments in money market operations.

(a) whether the Government of Gujarat has sent any proposal for providing financial assistance to modernise powerlooms in the state;

Modernisation of Powerlooms

6561. DR. AMRIT LAL KALIDAS PATEL: Will the Minister of TEXTILES be pleased to state:

(b) if so, the details thereof; and

(c) the action taken by the Union Government in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI G. VENKAT SWAMY): (a) No, Sir.

(b) and (c). Do not arise.

[*Translation*]

Scandal in Vanijya Mantralaya

6562. SHRI PHOOL CHAND VERMA: Will the Minister of COMMERCE be pleased to state:

(a) whether the attention of the Government has been drawn to the news-item captioned 'Vanijay Mantralaya mein Teen Hazaar Karore Ka Niriyata Ghotala' appearing in the 'Nai Duniya' dated January 23, 1994;

(b) if so, the facts thereof;

(c) whether the Government propose to conduct a high level enquiry into it; and

(d) if so, the facts thereof and the action taken thereon?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) Yes, Sir.

(b) to (d). Enforcement-cum-Adjudication (ECA) Division in the Office of Directorate General of Foreign Trade is looking into the alleged irregularities committed by the holders of Value Based Advance Licences (VABAL). An Inter-Ministerial Committee constituted by the Government in February, 1994 also critically evaluated the entire VABAL Scheme.

Investigations so far carried out by the ECA Division have not revealed any large-scale serious violation of the Export-Import Policy or general misuse of the VABAL Scheme. The IMC also concluded that the Scheme had served its objectives of promoting exports. In view of this while some individual cases of misuse are being looked into, it is not proposed to conduct any special high level enquiry.

[*English*]

Governing Boards of Stock Exchanges

6563. SHRI CHHITUBHAI GAMIT: Will the Minister of FINANCE be pleased to state:

(a) whether the Government have taken steps to manage and revamp the irregular activities of the Governing Boards of stock exchanges;

(b) if so, the details thereof; and

(c) the achievements made therefrom?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) and (b). In terms of the order dated 20th April, 1993 issued by the Securities and Exchange Board of India (SEBI), the Governing Boards of Stock Exchanges have been restructured with elected stock-broker Directors and outsiders on a 50:50 basis.

(c) After the restructuring of the Governing Boards, they are in a better position to manage more effectively the over-all affairs of the exchanges and to protect the interests of the investors.

Growth of Civil Aviation

6564. SHRI SUDHIR SAWANT:
Will the Minister of CIVIL AVIATION AND
TOURISM be pleased to state:

(a) the fall out in the civil aviation sector after the repealing of the Air Corporations Act, 1953 alongwith the names of the present operators and the new proposals received;

(b) whether the Government have made any studies about the growth of civil aviation upto the end of the century; and

(c) if so, the details thereof particularly in regard to fleet, financial outlay and airports?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) Presently M/s. Air India Ltd., M/s. Indian Airlines Ltd. and M/s. Vayudoot Ltd. are operating scheduled air transport services. A list indicating the names of present Air Taxi Operators and those who have applied for the grant of permit to operate scheduled air transport services is given in the enclosed *Statement*.

(b) and (c). Planning Group on Civil Aviation set up by the Planning Commission in 1985 under the Chairmanship of late J.R.D. Tata, in its report had projected in the domestic sector an average Annual Growth rate of 11.5 percent for passenger traffic and 11.2 percent for cargo traffic over the actual traffic in 1985-86 for the period upto 2000AD. The likely growth in the international passenger traffic to/from India and cargo traffic was projected at the rates of 6% and 10% respectively per annum upto 2000AD. Fleet requirement of Indian

Airlines and Air India by the year 2000-01 were estimated as under:

Indian Airlines: 193 aircraft including 50 for replacement of the then existing fleet.

Air India : 45 aircraft including 27 additional passenger aircraft, 8 new freighter aircraft and 10 passenger aircraft for replacement of existing ones.

Besides, recommendations for expansion, modernisation and upgradation of infrastructural facilities at international airports at Bombay, Delhi, Calcutta and Madras and improvements in the existing facilities at selected domestic airports were also made.

STATEMENT

S. Name of the Air Taxi Operators
No.

1. M/s. India International Airways
 2. M/s. Delhi Gulf Airways Services
 3. M/s. J.B. AIR PVT. LTD.
 4. M/s. Trans Bharat Aviation
 5. M/s. Jagson Airlines
 6. M/s. East West Travels and Trade Links Ltd.
 7. M/s. Udan Research and Flying Instt.
 8. M/s. Aerial Service Pvt. Ltd.
 9. M/s. Saraya Aviation Pvt. Ltd.
 10. M/s. Damania Airways Ltd.
 11. M/s. Jet Airways (India) Pvt. Ltd.
-

S. *Name of the Air Taxi Operators*
No.

12. M/s. M.G. Express Ltd.
13. M/s. Archana Airways (Pvt.) Ltd.
14. M/s. Raj Aviation (Pvt.) Ltd.
15. M/s. Megapode Airlines
16. M/s. Sahara India Airlines Ltd.
17. M/s. N.E.P.C. Airlines

Air Taxi Operators who have applied for permit to operate scheduled Air Transport Services

1. M/s. East West Airlines
2. M/s. Modiluft
3. M/s. Damanaia Airways
4. M/s. Jet Airways
5. M/s. N.E.P.C. Airlines
6. M/s. Sahara India Airlines
7. M/s. Archana Airways
8. M/s. Choice Airlines Ltd.

[Translation]

Textile Mills in Rajasthan

6565. PROF. RASA SINGH RAWAT: Will the Minister of TEXTILES be pleased to state:

(a) the details of the new textile mills proposed to be setup in Rajasthan during the Eighth Five Year Plan; and

(b) the funds earmarked therefor?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI G. VENKAT SWAMY): (a) The Government on its own does not set up any new cotton textile mills in the cooperative sector. However, as per information made available by the National Cooperative Development Corporation (NCDC), there are tentative proposals to set up 40 cooperative spinning mills in the country during the Eighth Five Year Plan period, out of which 2 mills are proposed for Rajasthan.

(b) Does not arise.

Tax Recovery from Sugar Mills

6566. SHRI RAJVEER SINGH:
DR. LAL BHADUR
RAWAL:

Will the Minister of FINANCE be pleased to state:

(a) the tax contribution by sugar mills, State-wise, during the last three years, year-wise; and

(b) the tax contribution made by each State during the same period?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) and (b). Records of tax-collection are not maintained industry-wise. Details of taxes collected by the Union Government from the States and Union Territories during the last three years are as under:

(Rs in crores)

	Income-tax including Corporation tax	Central Excise
1991-92	14,588.06	597.99
1992-93	16,793.86	650.49
1993-94	Not readily available.	644.46 (Upto Feb, 94)

It is difficult to assess the contributions made by each State in respect of these taxes as taxes could be paid in any State irrespective of its origin.

[English]

Sale of Handloom Cloth

6567. SHRI DHARMANNA MONDAYYA SADUL: Will the Minister of TEXTILES be pleased to state:

(a) whether the Government have formulated any scheme for giving assistance for encouraging the sale of handloom cloth in Cooperative and Corporations; and

(b) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI G. VENKATASWAMY): (a) Yes, Sir.

(b) The Market Development Assistance Scheme being implemented since 1989-90 is in lieu of some of the plan schemes like Share Capital assistance scheme to Apex Societies and Corporations, Share Capital and Managerial Subsidy to Primary Societies and the Special Rebate Scheme. The scheme

has been introduced with a view to linking Government assistance with the performance of handloom societies/organisations so as to provide incentives for better performance. The assistance provided under this scheme is shared equally by the States and the Centre in the case of State Level Organisation. The entire assistance in the case of National Level Organisations. The assistance provided under the Scheme may be utilised for any of the following purposes:

- (i) Not more than 75% of the assistance would be utilised for rebate/discount and other consumer incentives on Non-janata handloom products, and
- (ii) the remaining 25% of the amount to be utilised on interest subsidy, capital/margin money for setting up of show-rooms etc. and for any other purpose approved by the State and/or Central Government.

Concessions to Exporters

6568. SHRI KASHIRAM RANA: Will the Minister of COMMERCE be pleased to state:

(a) the details of the concessions announced by the Government with a view to boost export and to encourage entrepreneurs in the country;

(b) the names of the items for the export of which these concessions would be given; and

(c) the likely results to be achieved through these concessions?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) to (c). With a view to boost exports and encourage entrepreneurs in the country, Export-Import Policy has been further liberalised and Procedures simplified in the Revised Edition of March-1994. No specific concessions as such have been provided against any individual items of exports.

Investment by U.S.A.

6569. SHRI BOLLA BULLI
RAMAIAH:
SHRI M.V.V.S. MURTHY:

Will the Minister of FINANCE be pleased to state:

(a) whether a high level financial sector study mission from the United States of America visited India and discussed with the Government;

(b) if so, the details of the subjects discussed between the delegates of both the countries and the outcome thereof; and

(c) if the steps being taken by the Government to implement the agreements reached during these discussions?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) and (b). The Asia Society, New York brought in a high level financial sector study mission to India in the first week of March, 1994. The purpose of the Study Mission was to give American Financial leaders an opportunity to assess India's financial deregulation and evaluate future plans to open the Indian market to the global financial community.

(c) No agreements were reached as the mission came to India to study the financial sector.

Trade Pact Between India, US and Japan

6570. SHRI M.V.V.S. MURTHY:
Will the Minister of COMMERCE be pleased to state:

(a) whether any trade pact between India, US and Japan for improving trade relations has been agreed recently; and

(b) if so, the extent to which trade between India, US and Japan will be increased during the next financial year?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) No, Sir.

(b) Does not arise.

Bilateral Trade Between India and Singapore

6571. SHRI SHRAVAN KUMAR PATEL: Will the Minister of COMMERCE be pleased to state:

(a) whether during the recent visit of the Prime Minister of Singapore to New Delhi, any trade talks were held and agreements reached for augmenting bilateral trade; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION AND THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KAMALUDDIN AHMED): (a) and (b). No separate bilateral trade talks were held during the recent visit of the Prime Minister of Singapore to New Delhi. However, a wide range of subjects were discussed which included the stepping up of collaborative ventures in diverse areas such as tourism, civil aviation, telecommunications real estate and highways, financial services, ports and shipping, warehousing and information exchange.

The following agreements were signed at the official level:

1. Agreement for Avoidance of Double Taxation;
2. Agreement on Maritime Transport between the Governments of India & Singapore.
3. Agreement on Tourism Cooperation between the Governments of India and Singapore.

Also, an agreement entitled "Strategic Framework Agreement for Business Cooperation" was signed between two private sector business organisations of the respective countries.

A Memorandum of Understanding on exchange of business information was signed between the India Trade Promotion Organisation and Singapore Trade Development Board.

[*Translation*]

Assistance to Companies

6572. DR. SAKSHIJI: Will the Minister of COMMERCE be pleased to state:

(a) the details of those companies which have not achieved their export targets during the year 1992-93, state-wise;

(b) whether the Government had provided any assistance/grants/incentives to these companies for increasing their export during the aforesaid period; and

(c) if so, the details thereof?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) to (c). For increasing exports, assistance is provided for importing duty free inputs required for export production and also import of capital goods with concessional rate of custom duty. These imports are permitted against a specific licence with suitable export obligation. Issue of such licence and monitoring of obligation is a continuous process. Such licences issued with export obligation monitoring are staggered over various licensing years. The monitoring of obligation is done on a case to case basis and no separate data State-wise or year-wise is maintained.

[English]

Growth of Unemployment**Maharashtra Raw Cotton (Procurement, Processing and Marketing) Act, 1971**

6573. SHRI ANNA JOSHI: Will the Minister of TEXTILES be pleased to state:

(a) whether the Government of Maharashtra has requested the Central Government for extension to the "Maharashtra Raw Cotton (Procurement, Processing and Marketing) Act, 1971." for the further period of 10 years; and

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

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI G. VENKAT SWAMY): (a) Yes, Sir.

(b) The Government has not so far taken a decision on the proposal of the Maharashtra Government.

6574. SHRI SYED SHAHABUDDIN: Will the Minister of LABOUR be pleased to state:

(a) whether the rate of growth of unemployment over the last forty years has been consistently higher for higher educational levels;

(b) if so, the percentage rise during the years 1981 and 1991 in the unemployment of (a) matriculates (b) undergraduates (c) graduates and above (d) professional graduates; and

(c) the estimated percentage of each category among the total unemployed in 1981 and in 1991?

THE MINISTER OF STATE OF THE MINISTRY OF LABOUR (SHRI P.A. SANGMA): (a) to (c). The latest available data on unemployment by education level is for the year 1987-88. The unemployment growth by education level during the years 1977-78 and 1987-88 (for which comparable data is available) was as follows:

Educational Levels	Unemployed (Million)		Percentage increase over 1977-78
	1977-78	1987-88	
1. Illiterates and below secondary	7.44 (69)	6.99 (60)	(-) 6.1
2. Secondary	2.41 (22)	3.20 (28)	32.8
3. Graduates and above	0.91 (9)	1.34 (12)	47.3
Total:	10.76 (100)	11.53 (100)	7.2

Figures in bracket denote percent distribution.

Cost of Air Travel

6575. SHRI S.M. LALJAN BASHA: Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) whether any positive efforts have been made by the Government to bring down the cost of air travel;

(b) if so, the details thereof; and

(c) the details of steps proposed to further cut down cost of operation by public sector airlines?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) and (b). Cost of air travel depends upon costs of inputs like aircraft, spares, wages, fuel etc. Development of airport infrastructure for safe operation of aircraft also involves huge expenditure. Therefore, there does not appear any likelihood of a substantial reduction in cost of air travel in the near future.

(c). The Airlines have taken following steps to reduce the cost of operations to the extent possible:

- Monitoring of schedules matching with demand.
- Economy in aircraft fuel consumption by shortening air routes, optimisation of fleet schedules/cruising levels etc.
- Frequent pre-flight checks to avoid wastages on food upliftment/catering items.
- Redcution in overtime, wherever possible.
- Reduction, as far as possible, in capital expenditure and other

- administrative expenses viz. telephone, travelling, printing and stationery etc.

Tourism Promotion in Jammu and Kashmir

6576. SHRI GOPI NATH GAJAPATHI: Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) whether the Government have a proposal to promote tourism in Jammu and Kashmir;

(b) if so, the schemes drawn up therefor; and

(c) the steps taken to implement those schemes?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) Yes, Sir.

(b) and (c). The following schemes have been sanctioned during 1993-94 for development of tourism in Jammu and Kashmir:

Sl. No.	Name of the Project	Amount Sanctioned
1.	Four Huts at Batot	18.00
2.	Four Huts at Dera Ki Gali	14.00
3.	Tourist Bungalow at Bani	28.08
4.	Tourist Complex at Achimathang	17.86
5.	Tourist Bungalow at Durbug	22.06
6.	Tourist Bungalow at Karsha	17.11

Sl. No.	Name of the Project	Amount Sanctioned
7.	Tourist Bungalow at Tsomoriri Lak	20.65
8.	Tourist Bungalow at Atholi (Paddar)	19.29
9.	Tourist Huts at Seti	6.45
10.	Tourist Bungalow at Leh	19.73
11.	Construction of 5 huts at Patni Top	21.6
TOTAL		205.19

Financial Support to Priority Sectors

6577. SHRI LOKANATH CHOUDHARY: Will the Minister of FINANCE be pleased to state:

(a) whether adequate financial support is being provided by banks for social-oriented programmes like Rozgar Yojana for unemployed youth and to the priority sector; and

(b) if not, the steps being taken to ensure that these sectors are not denied financial supports from the banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) and (b). The banks are under instructions of the Reserve Bank of India (RBI) to provide need based adequate financial assistance under the various Government sponsored schemes and to the

priority sector. In October, 1993 banks were advised by RBI to make every effort to achieve the stipulated targets under the priority sector. Banks were cautioned that failure on their part to achieve the stipulated targets could invite bank-specific policy measure which could include raising of reserve requirements or withdrawal of refinance facilities and/or such other measures deemed necessary.

Reservation of Equity Shares

6578. SHRI TEJ NARAYAN SINGH:
SHRI BRAHMANAND MANDAL:

Will the Minister of FINANCE be pleased to state:

(a) the policy of the Government or SEBI guidelines on reservation of equity shares and debentures for allotment out of the public issues/right issues and equity disinvestments by joint stock companies and by public sector companies; and

(b) number of public sector companies which have issued equity shares to its employees and average percentage of share issued by each public sector company to the employees?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) As per SEBI guidelines the following reservations or firm allotments are allowed to be made:

(i)	Indian and Multilateral Development Financial Institutions	20%
(ii)	Indian Mutual Funds	20%
(iii)	Foreign Institutional Investors (including non-resident Indians and Overseas Corporate Bodies)	24%
(iv)	Permanent/regular Employees of the issuer company	10%

(b) Government have decided to disinvest 5% of the paid-up capital of public sector companies in favour of their employees subject to a minimum of 200 shares and have advised 8 public sector undertakings accordingly to proceed with the sale.

National Child Labour Project

6579. SHRI PROBIN DEKA: Will the Minister of LABOUR be pleased to state:

(a) whether any amount has been provided to Assam under the National Labour Project during the last three years;

(b) if so, the details thereof;

(c) if not, the reasons therefor; and

(d) the steps taken by the Government to provide funds under the above project to Assam?

THE MINISTER OF STATE OF THE MINISTRY OF LABOUR (SHRI P.A. SANGMA): (a) to (d). Since there are several other states with much higher prevalence of Child Labour and there has been no project proposal from the State Government, no need has been so far felt for starting a project under National Child Labour Project (NCLP) in Assam.

Foreign Exchange/Revenue earnings by Airlines

6580. DR. LAL BAHADUR RAWAL: Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) the amount of foreign exchange earnings and the revenue in Indian rupee

of various airlines in the country during the last three years, year-wise; and

(b) the projections in this regard for the next five years including the share of Government and private sector?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) and (b). The information is being collected and will be laid on the Table of the House.

[Translation]

Loan Recovery in Gujarat

6581. SHRI N.J. RATHVA: Will the Minister of FINANCE be pleased to state:

(a) the details of the recovery of loans by the various public sector banks located in Gujarat particularly in tribal areas; and

(b) the extent to which the recovery of loans is less or more in comparison to the last year?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) and (b). The data reporting system does not generate the information within a State in the manner asked for. However, the percentages of recovery to demand of Direct Agricultural advances of Public Sector Banks in Gujarat in comparison to All India average as on June 1991 and June 1992 (latest available) is given below:

	Percentage of Recovery to Demand	
	June 1991	June 1992
Gujarat	59.1	54.3
All India	58.1	54.1

From the above, it may be observed that the recovery performance has declined from June 1991 to June 1992 in the State of Gujarat. However, it is consistent with the trend obtaining at the All India level.

[English]

Export of Silk

6582. SHRI SANAT KUMAR MANDAL: Will the Minister of TEXTILES be pleased to state:

(a) whether his attention has been invited to the news item captioned "Silk export: Lacklustre performance" appearing in the 'Financial Express' New Delhi dated April 6, 1994;

(b) if so, the reasons for country's present status as a major exporter of silk goods being in jeopardy due to a massive drop in its exports; and

(c) the steps taken/being taken to boost the export of Indian Silk goods particularly handloom production to the global market?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI G. VENKAT SWAMY): (a) Yes, Sir.

(b) The main reason for the drop in exports of silk products from India during the year 1993-94 is the recession in major markets like the USA & Europe.

(c) In order to step up exports of textiles including silk textiles and handloom products, Government have taken several measures which include introduction of a unified market-determined exchange rate system, convertibility of the

rupee on current account, facilitation of import of capital goods at concessional duty for export production, increased availability of export credit, permission to retain Foreign Exchange receipts to the extent of 25% in foreign currency account etc.

Besides, Government is providing assistance to the Indian Silk Export Promotion Council & the Handloom Export Promotion Council for undertaking various export promotion activities such as sponsoring Buyer Seller Meets, participation in fairs in major markets, releasing advertisements in foreign trade magazines, product development etc.

NRF Scheme

6583. SHRI SURENDRA PAL PATHAK: Will the Minister of TEXTILES be pleased to state:

(a) whether the Uttar Pradesh Government has made any request to the Union Government seeking financial assistance to make arrangements to provide ex-gratia amount at the rate of one and a half month salary to the workers of the other textile mills in the State under the scheme of National Renewal Fund on the pattern of National Textile Corporation; and

(b) if so, the action taken by the Union Government thereon?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI G. VENKAT SWAMY): (a) As per available information, no such request has been received.

(b) Does not arise in view of above.

[*Translation*]

Construction of Hotel in Madhya Pradesh

6584. SHRI SUSHIL CHANDRA VARMA: Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) whether the Union Government have received any proposal to construct a new hotel in Madhya Pradesh with foreign assistance;

(b) if so, the details thereof; and

(c) the decision taken by the Union Government in this regard?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) No Sir.

(b) and (c). Do not arise.

[*English*]

ICICI Sanctions and Disbursements

6585. SHRI R. SURENDER REDDY: Will the Minister of FINANCE be pleased to state:

(a) the details of the quarterly sanctions and disbursements of the Industrial Credit and Investment Corpo-

ration of India (ICICI) for the financial years 1991-92, 1992-93 and 1993-94;

(b) the sanctions and disbursements of ICICI during the above three years, industry-wise and whether any sector was accorded priority in this regard and if so, the details thereof;

(c) whether there have been fluctuations in regard to disbursements in some quarters;

(d) if so, the reasons therefor;

(e) whether the liberalised Exchange Rate Management Systems had any effect on disbursements of ICICI particularly on foreign currency loan disbursements in 1992-93 and 1993-94; and

(f) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) and (b). The time and labour involved in preparation of Statements giving details of quarterly sanctions and disbursements made by the Industrial Credit and Investment Corporation of India Ltd., (ICICI) alongwith the industry-wise break-up for the years 1991-92, 1992-93 and 1993-94 may not commensurate with the results to be achieved. However, the details of sanctions and disbursements made during the above period were as under:

(*Rs. in Crores*)

Year	Sanctions	Disbursements
1991-92	3117.16	1867.17
1992-93	4602.66	2731.99
1993-94	7057.12	3568.81

(c) and (d). ICICI has reported that there have been fluctuations in the quarterwise disbursements which are inherent in the business due to various factors affecting disbursements after sanctions. However, in the last quarter of 1993-94 there was a substantial spurt as a result of reduction in the lending rates after February, 1994.

(e) and (f). ICICI has reported that disbursements, as a whole, have been increasing during the last three years. There has, however, been a sharp decline in foreign currency disbursements from Rs. 727.11 crore in 1992-93 to Rs. 470.35 crore in 1993-94. This was mainly due to the decline in imports and reluctance of companies to hold foreign currency liabilities. Some of the large corporates have also accessed the international capital markets through convertible bonds.

Restructuring of NTC

6586. PROF. UMMAREDDY
VENKATESWARLU:
SHRI ANKUSHRAO RAO-
SAHEB TOPE:

Will the Minister of TEXTILES be pleased to state:

(a) whether trade unions have requested the Union Government to redraft the proposed agreement for restructuring of NTC presented at Tripartite Committee;

(b) if so, the details of the recommendations made by the Tripartite Committee alongwith the suggestions made by Trade unions; and

(c) the reaction of the Union Government in regard to the suggestions made by trade unions?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI G. VENKAT SWAMY): (a) to (c). The modernisation/rationalisation plans prepared by the Textile Research Associations for revival of the NTC mills have been endorsed by the Labour Ministry's Special Tripartite Committee on NTC, comprising Ministry of Textiles, Ministry of Labour and representatives of workers unions. The Special Tripartite Committee has given the following unanimous recommendations:

- (i) The reports given by the Textile Research Associations show that the NTC mills as well as Taken Over Mills can be made viable by modernisation.
- (ii) Modernisation/rationalisation therefore should be carried out in consultation with the unions.
- (iii) There should be no retrenchment.
- (iv) There should be no privatisation.
- (v) Taken over mills would be nationalised.
- (vi) Surplus land may be disposed of and the proceeds should be utilised by the management for modernisation, working capital etc.
- (vii) Professional management should be strengthened both in the Holding Company and at the subsidiary levels and representation of trade unions should be ensured upto Board level for effective participation

of workers in the management at all levels from unit to Holding Company.

- (viii) Steps shall be taken to move the BIFR to accept the above proposals and close the cases.

The revival plan will require approval of the BIFR under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985, after it is approved by the Government before it can be implemented.

Indira Vikas Patras

6587. DR. K.V.R. CHOWDARY:
Will the Minister of FINANCE be pleased to state:

(a) the total amount collected through Indira Vikas Patras during the last three years, year-wise and State-wise; and

(b) the purposes for which this amount has been utilised?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) The information is indicated in the enclosed *Statement*.

(b) Three-fourth of net collections under small savings schemes, including Indira Vikas Patra in a State is advanced as long term loan to that State for financing the State plan.

STATEMENT

(Rs. in crores)

Sl. No.	State	1991-92		1992-93		1993-94 (Upto Dec. 93)	
		Gross	Net	Gross	Net	Gross	Net
1.	Andhra Pradesh	107.80	60.34	49.66	11.44	70.11	-30.56
2.	Arunachal Pradesh	0.67	0.54	0.24	0.09	-0.22	-0.77
3.	Assam	9.27	3.11	6.99	-0.63	9.51	-12.81
4.	Bihar	45.72	16.81	1.21	-28.70	37.94	-52.86
5.	Goa	6.30	4.49	3.99	1.91	5.82	-1.99
6.	Gujarat	142.74	18.70	74.36	-14.50	119.61	-66.33
7.	Haryana	51.12	24.06	32.70	12.98	46.79	-3.50
8.	Himachal Pradesh	28.63	18.37	18.72	8.96	25.12	-5.32
9.	Jammu & Kashmir	14.62	6.29	9.84	2.95	13.03	-4.41
10.	Karnataka	92.42	62.87	63.27	26.09	66.08	-32.72

Sl. No.	State	1991-92		1992-93		1993-94 (Upto Dec. 93)	
		Gross	Net	Gross	Net	Gross	Net
11.	Kerala	75.11	46.56	50.91	25.12	59.1	4.50
12.	Madhya Pradesh	68.33	27.11	55.27	28.42	73.05	-18.97
13.	Maharashtra	150.60	31.95	114.58	24.84	148.52	-524.39
14.	Manipur	0.50	0.270.	35	0.12	0.09	-0.52
15.	Meghalaya	1.68	0.65	1.13	-0.04	-0.28	-3.19
16.	Mizoram	1.11	0.98	0.77	0.48	0.11	-0.64
17.	Nagaland	0.51	0.22	0.56	0.07	1.34	-0.84
18.	Orissa	29.09	18.04	15.34	5.14	19.75	-13.42
19.	Punjab	919.94	14.30	53.05	15.29	95.42	-14.64
20.	Rajasthan	122.13	89.74	65.03	34.00	93.13	-6.91
21.	Sikkim	0.42	0.14	0.38	-0.14	1.07	-0.81
22.	Tamil Nadu	100.37	73.48	58.39	36.09	55.57	-6.86
23.	Tripura	1.72	0.46	1.48	0.04	0.16	-4.02
24.	Uttar Pradesh	180.79	84.17	99.54	32.99	151.22	-60.52
25.	West Bengal	145.18	67.59	56.23	2.65	106.91	-65.80

[Translation]

the years 1991-92, 1992-93 and 1993-94; and

Bank Loans

6588. SHRI SHIVRAJ SINGH CHAUHAN: Will the Minister of FINANCE be pleased to state:

(a) the amount of financial assistance/loans provided so far by various banks to the rural employment-oriented sections such as Khadi-Village industries, cottage industries, agriculture-based industries and for installation of pumpsets and purchase of agricultural equipments in Madhya Pradesh during

(b) the financial assistance proposed to be provided to those sections during 1994-95?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) The Data Reporting System does not generate the information in the manner asked for. However, the amount disbursed by all scheduled commercial banks under agriculture, small scale industries, minor irrigation and agricultural equip-

ments & machinery in the State of Madhya Pradesh during the year ending

June, 1991, and June 1992 (latest available) is given below:

(Rs. in crores)

	Amount	
	June 1991	June 1992
Agriculture	352.90	230.93
Small Scale Industries	95.83	67.26
Minor Irrigation	46.05	28.79
Agricultural Equipment and Machinery	81.57	86.15

(b) All Indian Banks are required to provide at least 40% of their advances to priority sector which *inter-alia* includes agriculture and small scale industries. Further, in the case of Agriculture, a sub target of 18% has been stipulated by the Reserve Bank of India. No, State-wise/Region-wise/Activity-wise targets in this regard have been stipulated. The banks are to achieve the above stipulated targets on All India basis.

tute in its report entitled 'People and Environment: World Resources' 1994-95;

(b) if so, the main issues highlighted in the report about India;

(c) whether the Government have also made any assessment of the consumption pattern of these items in India;

(d) if so, the details thereof; and

(e) the steps being taken by the Government to improve the imbalanced condition in this regard?

[English]

Consumption Pattern

6589. SHRI GEORGE FERNANDES:
SHRI NIRMAL KANTI CHATTERJEE:

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) to (e). Information is being collected and will be laid on the Table of the House.

Will the Minister of FINANCE be pleased to state:

NTC Mills in Maharashtra

(a) whether 1.5 percent of Indians account for 75 percent of the total consumption of electricity, petroleum and machine-based household appliances as reported by the World Resources Insti-

6590. SHRI MOHAN RAWALE: Will the Minister of TEXTILES be pleased to state:

(a) the number of NTC mills closed down in Maharashtra since 1982;

(b) the number of sick NTC mills in the States taken over by the Government for nationalisation;

(c) the number of such closed NTC mills in the State which have since been reopened; and

(d) the steps taken by the Government to reopen other closed mills?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI G. VENKAT SWAMY): (a) No NTC mills have been closed in Maharashtra since 1982. There has, however, been cessation/ curtailment of activities in some mills due to shortage of working capital.

(b) 22 textile mills were taken over by the Government and nationalised w.e.f. 1.4.74 in the State of Maharashtra. Government have also taken over the management of 13 textile mills located at Bombay w.e.f. October, 1983

(c) and (d). Do not arise

India Fund

6592. SHRI MANORANJAN BHAKTA: Will the Minister of FINANCE be pleased to state:

(a) whether the India fund, the first offshore fund floated by UTI, is likely to be converted into an open scheme in order to eliminate discount and enhance the shareholders' investment; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a)

and (b). Unit Trust of India's first offshore fund, "The India Fund," has become an open-ended fund since July 1993, with the facility to issue new shares as well as redeem old shares/convert old shares into new shares at the option of the investors. The conversion allows shareholders to redeem existing shares at a price based upon Net Asset Value (NAV) less any applicable Indian tax on capital gains. The share are listed on the London Stock Exchange as well as the Dublin Stock Exchange.

Loss in Banks in Gujarat

6593. DR. AMRIT LAL KALIDAS PATEL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that some public sector banks and cooperative banks in Gujarat are running in losses;

(b) if so, the details of such banks during the last three years and the reasons therefor;

(c) the amount of administrative/overhead expenditure incurred by these banks; and

(d) the action proposed to be taken by the Government to reduce the losses?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) State-wise details of profits/losses of public sector banks are not available with Reserve Bank of India (RBI). However, some urban cooperative banks in Gujarat have incurred losses.

(b) and (d). The details of such urban cooperative banks in Gujarat are given below:

Year	No. of Reporting banks	No. of loss making banks
1990-91	268	13
1991-92	268	15
1992-93	71	2

The banks incurring losses are weak banks under rehabilitation. RBI has already initiated appropriate steps with regard to the future set up of weak/non-viable banks. The Registrar of Cooperative Societies is coordinating efforts with Regional Offices of RBI. The concerned State Cooperative Banks have also been advised by RBI to extend necessary assistance to weak urban cooperative banks in the implementation of the rehabilitation programmes.

(c) The administrative overhead expenses incurred by these banks during the last 3 years were as under:

Year	(Rs. in lakhs)
1990-91	245.72
1991-92	242.04
1992-93	29.41

[Translation]

Export of Dry Fruits

6594. SHRI RAJVEER SINGH:
DR. LAL BAHADUR
RAWAL:

Will the Minister of COMMERCE be pleased to state:

(a) the quantity of the dry-fruits exported during 1993-94, country-wise;

(b) the foreign exchange earned therefrom; and

(c) the steps taken by the Government to boost up its export?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) and (b). Cashew Kernels and Walnuts are two major dry fruits exported from India. The export of these dry fruits during April-Nov., 1993, for which details are available, are given below:

	Qty(MT)	Value (Rs. Crores)
Cashew Kernels	44228	675.73
Walnuts	3703	38.37

(Source: DGCI&S, Calcutta)

Country-wise export details are available in the November, 1993 issue of the Monthly Statistics of Foreign Trade of India, Vol. I published by the Dte. General of Commercial Intelligence and statistics, Calcutta. Copies of which are available in the Parliament Library.

(c) Introduction of a unified exchange rate and simplification of compulsory pre-shipment inspection of exports of agricultural commodities, including cashew kernels and walnuts are some of steps taken by Government to enhance export of dry fruits. Moreover, imports of raw cashew-nuts are allowed without licence for processing and export. Govt. have also substantially stepped up outlays in the horticulture sector which would result in increased production and productivity of dry fruits which would

generate larger and more competitive export surpluses.

Apart from the above, Cashew Export Promotion Council and the Agricultural and Processed Food Exports Development Authority (APEDA) participate in exhibitions abroad and arrange buyer-seller meets to have interaction with importers in other countries.

[English]

Board for Financial Supervision

6595. SHRI RAM KAPSE: Will the Minister of FINANCE be pleased to state:

(a) whether the Government have set up or propose to set up a Board for financial supervision;

(b) whether any final decision has been taken in this regard; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) to (c). It has been decided to set up a Board for Financial Supervision under the aegis of Reserve Bank of India. The Board will be set up after completion of the requisite formalities.

Loans by Commercial Banks

6596. SHRI DHARMANNA MONDAYA SADUL: Will the Minister of FINANCE be pleased to state:

(a) the amount of loans provided by commercial banks during each of the last two years;

(b) whether the norms of Reserve Bank of India have adversely affected the lending rate of these banks; and

(c) if so, the extent to which it has been affected?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) The total amount of outstanding bank credit of all scheduled commercial banks as at the end of March 19, 1993 and March 18, 1994 was Rs. 151982 crore and Rs. 163622 crores respectively.

(b) No, Sir.

(c) Does not arise in view of the reply to part (b) above.

[Translation]

Performance of Companies Assisted by IDBI

6597. SHRI KASHIRAM RANA: Will the Minister of FINANCE be pleased to state:

(a) whether Industrial Development Bank of India conduct scrutiny of the performance of companies taking assistance from it;

(b) if so, the details thereof and the procedure adopted for this purpose; and

(c) the efforts made by the Government to strengthen the monitoring system of this Bank?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) to (c). The Industrial Development Bank of

India (IDBI) has reported that the performance of assisted companies is closely watched by it and the performance of these companies has been generally satisfactory. IDBI monitors these companies through a mechanism which, *inter alia*, consists of follow up visits, quarterly progress reports and periodic review of assisted companies by senior executives of IDBI.

[English]

Cess on Tea Industry

6598. SHRI BOLLA BULLI RAMAIAH: Will the Minister of COMMERCE be pleased to state:

(a) whether the Government propose to abolish cess on tea industry;

(b) if so, the reasons therefor and reaction of Tea Board thereto;

(c) whether abolition of this cess will cause great loss to the export market in the world; and

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

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) No, Sir.

(b) to (d). Do not arise.

[Translation]

Loan by RRBs

6599. DR. SAKSHIJI: Will the Minister of FINANCE be pleased to state:

(a) the amount of loan of Regional Rural Banks in Uttar Pradesh outstanding against the persons of low income groups and the amount waived off by Regional Rural Banks during the year 1993; and

(b) the steps taken to recover the outstanding loans?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY):

(a) The amount of loans outstanding with the Regional Rural Banks in Uttar Pradesh as at the end of March, 1993 stood at Rs. 949 crores and the amount waived off by the RRBs in U.P. State were Rs. 111.11 crores.

(b) In order to improve the recovery position of RRBs, they have been advised among others to ensure the following:

(i) To utilise the non-public business working day properly, *inter alia*, for visiting borrowers especially those from whom repayments are not forthcoming;

(ii) All over-due advances may be reviewed, and claims should be lodged with Deposit Insurance & Credit Guarantee Corporation (DICGC) and where legislation has been passed on the lines of Talwar Committee recommendations by enactment of suitable recovery Act for dues of commercial banks/ RRBs, recovery suits may be filed simultaneously;

(iii) Firm action may be initiated against wilful defaulters;

- (iv) Wherever Lok Adalats have been set-up, their assistance may be sought;
- (v) The recovery position in respect of all loan accounts under Government sponsored schemes should be reviewed regularly in Block Level Bankers Committee (BLBC), District Coordination Committee (DOC) etc. forums and the cooperation of State Government officials sought in the recovery drive/campaigns; and
- (vi) While all efforts may be made for improving the quality of lending, no efforts be spared to ensure the end use of funds and prompt steps initiated in case of misutilisation of advances.

[English]

Complaints of Customers

6600. SHRI S.M. LALJAN BASHA: Will the Minister of FINANCE be pleased to state:

(a) whether the complaints made by the customers are attended to properly by the authorities concerned of the public sector banks;

(b) if not, the reasons therefor; and

(c) the steps proposed to be taken to ensure that the complaints of customers are given due attention?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) to

(c). With a view to redressing customer grievances properly and to ensure that the complaints are looked into expeditiously, public sector banks, at the instance of the Govt. and the RBI, have taken various measures. Steps taken by the banks include observance of 15th of every month as 'Customer Day', maintenance of complaint/suggestion box at the branch level, holding of regular meetings of customer service committees at the branches, setting up of complaint cells at Branch, Regional/Zonal Office and Head Office levels. Customer Service Centres have been created in State Capitals and selected centres. Increased interface between bank executives at various levels and their customers has also been encouraged so as to promote mutual goodwill and understanding.

With a view to improve customer service in banks, a Committee was constituted by RBI in 1990 to suggest measures to improve the performance of banks in this area. The Committee in its Report made wide ranging recommendations covering various aspects of customer service. Necessary instructions have already been issued by RBI to all banks for implementation of the accepted recommendations of the Committee.

Nationalised Banks in Assam

6601. SHRI PROBIN DEKA: Will the Minister of FINANCE be pleased to state:

(a) the number of branches of nationalised banks functioning in Assam;

(b) whether the Reserve Bank of India has received proposals for opening more branches of the above banks in the State; and

(c) if so, the details thereof and action taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) As on 30-6-1993, 809 branches of public sector banks were functioning in Assam.

(b) and (c). Reserve Bank of India (RBI) has reported that under Branch Expansion Plan 1990-95, 13 Urban Centres have been allotted to different banks for opening branches in Assam upto 31-3-1995 as per the details given below:

Name of Bank	District	Name of Centre
1. State Bank of India	1. Jorhat	Borpool
	2. Kamrup	Kalipur Bhutanth
2. Canara Bank	3. Kamrup	Khilipara
3. Indian Bank	4. Kamrup	Beltola
4. Central Bank of India	5. Kamrup	Adabar
	6. Jorhat	Rajabari
5. United Bank of India	7. Jorhat	Jail Road
	8. Kamrup	Ambikajirinagar
	9. Kamrup	M.G. Road (Uzanbazar)
6. Bank of India	10. Jorhat	Bongalahukuri
	11. Kamrup	Hengrabari (Off Ganeshpuri Chariali)
7. Corporation Bank	12. Kamrup	Near Old Bus Stand Kedar Road Macaknowa.
8. Bank of Baroda	13. Jorhat	Gormur

As regards semi-urban centres, banks have been permitted to open branches at the centres of their choice within the quota allotted to them on All

India basis. As per the latest information, 6 banks have proposed to open 11 branches in semi-urban centres in Assam as per the details given below:

Name of Bank	District	Name of Centre
1. State Bank of India	1. Morigaon	Morigaon
	2. Nagain	Lumding
2. Canara Bank	3. Ditugarh	Duliajan
3. Indian Bank	4. Sonitpur	Tezpur

Name of Bank	District	Name of Centre
4. Indian Overseas Bank	5. Sonitpur	Tezpur
	6. Nagaon	Nagaon
	7. Cachar	Silehar
	8. Sibsagar	Sibsagar
	9. Bongaigaon	Bongaigaon
5. Punjab National Bank	10. Golaghat	Dengenakhowa
6. United Bank of India	11. Sonitpur	Biswarath Charali

Under the extant policy, the individual bank may identify rural centre within their service area. The proposal relating to the identified centres are required to be routed through the Department of Institutional Finance of the State Government to RBI for consideration. RBI has reported that it has not received any proposal for opening branch in rural area of Assam.

Demands of Small Scale Industries

6602. SHRI UDAYSINGRAO GAIKWAD: Will the Minister of FINANCE be pleased to state:

(a) whether the Confederation of Small Scale Industries of India have submitted some representations regarding their demands;

(b) if so, the details thereof?

(c) whether the Government propose to consider these demands; and

(d) if so, the details thereof and if not, reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) and (b). Confederation of Small Scale Industries of India have submitted a

representation regarding effect of budget proposals on the small scale sector. The Confederation has *inter alia* represented for procedural simplifications to the SSI units, for restoration of excise duty exemption to various goods which were withdrawn in the budget 1994-95, restoration of brand name provisions and enhancement of SSI exemption limits.

(c) and (d). Government have examined the request of the small scale industries association. After the budget 1994-95, excise duty exemptions to items like hawai chappals, footwear of value up to Rs. 50 per pair, compounded rubber for captive use, double or multifold yarn, handkerchiefs, shawls and other clothing accessories, towels, etc. made by handloom sector, diversified jute products, PVC compounds used captively, umbrellas, soaps made without use of power, etc. have been resorted. On certain items like woollen yarn, other spun yarns, narrow oven fabrics, rubberised textile fabrics, etc. the general SSI Scheme has been extended.

Procedures for assessment and payment of excise duty by small scale units have also been greatly simplified.

Brand name provisions in the small scale have also been relaxed. After the presentation of the budget, use of code number, drawing number and design

number have been excluded from the purview of the definition of brand name. A small scale unit manufacturing component parts of a machinery which are to be used as original equipment in the manufacture of machinery can clear branded component parts up to a value of first clearances of Rs. 30 lakhs in a year without having to follow any vigorous procedure.

It may also be noted that under the General Excise Duty Exemption Scheme for SSI units, under notification No. 1/93-CE dated 28.2.93 a unit is not required to pay excise duty for their clearances of Rs. 30 lakhs in a year. About 90 percent small and tiny units in the country are reportedly having their turnover less than Rs. 30 lakhs in a year. Hence, the present exemption limit is considered sufficient for the benefit of small scale units in the country.

Internal and External Debt

6603. SHRI SYED SHAHABUDDIN: Will the Minister of FINANCE be pleased to state:

(a) the total outstanding liabilities of the Union Government as on March 31, 1993 including internal debt, external assistance, provident funds, small savings and fixed deposits;

(b) the decadal increase since 1982-83;

(c) the quinquennial increase over 1987-88;

(d) the annual increase since March 31, 1992; and

(e) the steps taken to reduce the outstanding liabilities?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) The total outstanding debt and other liabilities of the Union Government including external debt as on 31st March, 1993 was Rs. 4,80,334 crores.

(b) The decadal increase since 1982-83 was Rs. 3,91,866 crores.

(c) The quinquennial increase over 1987-88 was Rs. 2,71,718 crores.

(d) The annual increase since March 31, 1992 was Rs. 53,244 crores.

(e) Increase in debt is basically due to increased borrowings resorted to by the Government to meet the gap between total expenditure and revenue receipts. Government will endeavour to limit further borrowings at the budgeted levels by controlling expenditure and maximising receipts.

Export Oriented Units

6604. SHRI N.J RATHVA: Will the Minister of COMMERCE be pleased to state:

(a) whether the Government have received any proposal from States to set up export oriented units; and

(b) if so, the decision taken by the Government thereon, State-wise?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) and (b). Yes, Sir. The number of approvals granted under the Export Oriented Units Scheme, State-wise, in the year 1993 and 1994 (to date) is given in the *Statement* attached.

STATEMENT

State	1993	1994(to date)
Andhra Pradesh	87	20
Gujarat	44	12
Haryana	31	55
Himachal Pradesh	4	2
Karnataka	48	12
Kerala	17	1
Madhya Pradesh	13	3
Maharashtra	68	24
Orissa	8	1
Punjab	6	3
Rajasthan	45	6
Tamil Nadu	73	16
Uttar Pradesh	26	9
West Bengal	8	1
Goa	4	2
Bihar	2	-
Meghalaya	1	-
Tripura	1	-
Dadra & Nagar Haveli	3	1
Delhi	14	1
Pondicherry	-	2
Daman & Diu	1	1
Andaman & Nicobar	1	-
Total	505	122

Income Tax Raids on Brokers of Calcutta Stock Exchange

6605. SHRI SANAT KUMAR MANDAL: Will the Minister of FINANCE be pleased to state:

(a) whether the Income-Tax Department launched a massive search and seizure operation recently on several operators and brokers of the Calcutta Stock Exchange;

(b) if so, the particulars of the raids conducted and how far these succeeded in unearthing huge speculative trades by these operators and the exact nature of the trade; and

(c) the follow-up action being taken by the Income-Tax Department and the Securities and Exchange Board of India (SEBI) in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) to (c). The premises of only one share broker, Shri, B.C. Lamboria of the Calcutta Stock Exchange, were recently searched on 6.4.1994. The search resulted in the seizure of unaccounted assets worth Rs. 1.73 crores.

Necessary follow up investigations under the various provisions of the Direct Taxes Acts have been taken up on the basis of the materials seized in course of the search, which prima facie, do not indicate any violation of the SEBI Act, Rules & Regulations.

Evil Effects of Foreign Tourists Inflow

6606. SHRI SUSHIL CHANDRA VARMA: Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) whether the Government have examined the likely impact of increase in foreign tourists inflow on spurt in various evils such as prostitutions, AIDS, Child abuse and spying;

(b) if so, the details thereof; and

(c) the steps taken or proposed to be taken by the Government in this regard?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) to (c). The increase in foreign tourist arrivals is not expected to lead to spurt in various evils such as prostitution, AIDS, Child abuse and spying as these are being checked by the concerned agencies under various acts, rules and guidelines.

State of Health of Nationalised Banks

6607. SHRI R. SURENDER REDDY: Will the Minister of FINANCE be pleased to state:

(a) the details regarding credit deposit ratio, management and fund investment both Governmental and private sectors and profitability of the nationalised banks including State Bank of India during the past three years, bank-wise;

(b) whether the credit-deposit ratio, investments made and profitability of these banks indicate the sound state of health of the banking sector in the country;

(c) if so, the details thereof and the reasons therefor; and

(d) if not, the measures taken or proposed to be taken to bring the banking sector into sound state of health so

as to achieve the desired economic order?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) Credit Deposits Ratio of Public Sector Banks for the last 3 years are furnished in the enclosed *Statement-I*. Profits of the Public Sector Banks for the last 3 years are furnished in the enclosed *Statement-II*.

(b) and (c). A larger number of Public Sector Banks incurred losses during the year ended 31 March, 1993 mainly due to the high level of non-performing assest and implementation of new prudential norms as prescribed by Reserve Bank of India with regard to income recognition, asset classification and provisioning.

(d) RBI has intitiated various steps to improve the working and profitability of the Public Sector Banks. Nationalised banks have been asked to prepare action plans on the following key areas which have been incorporated in the Memorandum of Understanding signed by the

nationalised banks with RBI in connection with release of recapitalisation funds.

- (i) Improvement in the organisational set up.
- (ii) Improving the productivity levels including mechanisation in key/selected areas and containment of staff.
- (iii) Human resources development.
- (iv) Improving House-Keeping and internal control.
- (v) Improvement in credit appraisal, monitoring and generally improving credit administration.
- (vi) Effective recovery measures.
- (vii) Strengthening vigilance machinery and deterrent action against erring officials.
- (viii) Profit planning and improvement in profit levels.

STATEMENT-I

Credit Deposit Ratio of Public Sector Banks during the last three years

Name of the Bank	31.3.91	31.3.92	31.3.93
1. Allahabad Bank	49.7	53.2	53.9
2. Andhra Bank	57.6	50.7	46.0
3. Bank of Baroda	59.8	62.1	62.8
4. Bank of India	59.2	60.6	56.1
5. Bank of Maharashtra	61.1	54.7	48.3

Name of the Bank	31.3.91	31.3.92	31.3.93
6. Canara Bank	59.2	56.0	49.3
7. Central Bank of India	53.5	51.9	49.7
8. Corporation Bank	51.6	43.9	44.2
9. Dena Bank	58.6	50.8	49.6
10. Indian Bank	65.6	60.4	53.9
11. Indian Overseas Bank	53.7	42.4	44.0
12. New Bank of India	54.7	46.9	41.6
13. Oriental Bank of Commerce	51.9	50.5	52.6
14. Punjab National Bank	55.5	52.9	55.7
15. Punjab and Sind Bank	54.7	52.8	46.9
16. Syndicate Bank	57.0	48.0	45.0
17. Union Bank of India	51.3	47.4	48.9
18. United Bank of India	56.1	55.0	49.1
19. UCO Bank	59.5	44.3	41.5
20. Vijaya Bank	67.4	56.8	48.9
21. State Bank of India	66.9	52.9	60.0
22. State Bank of Bikaner & Jaipur	65.5	62.1	61.1
23. State Bank of Hyderabad	67.3	64.8	61.7
24. State Bank of Indore	70.7	66.9	64.1
25. State Bank of Mysore	68.7	63.3	62.3
26. State Bank of Patiala	67.8	64.9	62.1
27. State Bank of Saurashtra	76.8	70.0	57.1
28. State Bank of Travancore	63.6	55.6	58.7

STATEMENT-II*Profits of Public Sector Banks during each of the last three years**(Amount in crores of Rs.)*

Sl. No.	Name of the Bank	Net Profit (Published)		
		31.3.91	31.3.92	31.3.93
1.	Allahabad Bank	19.84	28.11	-(105.89)
2.	Andhra Bank	8.22	8.42	-(141.09)
3.	Bank of Baroda	56.66	94.50	8.23
4.	Bank of India	19.49	56.63	-(331.11)
5.	Bank of Maharashtra	3.10	4.04	-(196.51)
6.	Canara Bank	136.04	156.59	-(26.07)
7.	Central Bank of India	9.48	30.49	-(383.31)
8.	Corporation Bank	4.65	5.20	4.12
9.	Dena Bank	7.26	9.10	-(90.46)
10.	Indian Bank	31.84	36.50	6.51
11.	Indian Overseas Bank	6.74	9.05	-(752.74)
12.	New Bank of India	-(45.00)	-(41.52)	-(75.79)
13.	Oriental Bank of Commerce	22.84	26.78	20.50
14.	Punjab National Bank	73.69	112.44	38.01
15.	Punjab and Sind Bank	-(5.45)	0.68	-(195.19)
16.	Syndicate Bank	2.84	4.46	-(670.08)
17.	Union Bank of India	10.05	29.45	11.26
18.	United Bank of India	5.78	6.68	-(279.36)
19.	UCO Bank	-(42.96)	-(20.99)	-(444.19)
20.	Vijaya Bank	0.25	1.84	-(97.88)
Total		325.36	558.45	-(3648.90)

Sl. No.	Name of the Bank	Net Profit (Published)		
		31.3.91	31.3.92	31.3.93
21.	State Bank of India	107.01	175.05	212.04
22.	State Bank of Bikaner & Jaipur	5.50	9.50	10.50
23.	State Bank of Hyderabad	8.51	12.75	17.02
24.	State Bank of Indore	2.94	3.23	3.23
25.	State Bank of Mysore	2.87	3.85	4.02
26.	State Bank of Patiala	14.59	29.78	20.12
27.	State Bank of Saurashtra	4.50	6.00	5.00
28.	State Bank of Travancore	4.00	5.09	8.10
Total		149.92	245.25	280.03
Grand Total		475.28	803.70	-(3368.87)

[Translation]

Export Coconut

6608. DR. K.V.R. CHOWDARY:
Will the Minister of COMMERCE be pleased to state:

(a) the quantity of coconut exported during the last three years; and

(b) the steps proposed to be taken by the Government to increase its export?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) The quantity of coconut exported during the last three years is as under:

	1991-92	1992-93	1993 (Apr.-Nov.'93)
Coconuts Fresh	4023 kgs	44384 kgs	150530
Dessicated Dried			

(Source: DGCI&S)

(b) Government has substantially stepped up outlays in the Eighth Plan for both central sector and centrally sponsored projects for integrated develop-

ment of the coconut industry. The strategy is to step up production and productivity by making available quality planting material, area expansion, rejuvenation

and disease management, extension and publication activities. This would enhance exportable surpluses and increase our export competitiveness.

[English]

Disinvestment of Shares

6609. SHRI GEORGE
FERNANDES:
SHRI ANNA JOSHI:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have directed the States to adopt a selective scheme of disinvestment of shares in respect of State-run undertakings;

(b) if so, the details thereof; and

(c) the response of the State Governments thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) No Sir.

(b) and (c). Do not arise.

[Translation]

TV Studio Equipment

6610. SHRI MOHAN RAWALE: Will the Minister of COMMERCE be pleased to state:

(a) whether accredited correspondents of a foreign broadcasting television organisation or of a foreign newspaper are eligible to import a set of TV studio equipment without a licence;

(b) whether it has come to the notice of the Government that foreign Journalists sell this equipment to commercial TV studios; and

(c) if so, the steps taken to prevent its possible misuse?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) Under the current Export & Import Policy, 1992-97, accredited correspondents of a foreign broadcasting or television organisation or a foreign news agency or a foreign newspaper are eligible to import, without a licence, the following goods on the recommendation of the press Information Bureau, Ministry of Information and Broadcasting, provided the goods are supplied free by their offices abroad:

- (1) 3/4" U matic (High Band) or Betacam Camera and recorder or other professional 1/2" camera and recorder.
- (2) Betacam or other playback unit and monitor.
- (3) Editing Pack.
- (4) Pair of studio editing machines.
- (5) Mixing equipment.
- (6) Noise reduction equipment.
- (7) Word Processor.
- (8) Constant Power pack.

(b) No such case has come to our notice.

(c) Does not arise.

*[English]***Depreciation Norms**

6611. SHRI. D. VENKATESWARA
RAO:

SHRI S.B. SIDNAL:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have taken initiatives to revise assessment of customs duty on the capital goods depreciation structure applicable to export oriented units at the time of debonding;

(b) if so, the details thereof; and

(c) the time by which the depreciation norms are likely to be revised?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) and (b). In terms of an amendment carried out by Notification No. 110-Customs/94, dated 15.4.94, capital goods cleared from a 100% export oriented undertaking in accordance with the Export Import Policy are assessed to duty to the rate applicable on the date of the payment of duty thereon instead of the rate of duty prevailing at the time of their import which was the position prevailing till then. For determining the amount of duty such capital goods are allowed depreciation in value depending upon the period of their use.

(c) There is no proposal under the consideration of the Government at present to revise the depreciation norms for assessment of capital goods at the time of their de-bonding.

Foreign institutional Investors

6612. PROF. UMMAREDDY VENKATESWARLU: Will the Minister of FINANCE be pleased to state:

(a) whether RBI has recommended to the Government that 10 percent capital be placed on equity offer to Foreign Institutional Investors;

(b) if so, the details of the recommendations made; and

(c) the reaction of the Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) No, Sir.

(b) and (c). Do not arise.

Branches of NABARD

6613. SHRI RAJVEER SINGH:
DR. LAL BAHADUR
RAWAL:

Will the Minister of FINANCE be pleased to state:

(a) the number of branches of National Bank for Agriculture and Rural Development which were proposed to be opened in the country during 1992-93 and 1993-94;

(b) the number of branches opened out of them alongwith their locations; and

(c) the number of branches proposed to be opened during the current year alongwith their locations?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) The National Bank for Agriculture and Rural Development (NABARD) has reported that it does not propose to open any branch in the country. However, NABARD has opened District Development Managers (DDMs) Offices at the District level from 1989-90 in a phased manner. These offices perform the functions of credit planning, monitoring and coordinating at the district level.

(b) NABARD has opened 54 District Offices in 1992-93 and 12 District Offices in 1993-94, as per details given in the enclosed *Statement*.

(c) During the current year, i.e. 1994-95, NABARD proposes to open only one office in Koraput District of Orissa State.

STATEMENT

List of District Development Managers (DDMS) Offices opened by the National Bank for Agriculture and Rural Development (NABARD) during 1992-93 and 1993-94

1992-93

Andhra Pradesh

1. Karimnagar
2. Medak
3. Warangal
4. Nalgonda

Assam

5. Sonitpur
6. Karbi Anglong

Bihar

7. Muzaffarpur
8. West Singhbhum

Gujarat

9. Kheda
10. Mehsana
11. Rajkot

Haryana

12. Sirsa
13. Faridabad

Himachal Pradesh

14. Solan

Karnataka

15. Chickmagalur
16. Kolar
17. Belgaum
18. Bidar

Kerala

19. Kollam
20. Mallapuram
21. Idukki
22. Waynad

Madhya Pradesh

23. Ratlam
24. Sarguja
25. Rajnandgaon
26. Vidisha
27. Dewas
28. Shahdol

Maharashtra

29. Dhule
30. Amravati

31. Raigad

1993-94

32. Osmanabad

Assam

33. Nasik

1. Kokrajhar

34. Sangli

2. Monigaon

Orissa

35. Mayurbhanj

Bihar

3. Smastipur

Punjab

36. Ludhiana

4. Hazaribagh

Himachal Pradesh

5. Kullu

Rajasthan

37. Jhunjhunu

Madhya Pradesh

6. Betul

38. Nagaur

7. Rewa

39. Banswara

Meghalaya

40. Dasua

8. Jaintia Hills

41. Sirohi

Uttar Pradesh**Tamil Nadu**

42. Kanyakumari

9. Azamgarh

43. Chingleput MBR

10. Farrukabad

44. Pudukottai

11. Basti

Union Territories

12. Pondicherry

Uttar Pradesh

45. Tehri Garhwal

Restructure of Coffee Board

46. Bulandshahar

6614. SHRI BOLLA BULLI RAMAIAH: Will the Minister of COMMERCE be pleased to state:

47. Aligarh

(a) whether the Government have decided to restructure the Coffee Board;

48. Muzaffarnagar

(b) if so, the details thereof;

49. Almora

(c) the time by which the final decision is likely to be taken; and

50. Rae Bareilly

51. Pratapgarh

52. Jaunpur

(d) the extent to which the restructuring of the Coffee Board will improve its functioning?

West Bengal

53. Jalpaiguri

54. Murshidabad

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) to (d). No, Sir. After the introduction of Free Sale Quota (FSQ) in January, 1994, under which growers are allowed to sell 50% of their produce both in domestic as well as export market, there is a likelihood of low pooling of Coffee with the Coffee Board. The emerging scenario after introduction of FSQ is under observation at the moment.

Refinance by NABARD

6615. SHRI PROBIN DEKA: Will the Minister of FINANCE be pleased to state:

(a) the amount of refinance assistance provided by National Bank for

Agriculture and Rural Development to various commercial, co-operative and regional rural banks in Assam during each of the last three years;

(b) whether NABARD has made any assessment of the benefits reaching to the beneficiaries; and

(c) if so, the outcome thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) The refinance provided by National Banks for Agriculture and Rural Development (NABARD) to various banks under schematic leading in Assam during the last three years is as under:

(Rs. in lakhs)

Category of Banks	Years		
	1991-92	1992-93	1993-94
Commercial Banks	1832	1405	1649
State Co-operative Banks	69	71	388
State Land Development Banks	135	77	112
Regional Rural Banks	530	647	536
	2566	2200	2685

The refinance provided by NABARD to State Cooperative Banks and Regional Rural Banks under Non-Schematic lend-

ing in Assam during last three years is as under:

(Rs. in lakhs)

Year	Cooperative Banks	Regional Rural Banks
1991-92	300	357
1992-93	—	337
1993-94	200	333

(b) and (c). NABARD has taken the following steps for ensuring adequate credit in North-Eastern region namely:—

- (i) The percentage of refinance on bank loan has been increased from 70 (applicable to the rest of the country) to 90 in North-Eastern region (NER).
- (ii) Relaxations are made while sanctioning SAO credit limits to cooperatives by waiving overdue and minimum involvement norms.
- (iii) Established a technical cell at NABARD Regional Office, Guwahati to facilitate expeditious formulation/implementation of schemes for North-Eastern region.
- (iv) NABARD organises business policy consultation on non-farm sector in North-Eastern region with the objective of identifying problems of credit flow for non-farm sector.
- (v) NABARD has extended refinance support under the scheme for rehabilitation of ULFA surrenderees.
- (vi) NABARD has set up Vikas Volunteer Vahini Groups consisting of successful farmers to propagate the principles of development with credit underlying the repayment ethics.
- (vii) NABARD has contributed Rs. 3 crores to the Corpus Fund of Rashtriya Gramin Vikas Nidhi, a registered society based in Guwahati for promot-

ing farm and non-farm micro enterprises of the poor.

- (viii) Rs. 2.1 lakhs were sanctioned to NEITCO, Guwahati to conduct EDP programmes for SC/STs in North-Eastern region.
- (ix) Financial assistance for setting up Technical Monitoring & Evaluation (TME) Cell at Co-operative banks and regional rural banks in N-E region is provided by NABARD.

Money Management Strategy

6616. SHRI MANORANJAN BHAKTA: Will the Minister of FINANCE be pleased to state:

(a) whether there has been a shift in the money management strategy by the RBI;

(b) if so, whether it has forced an effective reduction in its credit to the Government; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) Beginning with the year 1992-93, Reserve Bank of India has made a conscious attempt to move from direct to indirect instrument of monetary control. The Statutory Liquidity Ratio and the Cash Reserve Ratio have been scaled down and interest rates on deposits as well as advances of the scheduled commercial banks are also being rationalised. Attempts are also being made to develop open market operations as an active instrument of monetary control by creating adequate institutional framework

necessary for an active secondary market in the dated securities of the Government.

(b) and (c). There has been a substantial reduction in the growth of RBI credit to Government from Rs. 5168 crore in 1991-92 to Rs. 4433 crore in 1992-93 and further to only Rs. 103 crore (provisional) in 1993-94.

Rubber

6617. SHRI N. DENNIS:
SHRI RAMESH CHENNI-
THALA:

Will the Minister of COMMERCE be pleased to state:

(a) the total production of and demand for rubber in the country at present;

(b) India's position in the world production of natural rubber;

(c) the total quantity of natural rubber imported during the last three years; and

(d) the quantity of rubber likely to be imported during 1994-95?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) the details are as under:

(Quantity in Tonnes)

Year	Production	Demand/Consumption
1993-94	4,35,000	4,48,000 (Estimated)
1994-95	4,75,000	4,85,000 (Projections)

(b) India is the 4th largest producer of Natural rubber in the world.

(c) The details are as under:

(Quantity in tonnes)

Year	Imported by STC/Rubber goods manufacturers under licences issued by Govt.	Imported by the rubber goods manufacturers directly for export production under export incentive scheme.
1991-92	Nil	14500
1992-93	Nil	16498
1993-94	4131*	16395 (April'93 - February'94)

* Imported by rubber goods manufacturers.

(d) It may not be necessary to import rubber during 1994-95 as the import of rubber against export production of rubber goods will be more than sufficient to meet the deficit.

Restructuring of Capital-Base of Bank of Baroda

6618. SHRI R. SURENDER REDDY: Will the Minister of FINANCE be pleased to state:

(a) the paid-up capital of the Bank of Baroda as on March 31, 1994;

(b) whether the Bank of Baroda has recently sought the approval of his Ministry for expansion and restructuring its capital-base;

(c) if so, the details thereof and the objectives to be achieved thereby;

(d) whether his Ministry has given its approval therefor; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) The paid up capital of Bank of Baroda as on 31st March, 1994 is Rs. 729.96 crores.

(b) to (e). In terms of Reserve Bank of India's (RBI) guidelines, Bank of Baroda has to achieve capital adequacy norm of 8% by 31st March, 1995 and to maintain it on an on-going basis. Keeping this fact in view, Bank of Baroda intends to approach the capital market for raising necessary resources. However, the present provisions of the Banking Companies (Acquisition and Transfer of

Undertakings) Act, 1970 do not permit any nationalised bank to access the capital market. A bill to amend the Act to this effect is already before the Parliament.

[*Translation*]

Mangoes and Flowers

6619. DR. K.V.R. CHOWDARY: Will the Minister of COMMERCE be pleased to state:

(a) whether the Government propose to provide special facilities to the farmers and producers for increasing the export of mangoes and flowers; and

(b) if so, the details thereof?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) and (b). Government have taken the following steps aimed at increasing the production and exports of fruits and flowers:

- (i) Provision of increased outlays during the 8th Five Year Plan for the horticulture sector;
- (ii) Development of infrastructure facilities like mechanical grading, packing centres, refrigerated transport facilities, improved packaging material, provisions of quality testing equipment and upgradation of cargo handling facilities at sea-ports and airports;
- (iii) Introduction of an air freight subsidy scheme for export of specified fruits on an experimental basis;

- (iv) Promoting identified products like mangoes etc. which have good export potential by organising suitable promotional campaigns as well as participating in international fairs/exhibitions;
- (v) Simplification of quarantine procedures.

[English]

Regional Rural Banks

6620. SHRI MOHAN RAWALE: Will the Minister of FINANCE be pleased to state:

(a) the number of Regional Rural Banks in the country, Statewise; and

(b) the details of Regional Rural Banks which have incurred loss/earned profit during 1993-94 and the amount of loss/profit thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) There are 196 Regional Rural Banks (RRBs) functioning in the country State-wise number of RRBs is given in the enclosed *Statement*.

(b) the figures of losses incurred or profit earned during 1993-94 by RRBs are not yet available.

STATEMENT

State-wise number of Regional Rural Banks (Gramin banks) in the country as at the end of March, 1994

Name of the State	Number of regional Rural Banks
Haryana	4
Himachal Pradesh	2
Jammu & Kashmir	3
Punjab	5
Rajasthan	14
Arunachal Pradesh	1
Assam	5
Manipur	1
Meghalaya	1
Mizoram	1

Name of the State	Number of regional Rural Banks
Nagaland	1
Tripura	1
Bihar	22
Orissa	9
West Bengal	9
Madhya Pradesh	24
Uttar Pradesh	40
Gujarat	9
Maharashtra	10
Andhra Pradesh	16
Karnataka	13
Tamil Nadu	3
Kerala	2
Total	196

LIC Investment

6621. SHRI D. VENKATESWARA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether over 75 per cent of Life Insurance Corporation investment is blocked in Government Securities at present;

(b) if so, whether the Government have received any proposal from LIC regarding investment of its funds;

(c) if so, the details thereof; and

(d) the reaction of the Government thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) No, Sir.

(b) to (d). The Life Insurance Corporation of India approached the Government with a request to reduce the directed investments in Socially Oriented Sector to enable them to earn higher yield on their funds by investment in market sector. The Government is yet to take a view on the above request of the LIC.

Tax Exemption to Trusts

6622. SHRI S.M. LALJAN BASHA:
Will the Minister of FINANCE be pleased to state:

(a) the number of trusts which got Income Tax exemption on the donations collected by them during the last three years;

(b) whether the Government have received complaints about the misuse of this facility of exemptions given to these trusts; and

(c) if so, the steps being taken by the Government to monitor the tax exempted donations ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE : (SHRI M.V. CHANDRASHEKHARA MURTHY) (a) to (c). The requisite information will be laid down on the table of the House, shortly.

Banks in Gujarat

6623. SHRI N.J. RATHVA:
SHRI RATILAL VARMA:

Will the Minister of FINANCE be pleased to state :

(a) the number of Public Sector and Scheduled Commercial Banks, Regional Rural Banks and Central Cooperative Banks functioning in Gujarat, as on January, 1994, district-wise and bank-wise;

(b) the details of recommendations made by the Government of Gujarat for opening branches of the above banks during the last two years and the current year so far;

(c) the details of the branches of the above banks opened during the above period and the number of such applications pending with Reserve Bank of India; and

(d) the position of credits and deposits of the above banks during the last two years ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY) : (a) to (d). The information is being collected and to the extent available will be laid on the Table of House.

Credit Deposit Ratio

6624. SHRI SYED SHAHABUDDIN:
Will the Minister of FINANCE be pleased to state:

(a) the credit/deposit ratio in the country as a whole and in Bihar as on March 31, 1994; and

(b) the steps proposed to be taken to improve the credit/deposit ratio in Bihar ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY) : (a) to (b). The Credit Deposit Ratio of all scheduled commercial banks in Bihar as well as that of All India as on the last Friday of December 1993 (latest available) is given below:

	Credit Deposit Ratio (%)
Bihar	36.6
All India	58.0

In this connection it may be stated that the CD Ratio is not the sole indicator of role being played by banks in the economic development of a particular State/Region. The actual level of credit in relation to locally mobilised deposits in a particular state or region depends upon the credit absorption capacity of the State/Region, which in turn is determined and influenced by factors such as development of infrastructural facilities like irrigation, power, rail, road, transport, basic and technical education, entrepreneurship and availability of required inputs and marketing outlets for agricultural, industrial production etc. Reserve Bank of India had constituted a Task Force to examine the reasons for the low C:D ratio in Bihar and to suggest measures for improving the same. The Task Force had submitted its report in December 1992. The report of the Task Force covers a wide spectrum of recommendations which, *inter alia*, include providing of input like seeds, fertilisers, pesticides etc., development of horticulture, fisheries both inland and aquaculture, establishment of mini-dairies, identifying small sick units capable of revival and working out a rehabilitation package scheme promotion of high-tech ventures, identification of qualified entrepreneurs, prompt recovery of bank loans and encouragement to informal sector activities.

Bank Accounts

6625. SHRI SYED SHAHABUDDIN:
Will the Minister of FINANCE be pleased to state :

(a) the total number of bank accounts as on 31st March, 1993 and the total balance outstanding therein in respect of priority sector credit in the country as a whole with State-wise break up;

(b) corresponding data for the religious minorities; and

(c) corresponding data for the all bank accounts and the accounts held by minorities in Bihar ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) Total number of bank accounts as on last Friday of March 1993 and the total balance outstanding therein in respect of priority sector credit in the country as a whole (by public sector banks) is indicated below:

No. of Accounts	Amount outstanding (Rs.)
361.73 lakhs	48,652.77 crores

State-wise break-up as on 31st March 1993 is not available and the same is being collected.

(b) and (c). Corresponding State-wise data for religious minorities as on 31st March 1993 is not available and the same is being collected. However, priority sector advances granted by public sector banks to minority communities in the country as a whole at the quarter ended March 1993 are as under:

Minority communities

(Amount outstanding in Rs. lakhs)

	No. of Accounts	Amount outstanding (Rs.)
1. Christians	1064240	80200

Minority communities	(Amount outstanding in Rs. lakhs)	
	No. of Accounts	Amount outstanding (Rs.)
2. Muslims	3393848	247618
3. Neo-Budhists	129182	6833
4. Sikhs	1105195	229886
5. Zorashtrians	3405	2930
Total:	5695870	567467

Export Processing Zones

6626. SHRI MANORANJAN BHAKTA: Will the Minister of COMMERCE be pleased to state:

(a) whether the Government have any proposal to allow private sector, State Government and their organisations to set up Export Processing Zones. (EPZs);

(b) if so, whether it is in addition to the proposed centrally sponsored scheme for setting up Export Promotional Industrial Parks; and

(c) if so, the details thereof ?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) and (b). Yes, Sir.

(c) With a view to augmenting infrastructural facilities for export production, Government have, in principle, decided to permit the setting up of Export Processing Zones (EPZs) in the State, private or joint sector. The policy and procedures governing units in the existing Export Processing Zones would also apply to the units/located in such EPZs.

Fraud in New York Branch of Bank of India

6627. SHRI SHRAVAN KUMAR PATEL:
SHRI MOHAN SINGH (DEORIA):
SHRI ANAND RATNA MAURYA:
SHRI CHANDRAJEET YADAV:

Will the Minister of FINANCE be pleased to state:

(a) whether a case of fraud involving the amount of Rs.28 crore has been detected in the New York branch of Bank of India;

(b) if so, the details thereof; and

(c) the action being taken in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) to (c). Bank of India has reported that Shri G.C. Kathrani, former Senior Vice-President of its New York branch had in pursuance of a criminal conspiracy with

certain borrowers in USA and some unknown officers of the Bank and private parties, misused his official position and granted various credit facilities by exceeding his delegated authority and without ascertaining the financial status of the borrowers and without making required credit assessment including pre-sanction/post sanction inspection. CBI has registered a case against Shri Kathrani and others. In connection with this case CBI has also searched the residential premises of a former Chairman & Managing Director of Bank of India and seized certain assets and incriminating documents therefrom. Further action, as warranted, would be taken in accordance with the results of CBI investigation.

[*Translation*]

Bank Frauds

6628. SHRI SURENDRA PAL PATHAK: Will the Minister of FINANCE be pleased to state:

(a) whether the Government are contemplating to constitute a special cell of the Central Bureau of Investigation to inquire into the cases of fraud in banks;

(b) if so, the details thereof;

(c) whether the Government also propose to constitute the special Courts and Tribunals to hear the cases of economic offences; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) and (b). Central Bureau of Investigation (CBI) has reported that a cell already exists in the CBI to investigate bank

frauds. The CBI and its branches located all over the country investigated bank frauds. All important and major cases are handled by the Economic Offences Wing and Bank Security Cell in Headquarters at Delhi and Bombay.

(c) and (d). Government have already constituted some Special Courts to hear cases of economic offences.

[*English*]

Domestic Support to Wheat, Cotton and Pulses

6629. SHRI SOBHANADREESWARA RAO VADDE: Will the Minister of COMMERCE be pleased to state:

(a) the domestic support extended to paddy, wheat cotton, pulses groundnut, sunflower and other oil seed crops between the years 1986-87 and 1988-89;

(b) the domestic support extended to sugar cane crop during the same period when statutory minimum price and average of State Government advised prices are taken into account separately?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) and (b). The average product specific aggregate measurement of support for the relevant crops during the reference period was as follows:

Basic Product	Product specific AMS Average 1986-89 (Rs. Million)
Rice	- 77235
Wheat	- 89880
Cotton	- 14543

Basic Product	Product specific AMS Average 1986-89 (Rs. Million)
Gram	- 4945
Urad	- 1394
Moong	- 1752
Tur	- 4550
Groundnut	- 20494
Rape seed)	
Toria)	- 8694
Soyabean (Yellow)	
Soyabean (black)	- 16
Sugar cane	+ 2405

The details of calculations of AMS on these items are provided in the supporting tables to the Schedule of Commitments, copies of which were placed in the Priliament Library.

Indo-German Exports Promotion Projects

6630. SHRI C. P. MUDALA GIRIYAPPA: Will the Minister of COMMERCE be pleased to state:

(a) whether recently an Indo-German Exports Promotion Project has been set up in India to boost exports between the two countries;

(b) if so, the details thereof ?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) and (b) Indo-German Export Promotion Project (IGEP) which has been in operation since 1988 aims at the promotion of exports of specific products from India *inter-alia* through integrated product and market development projects in sectors such as

gold jewellery, silverware, shoes, leather garments, silk, software, automotive parts, bicycles and bicycle components, plastics, castings and forgings.

[Translation]

Foreign Aid/Grants

6631. SHRI LALL BABU RAI:
SHRI HARI KEWAL
PRASAD:

Will the Minister of FINANCE be pleased to state:

(a) the amount of foreign debt outstanding against India as on March 31, 1994 including the interest payable on it and the names of the countries from which this debt was taken;

(b) the amount of foreign aid/grants received by the country during 1992-93 which is not to be repaid; and

(c) the names of countries from which this financial assistance was received ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) The total external debt outstanding on the Government Account, Non-Government Account and IMF borrowings is estimated to be Rs. 144214 crores at the end of December 1993. Besides, an amount of Rs. 51453 crores on External Commercial Borrowings account was also outstanding as on 30.9.93. The names of the countries/institutions from which the loans were taken are Abu Dhabi, Australia, Austria, Belgium, Canada, Czechoslovakia, Denmark, EEC, France, Germany, I.S.O. Italy, Japan, Kuwait

Fund, Netherlands, Saudi Fund, Spain, Sweden, Switzerland, U.K., U.S.A., UAE, USSR (Erstwhile), ADB, IBRD, IDA, IFAD, OPEC and IMF.

(b) The amount of foreign aid/grant received by the country was Rs. 880 crores during 1992-93.

(c) The names of countries from which this assistance/grant was received are Canada, Denmark, France, Germany, Japan, Netherlands, Sweden, Switzerland, U.K., U.S.A., EEC, Norway and other international institutions.

[English]

Dumping of Narcotics by Pakistan Along Rajasthan Border

6632. SHRI SHRAVAN KUMAR PATEL: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the report in the Patrika (Rajasthan) dated 28th February, 1994 captioned "Pak dumping narcotics along State borders"; and

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

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) Yes, Sir.

(b) Strict instructions have been issued to all law enforcement agencies to maintain utmost vigil and step up enforcement efforts under the stringent provisions contained in various

Acts. Training is being imparted to officers to improve their effectiveness. A part of the Indo-Pak border has been fenced. Vehicles and communication equipments have been provided to the enforcement agencies. Field level contact points in all Central and State Government enforcement agencies have been established to promote inter-agency cooperation in enforcement work. BSF and Coast Guard, who are deployed on the land and Coastal border have been vested with the powers under the Customs Act to interdict narcotic drugs in addition to the Central and State Government enforcement agencies empowered under NDPS Act.

Export of Meat

6633. SHRI RAMESH CHENNI-THALA: Will the Minister of COMMERCE be pleased to state:

(a) whether the export of meat to the West Asian countries has declined due to the un-hygenic condition in which the animals are slaughtered;

(b) if so, the facts thereof;

(c) the amount of loss due to the decline in export of meat as a result thereof; and

(d) the steps taken to overcome this situation ?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) Export figures of meat and preparations for 1992-93 and 1993-94 (April-January) to the West Asian Countries given below indicate that the exports have not declined:

Value: Rs. lakhs

	Export of Meat & Preparations*
1992-93	15253
1993-94 (April-Jan., 94)	16716

*Source: DGCI&S

(b) to (d). Do not arise.

Report of Indo-British Sub-Groups

6634. SHRIMATI VASUNDHARA RAJE: Will the Minister of COMMERCE be pleased to state:

(a) whether the report of Indo-British sub-groups which have identified areas of co-operation in thrust sectors in both the countries has been prepared;

(b) if so, the details thereof; and

(c) the reaction of the Government thereto ?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) to (c). A report of the Indo-British Partnership Initiative (IBPI) including sectoral reviews was submitted to the two Prime Ministers in March, 1994. This report assesses investment and business opportunities in areas such as power, agro food, telecommunications, infrastructure, financial and legal services, oil and gas, telematics and components. As per its recommendations, the activities under IBPI have been extended for a one year period.

Deep-Sea Fishing Firms

6635. PROF. UMMAREDDY VENKATESWARLU: Will the Minister of COMMERCE be pleased to state:

(a) whether many deep-sea fishing firms have been deprived of their marine diesel subsidy by Marine Products Export Development Authority due to technical reasons;

(b) if so, the details thereof; and

(c) the steps being taken to revise the procedures ?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION AND MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KAMALUDDIN AHMED): (a) No, Sir.

(b) Does not arise.

(c) The scheme is functioning smoothly.

[Translation]

Smuggling of Dollars

6636. SHRIMATI SAROJ DUBEY: Will the Minister of FINANCE be pleased to state:

(a) whether crores of dollars have been smuggled to other countries from Calcutta during the last four months;

(b) if so, the details thereof and the modus operandi of the above smuggling;

(c) the amount of dollars smuggled to each country; and

(d) the details of the persons found involved in the smuggling and the action taken against them ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) to (c). Smuggling being a clandestine activity it is not possible to state its quantum with certainty. However, only 1300 US dollars were seized at Calcutta Airport during last four months from five passengers. These dollars were being smuggled to Thailand, concealed in their person.

(d) Details of persons found involved in smuggling are as follows:—

1. Md. Azam Indian P.P.No. 722101 Jaunpur (U.P.)
2. Kutubuddin Ahmed Siddiki Indian P.P.No Q542806 Azamgarh (U.P.)
3. Ziauddin Indian P.P.No. C365238 Azamgarh (U.P.)
4. Md. Muzzam Indian P.P.No. I 066678 Jaunpur (U.P.)
5. Zuber Ahmed Ziauddin Indian P.P.No. L956139 Jaunpur (U.P.)

Personal penalties were imposed on them, in the departmental adjudication proceedings.

[English]

Overseas Operations by Private Airlines

6637. SHRI RAJVEER SINGH:
SHRI VILASRAO NAG-
NATHRAO GUNDEWAR:

Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) whether some of the private airlines in the country were recently engaged by the foreign airlines to operate their flights overseas;

(b) if so, the details thereof alongwith the particulars of such airlines;

(c) whether these operations were appreciated by the foreign airlines;

(d) whether the Government propose to encourage such operations by the private airlines;

(e) if so, the details thereof; and

(f) if not, the reasons therefor ?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) and (b). M/s. British Airways had chartered East West Airlines' aircraft Boeing-737-200 to operate their two flights. On 11.09.1992 British Airways operated flight BA 748 Bombay/Dacca with East West Airlines' aircraft. Return flight Dacca/Bombay was a ferry flight. On 03.03.1994, British Airlines operated their BA 9510 flight with East West Airlines' aircraft on Delhi-Bahrain sector. The return flight Bahrain-Bombay was a ferry flight.

(c) No complaint has been received so far about these flights.

[Translation]

Indo-Korean Bilateral Trade

(d) to (f). Aircraft are taken on lease and given on lease or charter basis by air taxi operators on commercial considerations. No Government clearance for such transactions is required provided the aircraft meets the prescribed airworthiness and other requirements. The operations of British Airways by the chartered aircraft were in exercise of their traffic rights.

6639. SHRIMATI BHAVNA CHIKHLIA: Will the Minister of COMMERCE be pleased to state:

(a) whether there has been negotiations on bilateral trade between India and Republic of Korea recently;

(b) if so, the full details in this regard; and

(c) the outcome thereof ?

Revolving Fund for Tobacco

6638. SHRIMATI CHANDRA PRABHA URS.: Will the Minister of COMMERCE be pleased to state:

(a) whether the Government propose to create a fund with the Tobacco Board to facilitate to purchase the tobacco whenever the prices crash below the minimum prices; and

(b) if so, the details thereof and the amount earmarked thereof ?

[English]

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION AND MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KAMALUDDIN AHMED): (a) No, Sir.

(b) and (c) Do not arise.

Land for Tobacco Cultivation

6640. SHRI PRAKASH V. PATIL: Will the Minister of COMMERCE be pleased to state:

(a) whether the Government have taken initiatives to identify suitable land in Maharashtra for tobacco cultivation;

(b) if so, the details thereof; and

(c) the other steps being taken to enhance quality and quantity of tobacco cultivation in the country ?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) and (b). Based on the recommendations of the Commission for Agricultural Costs Prices (CACPP), Government fixes every year Minimum Support Prices (MSP) for various varieties of virginia tobacco. If at any time prices crash and go beneath the MSP levels, the Tobacco Board, under a statutory obligation will intervene in the market. To facilitate such market intervention operation, Government had created the Trading Wing of the Tobacco Board in 1984 with a margin of Rs. 1.25 crores.

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) and (b). Yes, Sir. The Directorate of Tobacco Development, Madras had conducted exploratory trials at Jaisingpur (Kolhapur Dist.) and Tasgaon (Sangli Dist.) from 1967-68 to 1973-74 to identify suitable land for FCV tobacco. These trials were discontinued from 1974-75 since the quality of tobacco produced was not upto the mark. Trials were started again in Sironcha area of Gadchiroli Dist in 1974-75 and continued upto 1978-79. Quality of tobacco produced in Sironcha area was found satisfactory. At present FCV tobacco is being grown in this area.

(c) Steps taken by the Tobacco Board to improve the quality of FCV tobacco include:

1. Implementation of development and extension schemes i.e. supply of pure seeds, healthy seedlings, fertilisers, pesticides, suckericides, irrigation equipment, etc.
2. Coordination with CTRI in evolving improved varieties and improved cultural and curing practices and dissemination of research findings to farmers through training programmes.
3. Identification of new areas suitable for light soil FCV tobacco which has demand in the international markets.

At present there is no proposal to increase the production of virginia tobacco due to glut situation in international markets and stagnant domestic demand.

Export Projects

6641. SHRI BOLLA BULLI RAMAIAH: Will the Minister of COMMERCE be pleased to state:

(a) whether export projects of silk, carpet, leather, floriculture has fallen recently;

(b) if so, the main reasons for the same; and

(c) the steps proposed to be taken by the Government to stop its further decline in future ?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) and (b). Export of silk products have declined during 1993-94. The main reasons for decline in exports of silk products from India during 1993-94 is the recession in major markets like the U.S.A. and Europe.

(c) In order to step up exports of textiles including silk textiles and handloom products, Govt. have taken several measures which include introduction of a unified market determined exchange rate system, convertibility of the rupee on current account, facilitation of import of capital goods at concessional duty for export production, increased availability of export credit, permission to retain Foreign exchange receipts to the extent of 25% in foreign currency account etc.

Besides, Government is providing assistance to the Indian Silk Export Promotion Council for undertaking various export promotion activities such as sponsoring Buyer-Seller Meets, participation in fairs in major markets, releasing advertisements in foreign trade magazines, products development etc.

Delay in Disbursement of Duty

6642. SHRI M.V.V.S. MURTHY:
Will the Minister of COMMERCE be pleased to state:

(a) whether the Government have constituted a core group to look into the issues of delay in the disbursement of duty drawback claims for exporters;

(b) if so, the terms and reference of the Committee; and

(c) the time by which it will submit its report ?

THE MINISTER OF COMMERCE
(SHRI PRANAB MUKHERJEE): (a) No, Sir.

(b) and (c) Do not arise.

Super Trading House

6643. SHRI S.M. LALJAN BASHA:
Will the Minister of COMMERCE be pleased to state:

(a) whether Super Trading House Category Scheme has been providing beneficial to some business house;

(b) if so, the reasons for such categories, creating more bureaucracy ?

THE MINISTER OF COMMERCE
(SHRI PRANAB MUKHERJEE): (a) In the existing Exim Policy 1992-97, there is no such category of Super Trading House.. However, w.e.f. 1.4.94, a new category of Super Star Trading House has been created. Such category is eligible for benefits as specified in the revised edition of Export Import Policy 1992-97 and Handbook of Procedures Vol. I.

(b) The new category has been created to accord appropriate recognition and encouragement to top exporters to further raise the level of their export performance.

Support Price for Tobacco

6644. SHRIMATI CHANDRA
PRABHA URS:
PROF. UMMAREDDY
VENKATESWARLU:

Will the Minister of COMMERCE be pleased to state:

(a) whether the support price for tobacco has been fixed;

(b) if so, the details thereof;

(c) whether the cost cultivation is more than the support price fixed;

(d) if so, whether the Government propose to revise the support price for tobacco on the basis of the increase in cost of inputs like fertilizers and pesticides; and

(e) if so, the details thereof ?

THE MINISTER OF COMMERCE
(SHRI PRANAB MUKHERJEE): (a) The Support price for tobacco for 1994-95 season has not been fixed.

(b) to (e). Do not arise.

Medium and Small Scale Industrial Units

6645. SHRI HARIN PATHAK: Will the Minister of LABOUR be pleased to state:

(a) the details of the medium and small scale industrial units lying closed in Gujarat;

(b) the total investment involved in these units; and

(c) the steps being taken by the Government to revive these units ?

THE MINISTER OF STATE OF THE MINISTRY OF LABOUR (SHRI P.A. SANGMA): (a) to (c). The information is being collected and will be laid on the Table of the House.

Export of Tractors

6646. SHRI SOBHANADREE-SWARA RAO VADDE: Will the Minister of COMMERCE be pleased to state:

(a) whether India proposes to export tractors to USA during 1994-95;

(b) if so, the details thereof; and

(c) the number of tractors exported during the last three years ?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) and (b). Major Manufacturers of Tractors have indicated that they are exploring the prospects of Exporting Tractors to USA during 1994-95.

(c) The number of tractors exported to USA during three years beginning 1990-91 is as under:

Year	Number of Tractors
1990-91	43
1991-92	82
1992-93	267

1200 hrs.

[English]

MR. SPEAKER: I am told that yesterday all the Members, who wanted to speak on the Finance Bill, have spoken. So, I think the Finance Minister can now commence his speech in response to the points made by the hon. Members. We can take up the Finance Bill first and then we can give the same amount of time to other matters which we usually take up after the Question Hour is over.

SHRI JASWANT SINGH (Chittorgarh): We will go by whatever direction you may give. If you wish to have the Finance Minister complete his reply and thereafter take up the Zero Hour, it is fine for us as long as others agree.

MR. SPEAKER : I think most of the Members are present in the House and all of us are more interested in this matter rather than anything else.

[Translation]

SHRI NITISH KUMAR (Barh): We always obey your orders. But on some occasions our grievances should also be entertained.

[English]

MR. SPEAKER: We had a 13 hours debate on this.

SHRI JASWANT SINGH: I appreciate it and we will go by whatever direction you give. But there is only one aspect of the Finance Minister's reply, that is regarding certain developments

that have taken place in the country yesterday. There is an allegation that the Finance Bill has been misused. It relates to the development in Sikkim. If you permit me to point this out then perhaps in his reply the Minister will be able to answer this point also.

[Translation]

SHRI NITISH KUMAR: Please give some opportunity to us also.

[English]

MR. SPEAKER : All right. Let us utilise this half-an-hour to enable Members raise their points and then we will take up the Finance Bill.

SHRI JASWANT SINGH: Sir, the development in Sikkim in the last ten days or so, leading to the creation of State of political instability, is an extremely disturbing development. Sikkim is the doorway to the North-East. It is a strategically sensitive border State and it is no one's wish that that State be destabilised. We have witnessed, Sir, that certain number of Members of the Sikkim Legislative Assembly have declared different allegiances.

The allegation that has been made is that in the Finance Bill, that was brought by the Union Government, certain provisions relating to the State of Sikkim covered certain categories. The Scheduled Tribe of Sikkim were to be exempted even after the introduction of taxation in Sikkim. Thereafter, the hon. Finance Minister, while presenting the Finance Bill, suggested that this provision relating to the State of Sikkim is being withheld and Government will apply its mind afresh to this whole issue. So, the suggestion regarding introduction of tax-

ation in Sikkim has resulted in discontentment within the citizens of Nepali origin living in Sikkim. They felt discriminated against. Thereafter, for the Government to have withdraw the proposal makes the tribals of Sikkim feel discriminated against.

The concern that we have is, firstly, destabilisation of Sikkim and secondly, allegation that the Union Finance Bill is being mis-employed for playing politics with the strategically sensitive border State of the North-East. Therefore, it is very necessary that this matter be resolved and set at rest at the earliest possible opportunity because we cannot have a yet another State of North-East destabilised on account of mismanagement of governance by this Government.

SHRI DIL KUMARI BHANDARI (Sikkim): Sir, the other day, that is on the 4th of this month only, I had drawn the attention of the House to the disturbed situation in Sikkim created as a result of the introduction of Finance Bill on 15th April, 1994. In that Bill a provision has been inserted to give exemption of income tax from 1.1.1994 to the Schedule Tribes living in Sikkim.

Sir, first of all, I doubt the sincerity of the Government as far as doing justice to the tribal people of Sikkim is concerned. When you are going to give this exemption from 1.4.1995 only, then what is the necessity of inserting this provision now ? I think it is being done because this is the election year in Sikkim. If they were really sincere to give exemption to the people of Sikkim, that could have been done in 1995.

Sir, here, I have every reason to doubt the intentions of the Government.

I order to arouse the communal sentiments in Sikkim and in order to destabilise Sikkim they are doing it. I am proud to say that there is communal harmony in Sikkim. Sikkim had been one of the most peaceful States in India. I may be forgiven if I say that many of our hon. Members do not know the history of Sikkim. But I would like to draw the attention of all my hon. colleagues to see the history of Sikkim. Sikkim came into the Indian Union because of the disparities that were there during Chogyal's time. The ethnic Nepalese were suppressed and oppressed during 400 years' rule of the King. So, there was an agitation in the year 1973. When that agitation was going out of hand, the Government of India came forward as saviour of the people on the condition that they will be given equal opportunity if they merged with India. The people of Sikkim, with high hopes and aspirations in the biggest democratic set up in the world, that is India, had joined the mainstream. They had happily joined the mainstream and they had been doing their utmost to keep peace and communal harmony in Sikkim. That was evident there for the last twenty years. But, now, Sir due to this proposal, the promise that was made to the people of Sikkim that they will be given equal treatment has been breached. The May 8th agreement which was signed between Chogyal, the then King, the people of Sikkim and the Government of India has been breached. Not only that, after that agreement, the same spirit was also enshrined under Article 371 F and (g) whereby the people of Sikkim were guaranteed that their interests will be guarded and all of them will be treated equally and no community will have dominance over another.

Sir, because of this proposal, the people of Sikkim are agitated. The people who were instrumental for the merger

of Sikkim with the mainstream are feeling that they have been neglected. So, Sir, all the elected representatives of Sikkim came to Delhi recently as late as 18th of last month only. They met the Prime Minister. They met the President. And they had requested them to do the needful. Sir, I just want to quote here what they had written.

MR. SPEAKER: You give just the gist of what they have said.

SHRIMATI DIL KUMARI BHAN-DARI: This is what they have said. These are the poor people of Sikkim. It is because in a feudal system, when the monarch was there, a handful of people were very very rich but the majority were poor. In this vast majority, the Nepalese community and also the Scheduled Castes are there. Here an impression is being created as if the exemption was given and now it is being withdrawn. It is not like that. Exemption is being given only from 1.4.95. The Finance Minister, in his introductory speech, had proposed to examine all the issues. All the elected Members have said this with some reason.

However, while expressing their sentiments and placing their demand for the inclusion of indigenous Nepali, we desire that the present proposal in the Finance Bill to give exemption to the tribals of Sikkim should not be deferred in any manner. We have asked this because there is some importance of composite culture of these communities in Sikkim who are living there like one family. As result of this proposal, now tension has been created there.

Sikkim being a small State, out of four lakh population, one lakh population came on the streets. On the 4th of this

month, I had drawn the attention of the House to this fact.

MR. SPEAKER: You should not dilute the issue.

SHRIMATI DIL KUMARI BHANDARI: The result of the withdrawal of this proposal is that other communities are also agitating. Since the Finance Minister has proposed to withdraw the Bill for the time being, if he is sincere, he should come out with a solution as soon as possible so that Sikkim, which is going the way the North-East States and Kashmir are going—Sikkim is a peaceful State—it will be a sad day if it happens. In order to avoid that, I sincerely request the Finance Minister to come out with a solution, after examining all the issues, as soon as possible.

[Translation]

SHRI GEORGE FERNANDES (Muzaffarpur): Mr Speaker, Sir, I want to ask the Government only this much though I do not know whether the hon. Minister of Finance will reply to it. In the beginning he proposed to impose the income tax but afterwards he decided to withdraw it. So, I would like to be involved in this dispute. I would like to know from the hon. Minister of Parliamentary Affairs whether the Government will like to know from the hon. Minister of Parliamentary Affairs whether the Government will like to dismiss the Sikkim Government and install a care-taker Government because it is he, who deals with all these issues. I am quite serious about it. The Government has manipulated so many tactics for bypassing the provisions of Anti-Defection law. But this time it has been manoeuvred to dislodge an elected State Government through this Finance Bill. We not only condemn this action but

also ask the august House to view it seriously. We share Shrimati Dil Kumari Bhandari's statement that attempts are being made to topple the Government in Sikkim too. The turmoil in the entire Eastern region and Kashmir are due to the politicising by the Central Government. It now wants to turn Sikkim also in that very direction. Thus, gross injustice is being meted out to the country. I want that the hon. Minister of Finance should resolve this issue at his level. But I would like to seek assurance from the hon. Minister of Parliamentary Affairs also that he will not play any tricks in Sikkim.

SHRI MOHAN RAWALE (Bombay-South Central): Mr. Speaker, Sir, mills are being closed...

MR SPEAKER: Shri Rawale, I have not decided about the notice given by you regarding the breach of privilege. I have referred it to the hon. Minister for his comments. After getting his comments, I will give my decision on it.

SHRI MOHAN RAWALE: All right.

SHRI LAL K. ADVANI (Gandhi Nagar): Mr. Speaker, Sir, I would like to speak on the points raised by my friends Shri Jaswant Singh and Shri George Fernandes. Sir, you yourself had taken initiative and instructed the Government to review this Anti-Defection Law. It was your view that either this law should be made effective or it should be scrapped because the Government has made a mockery of it. You yourself had convened a meeting in this regard and the Government also had given some assurances. Certain amendments were also proposed to be introduced but no progress has been made at all. I want to know the present situation in this regard.

MR. SPEAKER: I have told everything in my judgement. Now either the Government or the Opposition should introduce amendment in this regard and the House should discuss it.

SHRI LAL K. ADVANI: You discussed it twice in the Presiding Officers Conference; Committees were set up and they have made a number of recommendations. But it seems that the Government does not want to budge an inch and in the meantime the issues like that of Sikkim crop up. (*Interruptions*)

SHRI NITISH KUMAR: Mr Speaker, Sir the Sikkim issue was raised just a while ago... (*Interruptions*)

MR. SPEAKER: It need not to be repeated. Shri George Fernandes has already spoken from your Party.

SHRI NITISH KUMAR: Please allow me to speak on this issue. I give very few notices and speak very little... (*Interruptions*)

[*English*]

MR. SPEAKER: Shri Nitish Kumar, You know well as to what happens to the Statements if they are not in line with facts.

[*Translation*]

SHRI NITISH KUMAR: Mr. Speaker, Sir in this week, I am speaking for the first time during the zero Hour. You may verify from the record also. (*Interruptions*)

Mr. Speaker, Sir, I also tried to raise this matter this week and I had given notice for the Private Members'

Resolutions last week but it could not be taken up as per rules and consequently it lapsed. The Starred Question was admitted but it could not be taken up for lack of time. I want to submit that the coal producing States are suffering huge losses and they do not get royalty *ad valorem*. Prior to 1971, when coal was not nationalised, royalty was fixed on the basis of cost. But thereafter, the practice of fixing royalty *ad valorem* came to an end. The State Government started levelling cess to make up this loss. But the Supreme Court declared it illegal. Consequently the coal producing States, especially Bihar which produces nearly 30 per cent of the coal produced by the country, is suffering huge losses. Bihar is incurring loss to the tune of Rs. 769 crores every year on this account. The plan size is being reduced every year. During the Seventh Five Year Plan, the plan size was increased to Rs. 1200 or 1300 crore per year. But this plan size has been reduced to Rs. 600 to 800 crore per year in the Eighth Five Year Plan. It is a very severe financial blow to a poor State like Bihar. We have been demanding *ad-valorem* royalty to Bihar. It has created serious resentment and development work has come to a stand still because royalty is the only means of Bihar for mobilising internal resources. The rate of royalty fixed is very unjust. In order to defer it, the Government has set up a study group. This group should take prompt action. The Government should take measures to make good the loss being suffered by Bihar.

SHRI DEVENDRA PRASAD YADAV (Jhanjharpur): Mr. Speaker, Sir, the coal issue is related to Bihar and many other States... (*Interruptions*)

MR. SPEAKER: Shri Nitishji has said at length about it.

[English]

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI AJIT PANJA): Mr. Speaker, Sir if you permit me, I will respond. I will take only one minute.

[Translation]

SHRI SURAJ MANDAL (Godda): Mr. Speaker, Sir, it is the issue of royalty... (Interruptions)

MR. SPEAKER: You may assume that you have endorsed it.

SHRI SURAJ MANDAL: Please let me speak on the royalty of coal... (Interruptions)

MR. SPEAKER: If you rise to speak, the reply may be derailed.

SHRI SURAJ MANDAL: Mr. Speaker, Sir, coal is supplied from Santhal Pargana and Chhotanagpur and the royalty worth Rs. 600 or 700 crore is earned each year. When the case was referred to High Court, the decision was made on royalty instead of cess. But it is not increasing as per the requirement. In the area from which royalty on coal is earned, the Government does not undertake any development work there with this amount. Two or three thousand trucks ply there. They block the road. This should be examined as to whether any development work has been carried out there or not... (Interruptions)

SHRI NITISH KUMAR: It is different... (Interruptions)

SHRI SURAJ MANDAL: The Government of Bihar misuses the money... (Interruptions) The funds allocated for

the tribal sub-plan have been credited to the fixed deposit. The funds have been allocated for the entire area. I would like to urge upon the hon. Minister that in order to raise the rate of royalty, the Government should earmark 50 per cent of the funds to the areas which supply coal, so that this amount may be made available for the development work and construction of roads in those areas. I therefore, want to submit that the royalty on coal may be provided for accomplishing these works.

[English]

SHRI AJIT PANJA: Sir, as far as the point raised by the hon. Member is concerned, I would like to say that prior to 1967 the policy was to fix royalty on the basis of *ad valorem*, on all minerals as now being asked for by Shri Nitish Kumar. It was the State Governments of Bihar and Bengal who objected that if it were *ad valorem* it would create difficulty for them. So, it should go by tonnage basis. At that time the arguments persuaded the Government to change it from *ad valorem* to tonnage and since then it has been continuing. The rate revision on coal was made in the month of August, 1981 and according to the MMRD Act, (Mines and Minerals Regulation and Development Act), it could be increased every three years and not before. So, again the time is coming this year in the month of August and revision of royalty may take place: In January, this year, I had set up a Committee of senior officers and they are going into the details. All the States and Union Territories are being heard because increased royalty in one place will affect the consumers of other States which do not produce coal.

SHRI SRIKANTA JENA (Cuttack): What do you mean by that ?

SHRI AJIT PANJA: There are other consumers also. So, the entire thing is being looked into including the present change of stand by Bihar that it should again go back to *ad-valorem* basis. This is also under study. So until the Committee gives the report, it is difficult to make any suggestion or commitment now.

The second point was raised by Shri Suraj Mandal. It is a fact that crores of rupees are being taken as royalty or cess from the coal bearing areas which are mostly inhabited by our tribals and very poor people. But I wrote umpteen number of letters to the hon. Chief Ministers of West Bengal and discussed with Chief Ministers of these two States requesting them to spend that money for the development of that area. But that is not being considered. This is a point which I am harping and this House will...

SHRI NITISH KUMAR: Here again there is politics like that of the Finance Minister. We are against this politics. *(Interruptions)*

SHRI AJIT PANJA: This is a point which I bring to your kind notice. Injustice is being done. We have to see that it is rectified. *(Interruptions)*

[Translation]

SHRI NITISH KUMAR: He is also playing politics like the Finance Minister. If they are here for a division of States, then, let the State be divided. If the Jharkhand area is benefited, we have no objection. The Congress party should take a decision in Delhi and also announce the division of the State as well. But what is this ? It does not concern Bihar alone,

it concerns the entire country. We would like that all its money should be spent on the tribal area. *(Interruptions)**

[English]

MR. SPEAKER: Nothing will go on record.

(Interruptions)

MR. SPEAKER: You have made your point. You have got the reply. Now, you should sit down. Please go to the other point. Shri Syed Shahabuddin.

SHRI SRIKANTA JENA: Sir, I have a serious objection to the statement of the hon. Minister.

MR. SPEAKER: You may have. But let him also have his say.

SHRI SRIKANTA JENA: If an hon. Minister makes this kind of a statement, it is most unfortunate. If the royalty goes to the State and not to a particular region then other royalty should also be distributed. Mr. Minister, royalty goes to a State as per the Constitution. *(Interruptions)**

MR. SPEAKER: Nothing is going on record. *(Interruptions)*

MR. SPEAKER: Please sit down now. I gave an opportunity to the Members to speak and you got a reply also. You may not be satisfied but can you continue like this? There are other Members also who would like to speak...

*(Interruptions)**

MR. SPEAKER: This is not going on record.

[Translation]

SHRI NITISH KUMAR: We want to raise a positive question. They want to derail this issue... (Interruptions)...

SHRI LAL K. ADVANI: Mr. Speaker, Sir, the hon. Minister must be congratulating himself on his reply which has created a controversy among the opposition on the question of Bihar and Orissa. But I would like to know whether the hon. Minister is ready to accept the advice himself in principle for the entire country which he has given to the Chief Ministers of Bihar and Orissa? Delhites have repeatedly maintained that they should be given a proper share in the revenue earned here. Can anybody accept it in principle? You should not say such things. I will tell my friends that they are suggesting a bifurcation of Bihar here. If the Legislative Assembly of your State passes a Resolution to this effect, then, we will also put pressure. Do not overlook their demands by giving some logic.

SHRI NITISH KUMAR: Advaniji, this is a separate question. We have just asked whether the coal areas will get royalty or not?

(Interruptions)

[English]

MR. SPEAKER: Now, please, take your seats.

[Translation]

SHRI NITISH KUMAR: On every question you maintain that it will be done according to the constitution. So, the areas having coal should be given royalty. (Interruptions)

MR. SPEAKER: Nitish Kumarji, please sit down. What is this going on in the House? Please, we have to take up the Finance Bill today for discussion. I had told you that, it would be taken up after completing a debate on the Finance Bill. You insisted to be heard, so your views have been heard and a reply has also been given to you. May be you did not like the reply.

SHRI SRIKANTA JENA (Cuttack): It is not a matter of liking or disliking.

[English]

MR. SPEAKER: Please sit down now. This is too much. You sit down now.

(Interruptions)*

MR. SPEAKER: Nothing is going on record...

(Interruptions)*

[Translation]

MR. SPEAKER: When you cannot convince anybody, you want to shout.

[English]

This is not correct.

(Interruptions)

SHRI SRIKANTA JENA: You should allow us also. *(Interruptions)*

MR. SPEAKER: This is really too much. All the time these things are coming from you people. Please sit down now.

*(Interruptions)**

MR. SPEAKER: Now will you please allow me at least to speak in the House?

(Interruptions)

MR. SPEAKER: You please sit down now. You at least hear me what I am saying.

[Translation]

SHRI DEVENDRA PRASAD YADAV (Jhanjharpur): They want to divide and disintegrate the country and the State. In view of the sentiments expressed in the House, they should withdraw their words. *(Interruptions)*

[English]

MR. SPEAKER: What is going on in the House?

*(Interruptions)**

[Translation]

MR. SPEAKER: Please sit down. Suraj Mandalji, you may also sit down.

(Interruptions)

MR. SPEAKER: You should keep it in mind when I am on my legs and speaking something, you should pay attention to that. If you do not listen to it, then you would not get what you want. Advaniji had his own way of putting his views and you have your own way of putting yours. I have risen to give you some relief. Do you think that you will get relief by shouting? This is not a proper way of expression in the Parliament.

I was about to say that what Shri Nitish Kumar has raised here, the hon. Minister has also tried to say in many ways that we will say when we meet in August. If he had not added anything to that, the things would not have become so bad. You want to say something and so do they. But it becomes my responsibility to control this House. You should know that your shouting is not going to solve anything. I feel that if he had not said anything, it would not have been essential for you to speak. You should keep quiet and let the proceedings of the House go on.

(Interruptions)

MR. SPEAKER: You cannot get any relief like this. This is a place where you can get anything done with your sagacity. Mere continuous speaking is not going to be helpful.

[English]

The half-an-hour is over. The Finance Minister may reply now. The other items will be taken up after this business is over.

12.32 hrs.

FINANCE BILL 1994—Contd.

[English]

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): Mr. Speaker, Sir, as I stated last night this debate on the Finance Bill has turned out to be a repeat play of the general debate that took place on the Budget. Probably, it was inevitable and I do not wish to take the time of the House to cover once again the territory that I covered in my reply to the general debate.

As regards the general issues, there were a couple of issues to which I would like to repeat our Government's stand. The first issue that was raised was with regard to the fiscal deficit and also there were questions about the estimation of receipt and expenditure. I do admit that there has been, for unforeseen reasons, divergence between the Budget Estimates and the Revised Estimates. We are in a process of major structural changes and if you look at the record all over the world today, I think, most Governments find themselves that they are unable to foresee, in its entirety, the future. The future is becoming a lot more uncertain, a lot more unpredictable and therefore, the Budget also become a casualty of that. But I do agree that as far as possible, we should try to minimise this divergence. I have reiterated our Government's concern about controlling the fiscal deficit earlier also that it will be our effort to contain the fiscal deficit to 6 per cent of our GDP and in this context I am particularly happy that there is today, unlike in 1990-91, 1991-92, a unanimous agreement on all sides of the House that we must bring the fiscal deficit under control. I think this

augurs well for the control of the fiscal deficit, for sound management of our finances and for the future control of inflation.

Sir, the second issue that was raised in this debate was with regard to the inflation. I do share the concern of the hon. Members with regard to the rise in the index of the wholesale prices in the last three or four months. I have explained several factors which have contributed to this upsurge. Some of them are of seasonal nature. For example, there is, today, a shortage of raw cotton not only in India, but all over the world.

This has had its impact on the wholesale prices. There is also a shortage of sugar. The international prices of sugar are much higher than the Indian prices. So, even if we have allowed these things to come under OGL, there is a limit to which they can bring down prices. But I feel confident that after the initial phase of next three or four months, the price index will be brought under control. I still maintain that the economy is not over-heated and we have enough instrumentalities at our disposal, both by way of record amount of food stocks an adequate level of foreign exchange to ensure that we are not faced with, once again, a run away inflation.

The third issue that was raised in the debate was with regard to the external debt. I have already explained that since our Government came into office, the rate of growth of this debt has sharply decelerated and it will be our efforts to contain this deficit, contain this debt by a better management of the current account deficit. The current account deficit in 1993-94 is far lower than the current account deficit of the previous year and that it will be our efforts to

ensure that our balance of payment is so managed that the burden of external debt is contained within limits of prudence. I have also mentioned that although in the last two and a half years, there has been an increase in external debt, at the rate of about three billion dollars in the first two years, less than one billion dollars in 1993-94, we have more used this occasion to build up our foreign exchange reserves from one billion dollars to fifteen billion dollars. We have retired a significant proportion of short-term debt and, therefore, I can say with confidence that external accounts of the country today looks a lot more hopeful than ever before.

With regard to employment, we face a major problem. In the long run no development strategy in this country can succeed unless we can create job opportunities for all the new entrants to the labour force and these have to be jobs which are productive, gainful employment. Jobs cannot grow out of thin a.r. Jobs cannot grow simply by providing more subsidies. Jobs can grow only out of higher production only if the pattern of production is more employment oriented. I submit to this House that the structural reforms that we have introduced are designed precisely to promote a pattern of industrialisation, a pattern of development, which will be a lot more labour intensive than the pattern of industrialisation that we have followed in the past. The fact that protection levels for industry are being reduced, the fact that we have eliminated industrial licence, all this will encourage a process of industrialisation which will generate a lot more jobs. The fact that protection levels are being reduced also means that there will be reduced discrimination against agriculture, against rural areas. Our farmers will be able to get agriculture inputs at much lower prices than what the caste

if protection levels were kept at such an absurd level as prevailed only two or three years ago.

With regard to the regional imbalances, several hon. Members have expressed concern. The Members from the Northeast have justifiably referred to the backwardness of that region. That we as a nation are to worry more about reducing the gap in development between Northeastern region and the rest of the country. The same is the problem in certain other parts, particularly in Bihar, Orissa, Parts of Uttar Pradesh where per capital income is less than the national average. Ultimately in a country where seventy per cent of our people live in rural areas, where agriculture accounts for nearly thirty two per cent of our Gross Domestic Product, no strategy of reducing marginal imbalances can succeed unless there is a strong increase in agriculture productivity in these regions.

Now this is a task which primarily rests on the State Governments. In so far as this Budget has a role, I have used the credit instruments to strengthen the institutions of rural credit. NABARD will be given next year Rs. 200 crores more to enhance its capacity to lend to other banks engaged in supply of rural credit. I have initiated a programme of rehabilitating regional rural banks. Similarly, the provision for anti-poverty programme and rural development programme, has been up by as much as 40 per cent. All this should make a dent on rural poverty and help to increase agricultural productivity.

I came to the issue of the small-scale industry. I have, on both occasions when I replied to the general debates as well as when I introduced the Finance Bill, set out before this august House the broad strategy of the fiscal reforms that

we have in mind. I respectfully submit to this august House that it is not anti-small scale industries strategy. It is a strategy which tries to reduce the scope for arbitrary action on the part of the tax authority. It is a strategy which tries to minimise the scope for classification of disputes. It is a strategy which seeks to minimise the scope for endless litigation. In the process of structural reform, I do not deny that there are some unintended consequences to the extent that these have been brought to my notice and thus I have tried to correct whether these relate to brand names or to certain specific sectors of small industry and I can assure the House once again that if there are any anomalies, I have an open mind. We will use all possible opportunities to look into the problems of small-scale industries. Our Government, as the Prime Minister has said on more than one occasion, is committed to helping small industries to grow and if there are any anomalies in the tax structure which come in the way of that objective being realised, I keep an open mind on all those issues.

I would like to use this opportunity to refer to the specific case of Sikkim. Politics were certainly the least of consideration when I agreed to the suggestions of the hon. Chief Minister of Sikkim to make the amendment and I am absolutely truthful that politics was nowhere in the picture.

This was done on the explicit written assurance given to me and to the Prime Minister that if you do this, this longstanding dispute between the Central Government and the Sikkim government about the extension of Central laws, income-tax laws to Sikkim, would be resolved and that if you give this concession, you can start collecting the income-tax. As the House knows, the

Central laws with regard to income-tax were extended to Sikkim in 1989. For various reasons because of the objections raised by the Sikkim Government, it has not been possible to implement them and I have been, for the last two years, discussing these matters with the hon. Chief Minister in the hope to find an amicable solution and I had his written assurance that if this particular Clause which I introduced in the Finance Bill giving tax exemption to Scheduled Tribes was agreed to, then the Sikkim government would have no objection to the extension of the income-tax. After this thing was introduced, I got a letter from Chief Minister of Sikkim that whatever may have been his intentions earlier, he finds that this has given rise to a feeling of discrimination. I also received several other representations and I felt that we do not want to give rise to any feeling of discrimination. It is at the behest of the Sikkim Government that I felt that since the Chief Minister desires that this matter should be reconsidered, we are prepared to have a second look at that.

I can assure the House that there was no politics at all in this decision that I took.

With regard to the general scheme of taxation, by and large, the House, the members have been very happy. Some objections have been raised with regard to the treatment of the Hindu Undivided Family. I would like to take the House into confidence as to what is the rationale of the tax proposals that I have.

A Hindu Undivided Family, hereinafter called HUF, is a legal expression which has been employed in our taxation laws. It is also called a Hindu Joint Family and is a creature of the Hindu personal law. A HUF can hold property in its own name and may have its own income as distinct from the separate

property and income of its members. A HUF is a separate assessable entity distinct from an individual under the Income-tax Act.

For example, Mr. 'A' may be assessable in his individual capacity on his salary and other self-earned income and the HUF of which he is a member or karta, will be separately assessed on the income from ancestral property or business.

Since this dual status of individual and HUF was being used as a tax planning device on a large scale, the Finance Act of 1973 provided a separate tax rate schedule for HUFs having a member with income above the basic exemption limit. Such HUFs are termed as specific HUs. A HUFs which does not have any member with his separate income above the basic exemption limit, is called an unspecified HUF and is taxed just like any other individual. Since 1973, the specified HUFs have a tax schedule different from that of individuals and unspecified HUFs. As already indicated above by me, one of the main reasons for having a separate tax schedule (lower exemption limit and tax slabs separate from those of individuals) for the specified HUFs is that the members of these HUFs have a distinct advantage of getting their incomes assessed separately from that of the HUF. These individuals thus get a basic exemption as individuals and then again basic exemption as specified HUF. The application of a separate tax schedule for specified HUFs, therefore, cannot be said to be unreasonable.

As regards the unspecified HUFs, it may be stated that the same are taxed like individuals and are allowed the same exemption as is admissible to individuals. At present, the basic exemption limit for specified HUFs is Rs.18,000 and for individuals unspecified HUFs is Rs.35,000

as proposed in the Finance Bill, 1994. Therefore, for all these reasons, I respectfully submit to the hon. Members that the present provision seem reasonable. If our objective is to curb tax evasion and not to give scope for avoidance of taxation at the cost of the exchequer, then, the present provisions seem to me reasonable.

Once again, issues have been raised with regard to raising of the exemption limit. 85 per cent of personal income-tax goes to the States. Quite frankly, as Finance Minister of the Union Government, I could give away most of the income-tax without suffering the consequences. But the worst suffers of this will be the State Governments. The hon. Members from all sides of the House have talked about more money being spent on rural development.

They have talked of more money being spent on providing basic amenities on civilise living to our people. We need a lot more money to be spent on education, on health, on environmental protection measures. Most of these issues happen to lie within the jurisdiction of the State Governments. Now if you are going to raise the exemption limits, who are going to be the sufferers? It is the State Governments. Irrespectfully submit, therefore, that between the needs of equity, I do appreciate the concern of middle classes, they are hurt by inflation and to the extent possible I have tried to provide relief not only by increasing the exemption limit, by increasing the rebate that is available to senior citizen and by such other measures. Taking all these factors into account I feel that what has been proposed in the Finance Bill, for the time being, is a reasonable compromise. Well, if our tax revenues improves as I expect now that we are moving towards moderate rates of tax-

ation with broadening of the base of taxation, with greater emphasis on stricter compliance, if tax revenues really become buoyant, the whole issue can be reviewed once again. I respectfully submit to this hon. House that, for the time being, there is no scope for increasing the exemption limit beyond Rs. 35,000 that I have proposed in my Budget.

Sir, Shri Inder Jit raised issues about the black money; he raised issues about corruption. I respectfully submit to this august House that there is no fool-proof method to deal with the problem of black money. The black money has to be viewed both as a stock phenomenon, and also as a flow phenomenon. There is black wealth. There is black income which is generated year after year. Now we have to tackle sources. What are the sources of the generation of black income? An important source in the old system was these discretionary controls; licensing, price and distribution controls. We are trying to eliminate that. We are, therefore, trying to curb the scope for the generation of black income which was being generated as a part of the old licensing mechanism. The second important source of the black income is the tax evasion. By moving towards a moderate rate or a moderate system of taxation we are trying to create a climate where all sinners may not come back to the path of rectitude, but I do meet a large number of young men in our industry and trade who say that they want to remain honest, but we have a system which penalises honesty. We need a tax system which would enable them to plough back larger amount of money into their business and at the same time contribute to the tax exchequer. My attempts in the last three years have been to move towards a tax system which at the margin would

strengthen the incentive for honesty and probity in our public life, in our business.

And finally in a system that we operate with massive mechanism of import controls and exchange controls, the gap between the official exchange rate and the black market exchange rate provided major opportunities for the generation of black money, not only for the operation of black money but to send that money which we need for investment abroad illegally. We are trying to plug that. We have today created an exchange rate mechanism where the gap between the official and the non-official exchange rate is only marginal. The hawala market, the smugglers and all those other people who flourished through the *Hawala* market today find that their business is no longer profitable. Smuggling of gold and silver was a major source of generating black income in our country. By liberalising the import of gold and silver we have dealt a major blow to the smugglers, to the *Hawala* dealers and to their friends and patrons.

Therefore, I do wish to assert that the overall strategy of fiscal consolidation, of fiscal reform that we have adopted and structural changes that we have adopted are designed to promote, over a period of time, a system, an economic control mechanism which would have less scope for the generation of black income and which would have less scope for the generation of other evils like corruption in public life in our country.

Sir, Shri Anna Joshi brought up this issue of project exports and asked, why do we allow only 50 per cent of the profits of project exports being admissible for tax benefits under 80 HHC as against goods. I would like to submit that we have to look at all these things in

totality. We are now moving towards a tax system with moderate rates. This year, I have reduced very drastically, the tax rates applicable to Indian companies; and the biggest beneficiaries of that are going to be the smaller companies which are hitherto the closely held companies. In the previous year, I have done a major reform of the taxation of partnership and registered firms. That has conferred a major tax benefit on these companies. Now we cannot, therefore, have a movement towards moderate and lower rate of taxes and at the same time, go on increasing the islands of privilege. I do recognise the need to promote exports and therefore. I have not tinkered with any of the export incentives that existed. But, I would like the hon. Members to appreciate that before our Government came to Office, the value of the rupee was less than about 16 or 17 , a dollar. Today, a dollar etches about 31 rupees and the profitability of exports has gone up further more. We are reducing the bias in our system of protection against exports. Reduction in customs duty is the biggest single factor aiming for or leading to reduced bias against exports. If this whole process is taken into totality, my own feeling is that, by and large, the system that we have evolved, provides adequate incentives for exports. But there is yet another reason, the exporters of goods have to justify their existence and their capacity to sell year after year. In projects, once you get a contract, well, that contract lasts for a couple of years. Therefore, I feel that for the time being this distinction that exists between project exports and good exports, I think, provides adequate incentives for exports and at the same time, it is consistent with the needs of revenue that we need.

Sir, some hon. Members raised this question of taxation of processed

fabrics. Hon. Shri Mathur has been referring to me this case. I would like to say that as far as processed fabrics are concerned, there is only an additional excise duty which mostly goes to the States. But, there is a problem in the sense that with the tax reforms that we have done, introduction of the *ad-valor-em* system, then the units manufacturing lower valued fabrics do feel that they are being taxed a little more. I take note of that problem; in the coming weeks, I will make an effort to redress that problem.

One more thing I want to say is about the brand names. Some hon. Members have said that what we have done in the area of brand names constitutes a discrimination against the small scale firms. In fact, it is exactly the opposite. I assure you, if we had not done that, you would have large scale tax evasion and a large number of big firms would have registered their brands in the small scale sector.

13.00 hrs.

That would have hurt not only the Indian large scale industry but it would have also created a situation of massive tax evasion. I can give you instances where this has happened, where certain people, for example well-known brand owners in the area of cosmetics, have taken shelter behind the small scale industry to claim large scale tax benefits. Wherever there are genuine problems, we have amended the brand name schemes to take care of the problems of such units so that the brand names would be so defined that they will not come in the way of genuine small scale industries. Yesterday, Shri Chacko mentioned the case of the cooperatives of women in Kerala engaged in the assem-

bling of electronic goods. If there is any genuine difficulty created for them as a result of what we have done. I will make every effort to ensure that it is rectified. I have not had time to look into this problem in great detail.

Sir, I believe I have covered most of the points that have been raised. Some Members have raised the issue of cement clinkers in mini cement plants. I had, in my opening speech of the Finance Bill, already announced certain concessions. Similarly, I had announced certain concessions for paper mills using non-conventional raw-materials.

SHRI BASUDEB ACHARIA (Bankura): What about catalysts?

SHRI MANMOHAN SINGH: As regards the problem of catalysts, this is an issue which we will examine in consultation with the concerned administrative Ministries.

With these words, I once again commend the Finance Bill to this august House.

KUMARI MAMATA BANERJEE (Calcutta South): Sir, yesterday you were kind enough to allow me to raise the issues of the Chit Fund Scandal where thousands of crores of rupees belonging to the poorer sections of the people are locked. I want an assurance from the hon. Finance Minister... *(Interruptions)*

MR. SPEAKER: No, please. You cannot raise any questions now. Please sit down.

SHRI BASUDEB ACHARIA: I would like to know from the hon. Finance Minister regarding the quoted paper...

MR. SPEAKER: I am not allowing these things, Achariaji, you should ask the question with my permission? We have discussed for 13 hours. And there was a discussion on other things as well. I have so many amendments with me. They have to be passed. So, please understand the difficulty and no more questions.

KUMARI MAMATA BANERJEE: Mr. Speaker, please Sir..

MR. SPEAKER: No please, you may meet the Minister and discuss with him. Mr. Minister, please invite the Member and discuss the problems with her.

SHRI MOHAN RAWALE (Bombay South Central): Mr. Speaker, Sir, the government is going to sell the mills in Bombay.

(Interruptions)

[Translation]

13.05 hrs.

(At this stage, Shri Mohan Rawale came and stood on the floor near the Table)

MR. SPEAKER: Nothing goes on record if spoken from here. You should speak from your seat.

*(Interruptions)**

[English]

MR. SPEAKER: Mr. Rawale, if you speak from here it will not go on record. Speak from your seat.

Nothing is going on record.

*(Interruptions)**

MR. SPEAKER: Nothing is going on record. It does not form part of the record. It will not be published in the newspapers also.

*(Interruptions)**

MR. SPEAKER: Please go back to your seat. You have said a lot. It is not going to help you.

(Interruptions)

MR. SPEAKER: Mr. Rawale, you have to go back to your seat.

(Interruptions)

MR. SPEAKER: You shall have to go back to your seat. The reply will be given later on.

(Interruptions)

MR. SPEAKER: Other Members may please go back to their seats.

(Interruptions)

MR. SPEAKER: I would like to say that the way in which the Member has raised the issue is not proper.

Still, since the Member is so much agitated, I think a brief one sentence reply can come from the Govt.

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI G. VENKAT SWAMY): He has said that the

workers have been thrown out of the factories. This is incorrect.

13.08 hrs.

At this stage, Shri Mohan Rawale went back to his seat.

[English]

MR. SPEAKER: If you get up now, I will take action against you. The Government has said that it is not true. Now, you sit down.

[Translation]

SHRI MOHAN RAWALE: I have received a written reply... *(Interruptions)*

[English]

MR. SPEAKER: That is not going on record.

*(Interruptions)**

[Translation]

MR. SPEAKER: Do not run the Parliament like this. Whatever you wanted to know has been clarified by the government.

(Interruptions)

[English]

MR. SPEAKER: Mr. Rawale, I warn you now. You cannot hold the House to ransom. You should go back to your seat.

(Interruptions)

MR. SPEAKER: I will not allow this kind of a drama.

(Interruptions)

MR. SPEAKER: Such statements made by the Members are very unbecoming. They are not in keeping with the dignity of the House and the Members will do service to the Parliament by not making such statements.

The question is:

"That the Bill to give effect to the financial proposals of the Central Government for the financial year 1994-95, be taken into consideration."

The motion was adopted.

MR. SPEAKER: Now, the House shall take up Clause-by-Clause consideration of the Bill. There are Amendments given by many hon. Members. I have about 65 Amendments.

Clause 2 – Income Tax

[Translation]

DR. LAXMINARAYAN PANDEYA (Mandsaur): I beg to move:—

Page 3, Line 8, -

for "Thirty-five"

substitute "fifty"(3)

Page 3, line 17,

for "Thirty-five"

substitute "fifty"(4)

Page 3, line 31 -

for "Thirty-five"

substitute "fifty"(5)

SHRI RAJENDRA AGNIHOTRI (Jhansi): Sir, I beg to move:—

Page 3, line 8, -

for "Thirty-five"

substitute "Sixty"(7)

Page 3, Line 17, -

for "Thirty-five"

substitute "Sixty"(9)

Page 3, line 31, -

for "Thirty-five"

substitute "Sixty"(11)

SHRI BHAGWAN SHANKAR RAWAT (Agra): Sir, I beg to move:—

Page 3, line 9, -

for "Eighteen"

substitute "fifty" (15)

Page 3, line 19,

for "Eighteen" substitute " fifty"(16)

Page 3, line 33, -

for "Eighteen" substitute "fifty"(17)

PROF. RASA SINGH RAWAT
(Ajmer): Sir, I beg to move:—

Page 3, line 8, -

for "Thirty-five" substitute "Fifty-five"(66)

Page 3, line 17,

for "Thirty-five" substitute "Fifty-five"(67)

Page 3, line 31, -

for "Thirty-five" substitute "fifty-five"(68)

[English]

MR. SPEAKER: I shall now put amendments No. 3, 4, 5 moved by Dr. Laxminarayan Pandeya, No. 7, 9, 11 by Shri Rajendra Agnihotri, No. 15, 16, 17 moved by Shri Bhagwan Shankar Rawat and No. 66, 67, and 68 moved by Prof. Rasa Singh Rawat to the vote of the House.

Amendments Nos. 3, 4, 5, 7, 9, 11, 16, 17, 66, 67, and 68 were put and negated.

MR. SPEAKER: The question is:

"That Clause 2 stand part of the Bill"

The motion was adopted.

Clause 2 was added to the Bill.

MR. SPEAKER: The question is:

"That clause 3 to 5 stand part of the Bill"

The motion was adopted.

Clauses 3 to 5 were added to the Bill.

Clause 6 – Amendment of section 10

SHRIMATI DIL KUMAR BHANDARI
(Sikkim): I beg to move:*

Page 5, -

for lines 30 to 35, substitute -

(3) for clause (26), with effect from the first day of April, 1989 for the Sikkim and with effect from the first day of April, 1995 for the States of Arunachal Pradesh, Manipur, Mizoram, Nagaland and Tripura, the following clause shall be substituted, namely:-

"(26) in the case of a -

(i) member of a Scheduled Tribe as defined in clause (25) of article 366 of the Constitution, residing in any area specified in Part I or Part II of the Table appended to paragraph 20 of the Sixth Schedule to the Constitution or in the State of Arunachal Pradesh, Manipur, Mizoram, Nagaland and Tripura or in the areas covered by notification No. TAD/R/35/50/109, dated 23rd February, 1951 issued by the Governor of Assam under the provision to subparagraph (3) of the said paragraph 20 as it stood immediately before the commencement of the North-Eastern Areas (Reorganisation) Act, 1971 (18 of 1971):

* Moved with the recommendation of the President.

(ii) sikkimese of Bhutia origin, sikkimese of Lepcha origin and sikkimese of Nepalese origin residing in the State of Sikkim, who have acquired Indian Citizenship by virtue of Sikkim Citizenship Order 1975.

any income which accrues or arises to him,

- (a) from any source in the areas or States aforesaid, or
- (b) by way of dividend or interest on securities:“(i)

MR. SPEAKER: I shall now put amendment No. 1 to clause 6 by Shrimati Dil Kumari Bhandari to the vote of the House.

Amendment No. 1 was put and negatived.

Amendment made:

Page 5, in line 33,

for “Sikkim and Tripura”

substitute “and Tripura” (39)

(Shri Manmohan Singh)

MR. SPEAKER: The question is:

“That Clause 6, as amended, stand part of the Bill.”

The motion was adopted.

Clause 6, as amended, was added to the Bill.

MR. SPEAKER: The question is:

“That clauses 7 to 15 stand part of the Bill.”

The motion was adopted.

Clauses 7 to 15 were added to the Bill.

Clause 16—Insertion of New Sections 44AD and 44AE

Amendments made;

Page 8, in line 19,

for “two thousand five hundred”,

substitute “two thousand”.(40)

Page 8, in line 23,

for “two thousand”,

substitute “one thousand eight hundred”. (41)

(Shri Manmohan Singh)

MR. SPEAKER: The question is:

“That Clause 16, as amended, stand part of the Bill”.

The motion was adopted

Clause 16, as amended, was added to the Bill.

MR. SPEAKER: The question is:

"That Clauses 17 to 22 stand part of the Bill."

The motion was adopted.

Clauses 17 to 22 were added to the Bill.

Clause 23—Insertion of New Section 18E

Deduction in respect of Repayment of loan taken for higher education

SHRI INDRAJIT GUPTA (Midnapore): I beg to move:-

Page 9, -

after line 44, insert -

"Provided further that it shall not apply to the wards of:-

1. promoters, directors of companies incorporated under the Companies Act, 1956;
2. wealth-tax payers;
3. Income-tax assesseees in the range of Rs. one lakh and above;
4. farmers whose landholdings were acquired under the land ceiling of various States."(38)

MR. SPEAKER: I put amendment No. 38 to Clause 23 to the vote of the House.

Amendment No. 38 was put and negatived.

MR. SPEAKER: The question is:

"That Clause 23 stand part of the Bill".

The motion was adopted.

Clause 23 was added to the Bill.

MR. SPEAKER: The question is:

"That clauses 24 to 26 stand part of the Bill."

The motion was adopted.

Clauses 24 to 26 were added to the Bill.

[Translation]

Clause 27—Amendment of Section 80-1A

SHRI GIRDHARI LAL BHARGAVA (Jaipur): Sir, I beg to move -

Page 10, lines 39 and 40, -

for " 1st day of October",

substitute "1st day of April". (27)

[English]

MR. SPEAKER: I put amendment no. 27 to Clause 27 to the vote of the House.

Amendment No. 27 was put and negatived.

MR. SPEAKER: The question is:

"That Clause 27 stand part of the Bill."

The motion was adopted.

Clause 27 was added to the Bill.

MR. SPEAKER: The question is:

"That clauses 28 and 29 stand part of the Bill"

The motion was adopted.

Clauses 28 and 29 were added to the Bill

[Translation]

Clause 30—Amendment of Section 88-B

SHRI GIRDHARI LAL BHARGAVA:
Sir, I beg to move:-

Page 11, line 11, -

for "one hundred thousand rupees",

substitute "one hundred fifty thousand rupees." (28)

Page 11, line 13, -

for " forty per cent", substitute "fifty per cent"(29)

[English]

MR. SPEAKER: I put amendment No. 28 and 29 to Clause 30 to the vote of the House.

Amendment Nos. 28 and 29 were put and negatived.

MR. SPEAKER: The question is:

"That Clause 30 stand part of the Bill"

The motion was adopted.

Clause 30 was added to the Bill.

MR. SPEAKER: The question is:

"That clause 31 stand part of the Bill"

The motion was adopted.

Clause 31 was added to the Bill.

Clause 32—Amendment of Section 115-A

[Translation]

SHRI GIRDHARI LAL BHARGAVA:
Sir, I beg to move:-

Page 11, -

omit line 35. (30)

[English]

MR. SPEAKER: I put amendment No. 30 to the vote of the House.

Amendment No. 30 was put and negatived.

MR. SPEAKER: The question is:

"That Clause 32 stand part of the Bill"

The motion was adopted.

Clause 32 was added to the Bill.

MR. SPEAKER: The question is:

"That clauses 33 to 35 stand part of the Bill"

The motion was adopted.

Clauses 33 to 35 were added to the Bill.

Clause 36—Amendment of Section 139

Amendment made:

Page 13, for lines 28 to 38,

substitute

Amendment of section 139. '36 In section 139 of the Income-tax Act, in sub section (1) in the Explanation, in clause (a), for the figures, letters and words '31st day December', figures, letters and words '30th day of November' shall be substituted'. (42)

(Shri Manmohan Singh)

MR. SPEAKER: The question is:

"That Clause 36, as amended, stand part of the Bill."

The motion was adopted.

Clause 36, as amended, was added to the Bill.

MR. SPEAKER: The question is:

"That clauses 37 to 39 stand part of the Bill."

The motion was adopted.

Clauses 37 to 39 were added to the Bill.

Clause 40—Insertion of new section 194-A

[Translation]

SHRI GIRDHARI LAL BHARGAVA:
Sir, I beg to move:-

62. Page 14, line 2, -

for "twenty per cent",

substitute, "ten per cent".

[English]

MR.SPEAKER: I put amendment No. 62 to the vote of the House.

Amendment No. 62 was put and negatived.

MR. SPEAKER: The question is:

"That Clause 40 stand part of the Bill."

The motion was adopted.

Clause 40 was added to the Bill.

MR. SPEAKER: The question is:

Clause 51 – Amendment of Section 2

"That clauses 41 to 49 stand part of the Bill"

[Translation]

The motion was adopted.

SHRI GIRDHARI LAL BHARGAVA:
Sir, I beg to move:-

Clauses 41 to 49 were added to the Bill.

Page 16, line 41, -

for "five years"

Clause 50—Consequential Amendments

substitute "seven years". (63)

Amendment made:

[English]

Page 16, for lines 3 to 5,

MR. SPEAKER: I put amendment No. 63 to the vote of the House.

substitute

Amendment No. 63 was put and negatived.

'(a) in section 44AB, in the Explanation, in clause (ii), in sub-clause (a), for the figures, letters and words "31st day of December", the figures, letters and words "30th day of the November" shall be substituted".(43)

MR. SPEAKER: The question is:

"That Clause 51 stand part of the Bill".

The motion was adopted.

(Shri Manmohan Singh)

Clause 51 was added to the Bill.

MR. SPEAKER: The question is:

MR. SPEAKER: The question is:

"That Clause 50, as amended, stand part of the Bill."

"That Clauses 52 to 54 stand part of the Bill".

The motion was adopted.

The motion was adopted.

Clause 50, as amended, was added to the Bill.

Clauses 52 to 54 were added to the Bill.

Clause 55—Amendment of Section 5

SHRIMATI MALINI BHATTACHARYA (Jadavpur): I beg to move:*

Page 17, line 2, -

for "one hundred thousand" substitute "ten".(2)

MR. SPEAKER: I put amendment number 2 to the vote of the House.

Amendment No. 2 was put and negatived.

MR. SPEAKER: The question is:

"That Clause 55 stand part of the Bill".

The motion was adopted.

Clause 55 was added to the Bill.

MR. SPEAKER: The question is:

"That Clause 56 stand part of the Bill."

The motion was adopted.

Clause 56 was added to the Bill.

Clause 57—Amendment of Section 4

[Translation]

SHRI GIRDHARI LAL BHARGAVA:
Sir, I beg to move:-

Page 17, line 13, -

for "ten per cent", substitute "eight per cent". (31)

MR. SPEAKER: I shall now put amendment No. 31 to clause 57, to the vote of the House.

Amendment No. 31 was put and negatived.

MR. SPEAKER: The question is:

"That Clause 57 stand part of the Bill."

The motion was adopted.

Clause 57 was added to the Bill.

MR. SPEAKER: The question is:

"That Clauses 58 to 63 stand part of the Bill."

The motion was adopted.

Clauses 58 to 63 were added to the Bill.

Clause 64—Extent, commencement and application

[Translation]

Page 19, line 3, -

omit "except the State of Jammu & Kashmir"(32)

[English]

MR. SPEAKER: I shall now put amendment No. 32 to clause 64, to the vote of the House.

Amendment No. 32 was put and negatived.

MR. SPEAKER: The question is:

First Schedule

"That Clause 64 stand part of the Bill."

[Translation]

The motion was adopted.

Clause 64 was added to the Bill.

DR. LAXMINARAYAN PANDEYA
(Mandsaur): Sir, I beg to move:-

MR. SPEAKER: The question is:

"That Clauses 65 to 99 stand part of the Bill."

Page 31,

The motion was adopted.

for lines 11 to 18 . substitute -

Clauses 65 to 99 were added to the Bill.

"Rates of Income-tax

- | | |
|--|---|
| (1) Where the total income does not exceed Rs. 50,000 | NIL |
| (2) Where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000 | 20 per cent of the amount by which the total income exceeds Rs. 50,000; |
| (3) Where the total income exceeds Rs. 1,00,000 but does not exceed Rs. 2,00,000 | Rs. 1,000 plus 30 per cent of the amount by which the total income exceeds Rs. 1,00,000; |
| (4) Where the total income exceeds Rs. 2,00,000 | Rs. 4,00,000 plus 40 per cent of the amount by which the total income exceeds Rs. 2,00,000."(6) |

SHRI RAJENDRA AGNIHOTRI
(Jhansi): Sir, I beg to move:

14. Page 31, for lines 11 to 18, substitute-

"Rates of Income-tax

- | | |
|--|---|
| (1) where the total income does not exceed Rs. 60,000 | NIL |
| (2) where the total income exceeds Rs. 60,000 but does not exceed Rs. 1,00,000 | 20 per cent of the amount by which the total income exceeds Rs. 60,000; |

- | | |
|--|--|
| (3) where the total income exceeds Rs. 1,00,000 but does not exceed Rs. 2,50,000 | Rs. 8,000 plus 25 per cent of the amount by which the total income exceeds Rs. 1,00,000; |
| (4) where the total income exceeds Rs. 2,50,000 | Rs. 45,000 plus 40 per cent of the amount by which the total income exceeds Rs. 2,50,000."(14) |

[English]

Page 31,

SHRI JITENDRA NATH DAS:
(Jalpaigudi): I beg to move:

for lines 11 to 18, substitute-

"Rates of Income-tax

- | | |
|--|---|
| (1) where the total income does not exceed Rs. 40,000 | NIL |
| (2) where the total income exceeds Rs. 40,000 but does not exceed Rs. 80,000 | 20 per cent of the amount by which the total income exceeds Rs. 40,000; |
| (3) where the total income exceeds Rs. 80,000 but does not exceed Rs. 1,50,000 | Rs. 8,000 plus 30 per cent of the amount by which the total income exceeds Rs. 1,50,000; |
| (4) where the total income exceeds Rs. 1,50,000 | Rs. 29,000 plus 40 per cent of the amount by which the total income exceeds Rs. 1,50,000." (18) |

[Translation]

SHRI GIRDHARI LAL BHARGAVA
(Jaipur): Sir, I beg to move:-

DR. LAXMINARAYAN PANDEYA
(Mandsaur): Sir, I beg to move:

Page 31,-

Page 31, line 21, -

for lines 11 to 18, substitute the following-

for "Rs. 35,000" substitute
"Rs. 50,000". (19)

"Rates of Income-tax

- | | |
|---|-----|
| (1) where the total income does not exceed Rs. 50,000 | NIL |
|---|-----|

- | | |
|--|--|
| (2) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000 | 10 per cent of the amount by which the total income exceeds Rs. 50,000; |
| (3) where the total income exceeds Rs. 1,00,000 but does not exceed Rs. 1,50,000 | Rs. 5,000 plus 20 per cent of the amount by which the total income exceeds Rs. 1,00,000." (33) |

Page 31,-

for lines 22 to 27 substitute the following;-

"Rates of Income-tax

- | | |
|--|--|
| (1) where the total income does not exceed Rs. 50,000 | NIL |
| (2) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000 | 10 per cent of the amount by which the total income exceeds Rs. 50,000; |
| (3) where the total income exceeds Rs. 1,00,000 but does not exceed Rs. 1,50,000 | Rs. 5,000 plus 20 per cent of the amount by which the total income exceed Rs. 1,00,000."(34) |

Page 31, line 39,-

Page 32, -

for "40 per cent."

omit lines 7 to 10. (37)

substitute "30 per cent."(35)

PROF. RASA SINGH RAWAT
(Ajmer): Sir, I beg to move:-

Page 31, line 47 -

Page 31,-

for "40 per cent." substitute "30 per cent" (36)

for lines 11 to 18, substitute-

"Rates of income-tax

- | | |
|--|---|
| (1) Where the total income does not exceeds Rs. 55,000 | NIL |
| (2) Where the total income exceeds Rs. 55,000 but does not exceed Rs. 1,00,000 | 20 per cent of the amount by which the total income exceeds Rs. 55,000; |

(3) Where the total income exceeds Rs. 1,00,000 but does not exceed Rs. 2,50,000

Rs. 9,000 plus 25 per cent of the amount by which the total income exceeds Rs. 1,00,000;

(4) Where the total income exceeds Rs. 2,50,000

Rs. 46,500 plus 40 per cent of the amount by which the total income exceeds Rs. 2,50,000." (69)

[English]

MR. SPEAKER: I shall now put amendment No. 6 to the first schedule, to the vote of the House.

Amendment No. 6 was put and negatived.

MR. SPEAKER: I shall now put amendment No. 14 to the first schedule, to the vote of the House.

Amendment No. 14 was put and negatived.

MR. SPEAKER: I shall now put amendment No. 18. to the First Schedule, to the vote of the House.

Amendment No. 18 was put and negatived.

MR. SPEAKER: I shall now put amendment No. 19 to the First Schedule, to the vote of the House.

Amendment No. 19 was put and negatived.

MR. SPEAKER: I shall now put amendments No. 33, 34, 35, 36, and 37 to the First Schedule, to the vote of the House.

Amendments No. 33, 34, 35, 36, and 37 were put and negatived.

MR. SPEAKER: I shall now put amendment No. 69 to the first schedule, to the vote of the House.

Amendment No. 69 was put and negatived.

MR. SPEAKER: The question is:

"That the First Schedule be adopted."

The motion was adopted.

The First Schedule was added to the Bill.

Second Schedule

PROF. SUSANTA CHAKRABORTY (Howrah): I beg to move:

Page 37, -

omit lines 8 to 45. (64)

MR. SPEAKER: The question is:

Page 37,-

omit lines 8 to 45 (64)

The Lok Sabha divided:

13.44 hrs.]

[Division No.

AYES

Acharia, Shri Basudeb
 Anjalose, Shri Thayil Jhon
 Barman, Shri Uddhab
 Basu, Shri Anil
 Basu, Shri Chitta
 Bhattacharya, Shrimati Malini
 Chakraborty, Prof. Susanta
 Chatterjee, Shri Nirmal Kanti
 Choudury, Shri Saifuddin
 Das, Shri Jitendra Nath
 Datta, Shri Amal
 Dome, Dr. Ram Chandra
 Fernandes, Shri George
 Ghangare, Shri Ramchandra Marotrao
 Gopalan, Shrimati Suseela
 Gupta, Shri Indrajit
 Hossain, Shri Syed Masudal
 Jena, Shri Srikanta
 Khan, Shri Sukhendu
 Kumar, Shri Nitish
 Malik, Shri Purna Chandra
 Mandal, Shri Sanat Kumar

Misra, Shri Satyagopal
 Mollah, Shri Hannan
 Murmu, Shri Rup Chand
 Murthy, Shri M.V.V.S.
 Pal, Shri Rupchand
 Patel, Shri Brishin
 Patnaik, Shri Sivaji
 Pramanik, Shri R.R.
 Rai, Shri M.Ramanna
 Ram, Shri Prem Chand
 *Rao, Shri J. Chokka
 Ray, Dr. Sudhir
 Raychaudhuri, Shri Sudarsan
 Roy, Shri Haradhan
 Roypradhan, Shri Amar
 Saikia, Shri Muhi Ram
 Sivaraman, Shri S.
 Sur, Shri Monoranjan
 Topdar, Shri Tarit Baran
 Tripathy, Shri Braja Kishore
 Zainal Abedin, Shri

NOES

Adaikalaraj, Shri L.
 Ahmed, Shri Kamaluddin
 Aiyar, Shri Mani Shankar
 Ajit Singh, Shri
 R. Anbarasu, Shri

Athithan, Shri R. Dhanuskodi
 Ayub Khan, Shri
 Banerjee, Kumari Mamata
 Bansal, Shri Pawan Kumar
 Bhakta, Shri Manoranjan

*Wrongly voted for Ayes.

Bhatia, Shri Raghunandan Lal
 Bhoi, Dr. Krupasindhu
 Bhonsle, Shri Prataprao B.
 Bhonsle, Shri Tejsingh
 Bhuria, Shri Dileep Singh
 Birbai, Shri
 Brohmo Chaudhury, Shri Satyendra Nath
 Buta Singh, Shri
 Chacko, Shri P.C.
 Chaliha, Shri Kirip
 Chandrakar, Shri Chandulal
 Chandrasekhar, Shrimati Margatham
 Charles, Shri A.
 Chaudhary, Shri Kamal
 Chaudhri, Shri Narain Singh
 Chaure, Shri Babu Hari
 Chavan, Shri Prithviraj D.
 Chavda, Shri Ishwarbhai Khodabhai
 Chennithala, Shri Ramesh
 Chowdhary, Shrimati Santosh
 Dadahoor, Shri Gurcharan Singh
 Dalbir Singh, Shri
 Damor, Shri Somjibhai
 Das, Shri Anadi Charan
 Deka, Shri Probin
 Delkar, Shri Mohan S.
 Dennis, Shri N.
 Deshmukh, Shri Ashok Anandrao
 Dev, Shri Sontosh Mohan
 Devarajan, Shri B.
 Devi, Shrimati Bibhu Kumari
 Faleiro, Shri Eduardo

Farook, Shri M.O.H.
 Fernandes, Shri Oscar
 Gajapathi, Shri Gopi Nath
 Gavit, Shri Manikrao Hodlya
 Gehlot, Shri Ashok
 Ghatowar, Shri Paban Singh (Dibrugarh)
 Gogoi, Shri Tarun
 Gomango, Shri Giridhar
 Gudadinni, Shri B.K.
 Gundewar, Shri Vilasrao Nagnathrao
 Handique, Shri Bijoy Krishna
 Hooda, Shri Bhupinder Singh
 Imchalemba, Shri
 Inder Jit, Shri
 Jaffer Sharief, Shri C.K.
 Jakhar, Shri Balram
 Jangbir Singh, Shri
 Jeevarathinam, Shri R.
 Kahandole, Shri Z.M.
 Kaliaperumal, Shri P.P.
 Kamal Nath Shri
 Kamat, Shri Gurudas
 Kamble, Shri Arvind Tulshiram
 Kamson, Prof. M.
 Kanithi, Dr. Viswanatham
 Karreddula, Shrimati Kamala Kumari
 Kaul, Shrimati Sheila
 Khan, Shri Aslam Sher
 Khursheed, Shri Salman
 Konathala, Shri Rama Krishna
 Krishan Kumar, Shri S.
 Krishnaswamy, Shri M.

Kuli, Shri Balin	Pawar, Dr. Vasant Niwrucci
Kumaramangalam, Shri Rangarajan	Potdukhe, Shri Shantaram
Kuppuswamy, Shri C.K.	Prabhu Zantye, Shri Harish Narayan
Kurien, Prof. P.J.	Pradhani, Shri K.
Lakshmanan, Prof. Savithri	Rahi, Shri Ram Lal
Malik, Shri Dharampal Singh	Rai, Shri Ram Nihar
Mallikarjun, Shri	Rajeshwaran, Dr. V.
Mallu, Dr. R.	Rajeswari, Shrimati Basava
Manphool Singh, Shri	Ram Babu, Shri A.G.S.
Marbaniang, Shri Peter G.	Ram Badan, Shri
Mathur, Shri Shiv Charan	Ram Singh, Shri
Maurya, Shri Anand Ratna	Ramchandran, Shri Mullappally
Meghe, Shri Datta	Rao, Shri P.V. Narasimha
Mirdha, Shri Nathu Ram	Rao, Shri V. Krishna
Muniyappa, Shri K.H.	Reddy, Shri A. Indrakaran
Muralee Dharan, Shri K.	Reddy, Shri G. Ganga
Murthy, Shri M.V. Chandrashekara	Reddy, Shri M. Baga
Muttemwar, Shri Vilas	Reddy, Shri R. Surender
Naik, Shri A. Venkatesh	Roshan Lal Shri
Nandi, Shri Yellaiah	Sajjan Kumar, Shri
Netam, Shri Arvind	Sangma, Shri Purno A.
Palacholla, Shri V.R. Naidu	Sanipalli, Shri Gangadhara
Panigrahi, Shri Sriballav	Sawant, Shri Sudhir
Panja, Shri Ajit	Selja, Kumari
Patel, Shri Harilal Nanji	Shankaranand, Shri B.
Patel, Shri Shravan Kumar	Sharma, Shri Chiranji Lal
Patel, Shri Uttambhai Harjibhai	Sharma, Capt. Satish Kumar
Patil, Shri Anwari Basavaraj	Shingda, Shri D. B.
Patil, Shrimati Surya Kanta	Shivappa, Shri K.G.
Patil, Shri Uttamrao Deorao	Shukla, Shri Vidyacharan
Patil, Shri Vijay Naval	Silvera, Dr. C.
Pattanayak, Shri Sarat Chandra	Singh, Shri Motilal

Singh, Kumari Pushpa Devi	Tindivanam, Shri K. Ramamurthee
Singh, Shri S.B.	Tytlar, Shri Jagdish
Singh Deo, Shri K.P.	Umbrey, Shri Laeta
Sodi, Shri Manku Ram	Upadhyay, Shri Swarup
Sukh Ram, Shri	Urs, Shrimati Chandra Prabha
Sukhbuns Kaur, Shrimati	Verma, Shri Bhawani Lal
Sultanpuri, Shri Krishan Dutt	Verma, Kumari Vimla
Swamy, Shri G. Venkat	Vijayaraghavan, Shri V.S.
Tara Singh, Shri	Vyas, Dr. Girija
Thakur, Shri Mahendra Kumar Singh	Wasnik, Shri Mukul Balkrishna
Thangkabal, Shri K.V.	Williams, Maj. Gen. R.G.
Thomas, Prof. K.V.	Yadav, Shri Surya Narayan
Thungon, Shri P.K.	

MR SPEAKER: Subject to correction,* the result of the division is:

[Translation]

AYES : 43

SHRI GIRDHARI LAL BHARGAVA
(Jaipur): Sir, I beg to move that:
Page 43, Line 31-

NOES : 163

The motion was negatived.

"for Rs. 20 substitute Rs. 10." (65)

MR. SPEAKER: The question is:

"That the Second Schedule stand part of the Bill".

MR SPEAKER: I shall now put amendment No. 65 to Third Schedule moved by Shri Girdhari Lal Bhargava to the vote of the House.

The motion was adopted.

The Second Schedule was added to the Bill.

Amendment No. 65 was put and negatived.

*Following Members also recorded this votes:-

AYES: (I) Shri Abdul Gafoor (II) Shrimati Saroj Dubey

NOES: Shri P.M. Sayeed, Shri J. Chokka Rao, Shri Satya Pal Singh Yadav, Shri Sant Ram Singla, Shri K.V.R. Chowdary and Shrimati Kesharbai Sonaji Kshirsagar

MR SPEAKER: The question is:

"That the Third Schedule stand part of the Bill".

The motion was adopted.

The Third Schedule was added to the Bill.

MR. SPEAKER: The question is:

"That the Fourth Schedule and Fifth Schedule stand part of the Bill."

The motion was adopted.

Fourth Schedule and the Fifth Schedule were added to the Bill.

MR. SPEAKER: The question is:

"That Clause 1 the enacting formula and the long title stand part of the Bill"

The motion was adopted.

Clause 1, the Enacting formula and the long title were added to the Bill.

SHRI MANMOHAN SINGH: I beg to move:

"That the Bill, as amended, be passed."

MR. SPEAKER: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

With little fire works here and there, it has been possible for us to successfully discuss the budget and accept it and pass it. I would like to extend my gratefulness to all the hon. Members for the splendiferous cooperation they have extended.

Now please bear with me for only two or three minutes so that the Papers are laid on the Table.

13.45 hrs.

PAPERS LAID ON THE TABLE

Notification Under Tea Act, 1953

[English]

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION AND MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KAMALUDDIN AHMED): I beg to lay on the Table a copy of the Notification No. S.O. 287(E) (Hindi and English versions) published in Gazette of India dated the 4th April, 1954 regarding exemption to different varieties of tea from the levy of cess issued under sub-section (3) of section 25 of The Act, 1953.

[Placed in Library, See No LT. 5850/94]

Review on the working of and Annual Report of Jute Manufacturers Development Council, Calcutta for 1992-93 etc.

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILE (SHRI G.

VENKAT SWAMY): I beg to lay on the Table:—

- (1) (i) A copy of the Annual Report (Hindi and English versions) of the Jute Manufacturers Development Council, Calcutta, for the year 1992-93, alongwith Audited Accounts.
- (ii) A copy of the Review (Hindi and English versions) by the Government on the working of the Jute Manufacturers Development, Calcutta, for the year 1992-93.

- (2) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (1) above.

[Placed in Library. See No LT. 5851/94]

- (3) A copy each of the following papers (Hindi and English versions) under sub-section (1) of section 619A of the Companies Act, 1956:—

- (i) Review by the Government on the working of the Birds Jute and Exports Limited, Calcutta, for the year 1992-93.
- (ii) Annual Report of the Birds Jute and Exports Limited, Calcutta, for the year 1992-93; alongwith Audited Accounts and comments of the Comptroller and Auditor General thereon.

- (4) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (3) above.

[Placed in Library. See No LT. 5852/94]

Notification under Export (Quality Control and Inspection) Act, 1963, etc.

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION AND MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KAMALUDDIN AHMED): I beg to lay on the Table:—

- (i) A copy of the Export Inspection Agency Employees (Classification Control and Appeal) (Amendment) Rules, 1993 (Hindi and English versions) published in Notification No. G.S.R. 622 in Gazette of India dated the 18th December, 1993 under sub-section (3) of section 17 of the Export (Quality Control and Inspection) Act, 1963.

[Placed in Library. See No. LT 5853/94]

- (2) A copy of the Annual Report (Hindi and English versions) of the Export Inspection Council and Export Inspection Agencies (Volume-II) for the year 1992-93, alongwith Audited Accounts.
- (3) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (2) above.

[Placed in Library. See No. LT 5854/94]

- (4) (i) A copy of the Annual Report (Hindi and English versions) of the Basic Chemicals, Pharmaceuticals and Cosmetics Export Promotion Council, Bombay, for the year 1992-93, alongwith Audited Accounts.
- (ii) A copy of the review (Hindi and English versions) by the Government of the working of the Basic Chemicals, Pharmaceuticals and Cosmetics Export Promotion Council, Bombay, for the year 1992-93

[Placed in Library. See No LT 5855/94]

- (5) (i) A copy of the Annual Report (Hindi and English versions) of the Chemicals and Allied Products Export Promotion Council, Calcutta, for the year 1992-93 alongwith Audited Accounts.
- (ii) A copy of the Review (Hindi and English versions) by the Government on the working of the Chemicals and Allied Products Export Promotion Council, Calcutta, for the year 1992-93.

[Placed in Library. See No. LT 5856/94]

Notification under Central Excises and Salt Act, 1944 etc.

**THE MINISTER OF STATE IN THE
MINISTRY OF FINANCE (SHRI M.V.**

CHANDRASHEKHARA MURTHY): I beg to lay on the Table:—

- (1) A copy each of the following Notifications (Hindi and English versions) under sub-section (2) of section 38 of the Central Excises and Salt Act, 1944:—

- (i) G.S.R. 296(E) published in Gazette of India dated the 4th March, 1994 together with an explanatory memorandum making certain amendments in the Notification No. 76/86-CE, dated the 10th February, 1986 so as to delete Serial numbers 1,3,4 and 19 and entries relating thereto in the Schedule to the said Notification.
- (ii) G.S.R. 298(E) published in Gazette of India dated the 8th March, 1994 together with an explanatory memorandum making certain amendments in the Notification No. 7/94-CE, (NT) dated the 1st March, 1994.
- (iii) G.S.R. 309(E) published in Gazette of India dated the 9th March, 1994 together with an explanatory memorandum making certain amendments in the Notification Nos. 180/88-CE, dated the 13th May, 1988 and 41/94-CE, dated the 1st March, 1994 regarding exemption from

- excise duty to table, Kitchen and other household articles other than pressure cookers and their parts.
- (iv) G.S.R. 313(E) published in Gazette of India dated the 11th March, 1994 together with an explanatory memorandum making certain amendments in the Notification No. 46/94-CE, dated the 1st March, 1994 so as to reduce excise duty on goods mentioned in the Notification.
- (v) G.S.R. 315(E) published in Gazette of India dated the 12th March, 1994 together with an explanatory memorandum seeking to rescind Notification No. 87/92-CE, dated the 29th October, 1992.
- (vi) G.S.R. 326(E) published in Gazette of India the 23rd March, 1994 together with an explanatory memorandum regarding exemption to cotton yarn and cellulosic spun yarn subjected to beaming, warping, wrapping, winding or reeling and produced out of yarn from the whole of the duty of excise leviable thereon.
- (vii) G.S.R. 334(E) published in Gazette of India dated the 28th March, 1994 together with an explanatory memorandum regarding exemption to footwear upto a value of Rs. 50 per pair and Hawaii Chappals and parts thereof from the whole of the duty of excise leviable thereon.
- (viii) G.S.R. 347(E) published in Gazette of India dated the 30th March, 1994 together with an explanatory memorandum extending the validity of Notification No. 97/93-CE, dated the 19th October, 1993 upto the 30th June, 1994.
- [Placed in Library. See No. LT 5857/94]
- (2) A copy each of the following Notifications (Hindi and English versions) under section 159 of the Customs Act, 1962:
- (i) G.S.R. 297(E) published in Gazette of India dated the 4th March, 1994 together with an explanatory memorandum seeking to withdraw exemption from the additional duty of customs available to machinery, instruments, apparatus, appliances etc.
- (ii) G.S.R. 316(E) published in Gazette of India dated the 12th March, 1994 together with an explanatory memorandum regarding exemption to refund sugar when imported into India, from the whole of the basic and additional duties of customs leviable thereon.

(iii) G.S.R. 319(E) published in Gazette of India dated the 16th March, 1994 together with an explanatory memorandum regarding exemption to containers of durable nature when imported into India from whole of the basic and additional duties of customs leviable thereon subject to certain conditions.

(iv) G.S.R. 324(E) published in Gazette of India dated the 21st March, 1994 together with an explanatory memorandum making certain amendments in the Notification Nos. 57/94-Cus., and 93/94-Cus. dated the 1st March, 1994.

(v) G.S.R. 346(E) published in Gazette of India dated the 30th March, 1994 together with an explanatory memorandum extending the validity of Notification No. 175/93-Cus., dated the 19th October, 1993 upto the 30th June, 1994.

[Placed in Library. See No. LT 5858/94]

(3) (i) A copy of the Annual Report (Hindi and English versions) of the Small Industries Development Bank of India, Lucknow, for the year 1992-93, alongwith Audited Account under sub-section (5) of section 30 of the Small Industries Development Bank of India Act, 1989.

(ii) A copy of the Review (Hindi and English versions) by the Government on the working of Small Industries Development Bank of India, Lucknow, for the year 1992-93.

[Placed in Library. See No. LT. 5859/94]

13.47hrs.

MESSAGES FROM RAJYA SABHA

[English]

SECRETARY-GENERAL: Sir, I have to report the following messages received from the Secretary-General of Rajya Sabha:—

(i) "In accordance with the provisions of sub-rule (6) of rule 186 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to return herewith the Appropriation (railways) No. 2 Bill, 1994, which was passed by the Lok Sabha at its sitting held on the 27th April, 1994, and transmitted to the Rajya Sabha for its recommendations and to state that this House has no recommendations to make to the Lok Sabha in regard to the said Bill."

(ii) "in accordance with the provisions of sub-rule (6) of rule 186 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to return herewith the Appro-

priation (Railways) No.3 Bill, 1994, which was passed by the Lok Sabha at its sitting held on the 27th April, 1994, and transmitted to the Rajya Sabha for its recommendations and to state that this House has no recommendations to make to the Lok Sabha in regard to the said Bill."

13.47½ hrs.

BUSINESS OF THE HOUSE

THE MINISTER OF WATER RESOURCES AND MINISTER OF PARLIAMENTARY AFFAIRS (SHRI VIDYACHARAN SHUKLA): With your permission, Sir, I rise to announce that Government Business during the week commencing 9th May, 1994 will consist of:-

1. Consideration and passing of the following bills:-
 - (a) The Specified Areas (Issue of Identity Cards to the Residents) Bills, 1993.
 - (b) The Banking Companies (Acquisition and Transfer of Undertakings) Amendment Bill, 1993.
 - (c) The Rubber (Amendment) Bill, 1992.
2. Consideration and passing of the following bills as passed by Rajya Sabha.
 - (a) The Payment of Gratuity (Amendment) Bill, 1993.

- (b) The Press Council (Amendment) Bill, 1992.
- (c) The Coir Industry (Amendment) Bill, 1993.
- (d) The Institute of Technology (Amendment) Bill, 1994.
- (e) The Doctor Bhimrao Ambedkar University Bill, 1994.
- (f) The Legal Services Authorities (Amendment) Bill, 1991.

3. Consideration and passing of the pre-Natal Diagnostic Techniques (Regulation and Prevention of Misuse) Bill, 1991.
4. Discussion on the Resolution regarding further continuance of the President's Rule in the State of Manipur.

[Translation]

SHRI RAMESHWAR PATIDAR (Khargone): Mr. Speaker, Sir, I request that following items may be included in the next week's agenda:-

1. Discussion on construction of 320 kilometres long proposed Manmad-Indore railway line which was sanctioned for which the survey was conducted in 1920.
2. HBJ pipeline passes through 550 kilometres area of Madhya Pradesh but its share in LPG allocation is very less. In this

[Shri Rameshwar Patidar]

Five Year Plan, a scheme has been formulated to double the quantity of gas flowing in this pipeline. Therefore, issue of providing appropriate share to Madhya Pradesh in it should be debated.

SHRI SNATOSH KUMAR GANGWAR (Bareilly): Mr. Speaker, Sir I request that following items may be included in the next week's agenda:—

1. Need to make provision for providing relaxation in age limit for five years and additional chances for appearing in the examinations for people of backward classes on the basis of recommendations made by the Commission.
2. Need to make announcement for including Bhurji (Bharbhuj) caste in the list of scheduled castes.

SHRI GEORGE FERNANDES (Muzaffarpur): Mr. Speaker, Sir, I request that following items may be included in the next week's agenda:

1. The action taken by the Government on JPC report regarding security scam should be debated upon.
2. The recent announcement by China that it is again going to carry out underground nuclear test should be taken up for immediate discussion in the House.

DR. LAXMINARAYAN PANDEYA (Mandsaur): Mr. Speaker, Sir, I request that the following item may be included in the next week's agenda:—

Need to enact effective central laws for protecting thousands of children, women and young labourers working in silicon stone-made Slate pencil industries in Mandsaur and various other parts of Madhya Pradesh, whose lungs get infected of silicosis disease resulting in untimely death.

SHRI SHIVRAJ SINGH CHAUHAN (Vidisha): Mr. Speaker, Sir, I request that following items may be included in the next week's agenda:—

1. Need to set up aided agencies for Rural Electrification Corporation at Vidisha, Raisen and Sihore districts of Madhya Pradesh.
2. Need to allocate enough funds to State Government for removing the drinking water shortage in Madhya Pradesh.

[English]

SHRI BASUDEB ACHARIA (Bankura): Sir, I request that the following items may be included in the next week's agenda:—

1. Need to allocate more funds for on-going Railway Projects and pending projects of West Bengal and take up gauge conversion programme in the State.

2. Need to check erosion on the banks of river Damodar and make the river pollution-free.

Ludhiana-Dhanbad Express
upto Ranchi.

[Translation]

SHRI GIRDHARI LAL BHARGAVA (Jaipur): Sir, I request that following items may be included in next week's agenda:—

1. Need to sanction all the four projects worth Rs. 1645 crore regarding drinking water which were sent to Central Government for clearance.
2. Need to allocate more funds to Rajasthan Government for Women Development Programme.

SHRI RAM TAHAL CHOUDHARY (Ranchi): Sir, I request that following items may be included in next week's agenda:—

1. Land belonging to villagers of Gari, Suganu and Khatanga villages of Ranchi has been acquired by the army but they have not been given passage. A passage and compensation should be given to the villagers against the land and the houses acquired for the cantonment.
2. Need to add five more boggies from Ranchi into Purshottam Express running between Delhi and Puri and action should be taken for extending the

13.52 hrs.

BUSINESS ADVISORY
COMMITTEE

Fortieth Report

[English]

MR. SPEAKER: Now, the hon. Minister of Parliamentary Affairs has to move the motion.

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI MALLIKARJUN): Sir, the Business Advisory Committee has decided it and it has been placed before the House.

SHRI JASWANT SINGH (Chittorgarh): Sir, his name is not there. I have been mentioned here. As the hon. Minister for Parliamentary Affairs is absent without permission, I beg to move:—

"That this House do agree with the Fortieth Report of the Business Advisory Committee presented to the House on the 5th May, 1994."

(Interruptions)

[Translation]

SHRI GEORGE FERNANDES (Muzaffarpur): Mr. Speaker, Sir, I have given an amendment.

MR. SPEAKER: What was it about?

SHRI GEORGE FERNANDES: I have given amendment that GATT Agreement signed by the Government should be debated... *(Interruptions)*

MR. SPEAKER: It has been discussed in Business Advisory Committee where it was said that they all would decide collectively as to how and when that would be discussed.

SHRI GEORGE FERNANDES: It means that this will be discussed in next week.

MR. SPEAKER: It will be discussed in accordance with the decision taken by Business Advisory Committee.

SHRI GEORGE FERNANDES: Mr. Speaker, Sir, in view of Government's attitude towards GATT, it seems that perhaps it is making its mind not to discuss this issue... *(Interruptions)*

MR. SPEAKER: I do not find any difficulty in discussion over it.

SHRI GEORGE FERNANDES: I wish that it should be admitted by Business Advisory Committee and it should be decided after we have properly expressed our views and feelings on it.

[English]

MR. SPEAKER: The question is:

"That this House do agree with the Fortieth Report of the Business Advisory Committee presented to the House on the 5th May, 1994."

The motion was adopted.

13.54½ hrs.

STATEMENT BY MINISTER

Re: Unmanned Level Crossing Accident Involving 7208 Tungbhadra Express on South Central Railway, on May 5th, 1994

[English]

THE MINISTER OF RAILWAYS (SHRI C.K. JAFFER SHRIEF): It is with great anguish that I apprise the House of an unfortunate mishap involving train No. 7208 Mahbubnagar-Secunderabad Tungbhadra Express and a jeep at about 18.10 hrs. on 5.5.1994 on the Mahbubnagar-Secunderabad Board Gauge Single Line section of South Central Railway. While the train was on its journey in the block section between Gollapalli and Balanagar stations and nearing the unmanned level crossing No. 39 at km. 78/1, a jeep carrying a group of persons got hit by the train engine. Consequently, 13 persons travelling in the jeep, including five children, died and 3 others sustained injuries. The driver of the jeep was grievously hurt and was admitted in Mahbubnagar Civil Hospital alongwith another injured occupant of the jeep. One injured child is recovering in Jadcherla Government Hospital. The train engine crew and passengers remained unaffected.

On receipt of the information about the accident, Medical Relief Train with a team of railway doctors was rushed to the site of accident from Secunderabad. Additional General Manager, Chief Safety Officer, South Central Railway, alongwith other senior officers and Additional Divisional Railway Manager, Hyderabad proceeded to the site and later visited the hospitals.

It is also to apprise the House that Divisional Safty Officer of Hyderabad Division was travelling on the locomotive of the train as a part of his inspection schedule. According to his report, the ill-fated jeep first slowed down and then in a quick action picked up speed resulting into a collision of the train engine and the rear portion of the jeep. Another jeep, which was closely following the first one, stopped well short of the level crossing.

The unmanned level crossing, where the accident occurred, is on a straight track and serves a village unmetalled road. The level crossing is equipped with whistle boards for trains, speed breakers and stop boards for road users. The unobstructed visibility both for train and road users is over 1000 metres.

Ex-gratia payment has been made to the next of kin of the identified dead and injured persons. An inquiry into the incident by a Committee of Senior Administrative Grade Officers has been ordered.

All railway workers and I express our deep condolences to the families who lost their relatives in this unfortunate incident and also express sincere sympathies to the injured.

I trust the House will join me in extending heartfelt condolences to the bereaved families.

[*Translation*]

SHRI NITISH KUMAR (Barh): Mr. Speaker, Sir, this is the second accident in a week on an un-manned level crossing. The number of accident on the unmanned level crossings is increasing. The Government should take a policy decision on it... (*Interruptions*)

SHRI GEORGE FERNANDES (Muzaffarpur): Mr. Speaker, Sir, during these days, three major accidents have occurred on un-manned level crossings. First, an accident took place near Pune in which 72 people were killed and these two accidents too have taken a toll of about 50 people. The Ministry of Railways should ponder over it seriously and find out a solution to it. I am aware that the Railway Board and the Ministry of Railways are competent enough to find a solution but I think this House should also impress this fact.

PROF. RASA SINGH RAWAT (Ajmer): Mr. Speaker, Sir, the next of kin of those killed in these accidents should be given compensation.

SHRI SANTOSH KUMAR GANGWAR (Barielly): Mr. Speaker, Sir, such accidents are a common phenomenon and the Ministry of Railways absolves itself from the culpability by saying that these were un-manned level crossings. Sometimes it is the tractor-trolleys and at others, the rikshaw carrying children that meet such accidents. I think that the Government should formulate a clear-cut policy in this regard and give compensation to their dependents.

[*English*]

SHRI BASUDEB ACHARIA (Bankura): Sir, something should be done to convert the un-manned level crossings to manned level crossings. Money should be found out for that.

[*Translation*]

SHRI GEORGE FERNANDES: Mr. Speaker, Sir, help of village Panchayat Samitis of the people residing in the surrounding areas or other voluntary

[Shri George Fernandes]

organisations can be sought for the purpose: there are many institutions. Recurrence of such accidents does not augur well.

MR. SPEAKER: The people in the Ministry of Railways will properly look into this matter and do whatever is possible in this regard. They have their own problems and they will take action keeping every aspect in mind.

[English]

MR. SPEAKER: Now we have the Transplantation of Human Organs Bill. What do you propose to do?

THE MINISTER OF HEALTH AND FAMILY WELFARE (SHRI B. SHANKARANAND): The Bill was passed by the Rajya Sabha. When it was introduced in the House, the Bill was referred to the Select Committee and then they have made certain recommendations. Those recommendations of the Committee are before the Government and the Cabinet is to take a decision. I request the House to take this up a little later.

MR. SPEAKER: Is it just an adjournment ?

SHRI B. SHANKARANAND: Yes, Sir, It is before the Cabinet and the Cabinet has to take a decision.

MR. SPEAKER: I think, there should be no difficulty. Today is Friday and hardly half an hour would be available to us. we can have it on some other day.

SHRI B. SHANKARANAND: Let us have it on Tuesday. (*Interruptions*)

[Translation]

SHRI NITISH KUMAR (Barh): There will be no other better opportunity to the Members than this. (*Interruptions*)

[English]

MR. SPEAKER: My difficulty is that we cannot have anything to fill in the gap. I think all the hon. Members have co-operated and worked very hard and they deserve half an hour more interval today.

Now the House stands adjourned to meet again at 3.30 p.m.

14.00 hrs.

The Lok Sabha then adjourned for Lunch till Thirty Minutes past Fifteen of the Clock.

15.36 hrs.

The Lok Sabha re-assembled after Lunch at Thirty-Six Minutes past Fifteen of the Clock.

[MR. DEPUTY-SPEAKER *in the Chair*]

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

Thirty-first Report

SHRI KIRIP CHALIHA (Guwahati): I beg to move:

"That this House do agree with the Thirty-first Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 4th May, 1994."

MR. DEPUTY-SPEAKER: The question is: 15.37½ hrs

“That this House do agree with the Thirty-first Report of the Committee on Private Members’ Bills and Resolutions presented to the House on the 4th May, 1994.”

The motion was adopted.

INDIAN PENAL CODE
(AMENDMENT) BILL*
(Amendment of Section 354)

SHRIMATI SAROJ DUBEY (Allahabad): Mr. Deputy Speaker, Sir I beg to move for leave to introduce a Bill further to amend the Indian Penal Code.

[English]

15.37 hrs.

WELFARE OF PHYSICALLY
HANDICAPPED PERSONS BILL*

[Translation]

SHRI B.L. SHARMA PREM (East Delhi): Mr. Deputy Speaker, Sir, I beg to move for leave to introduce a Bill to provide for the welfare of physically handicapped persons.

[English]

MR. DEPUTY-SPEAKER: This question is:

“That leave be granted to introduce a Bill to provide for the welfare of physically handicapped persons.”

The motion was adopted.

[Translation]

SHRI B.L. SHARMA PREM: Sir, I introduce the Bill**.

MR. DEPUTY SPEAKER: The question is:

“That leave be granted to introduce a Bill further to amend the Indian Penal Code.”

The motion was adopted

[Translation]

SHRIMATI SAROJ DUBEY: Sir, I introduce the Bill.

15.38 hrs.

CODE OF CRIMINAL PROCEDURE
(AMENDMENT) BILL*
(Amendment of Section 125)

[Translation]

SHRIMATI SAROJ DUBEY (Allahabad): Mr. Deputy Speaker Sir, I

* Published in the Gazette of India, Extraordinary, Part-II, Section 2 dated 6.5.94.

** Introduced with the recommendation of the President.

[Shrimati Saroj Dubey]

beg to move for leave to introduce a Bill further to amend the Code of Criminal Procedure, 1973.

[English]

MR. DEPUTY-SPEAKER: The question is:

“That leave be granted to introduce a Bill further to amend the Code of Criminal Procedure, 1973.”

The motion was adopted.

[Translation]

SHRIMATI SAROJ DUBEY: Sir, I introduce the Bill.

15.38½ hrs.

**RAILWAY PROTECTION FORCE
(AMENDMENT) BILL***

**(Substitution of new long title for
long title, etc.)**

[English]

SHRI R. ANBARASU (Madras Central): I beg to move for leave to introduce a Bill further to amend the Railway Protection Force Act, 1957.

MR. DEPUTY-SPEAKER: The question is:

“That leave be granted to introduce a Bill further to amend the Railway Protection Force Act, 1957.

The motion was adopted.

SHRI R. ANBARASU: I introduce the Bill.

15.39 hrs.

**BONDED LABOUR SYSTEM
(ABOLITION) AMENDMENT BILL***

(Amendment of Section 2, etc.)

[English]

SHRI M.V.V.S. MURTHY (Visakhapatnam): I beg to move for leave to introduce a Bill further to amend the Bonded Labour System (Abolition) Act, 1976.

MR. DEPUTY-SPEAKER: The question is:

“That leave be granted to introduce a Bill further to amend the Bonded Labour System (Abolition) Act, 1976.

The motion was adopted.

SHRI M.V.V.S. MURTHY: I introduce the Bill.

15.40 hrs.

**CHILD LABOUR (PROHIBITION
AND REGULATION) AMENDMENT
BILL***

(Amendment of Section 2, etc.).

[English]

SHRI M.V.V.S. MURTHY (Visakhapatnam): I beg to move for leave

to introduce a Bill to amend the Child Labour (Prohibition and Regulation) Act, 1986.

MR. DEPUTY SPEAKER : The question is:

“That leave be granted to introduce a Bill to amend the Child Labour (Prohibition and Regulation) Act, 1986.”

The motion was adopted.

SHRI M.V.V.S. MURTHY: I introduce the Bill.

15.40½ hrs.

COMPULSORY EDUCATION BILL*

[English]

SHRI M.V.V.S. MURTHY: I beg to move for leave to introduce a Bill to provide for free and compulsory education upto higher secondary level to all children throughout the country and for matters connected therewith.

MR. DEPUTY SPEAKER: The question is:

“That leave be granted to introduce a Bill to provide for free and compulsory education upto higher secondary level to all children throughout the country for matters connected therewith.”

The motion was adopted.

SHRI M.V.V.S. MURTRHY: I introduce the Bill.

15.41 hrs.

CROP INSURANCE SCHEME BILL*

[English]

SHRI M.V.V.S. MURTHY: I beg to move for leave to introduce a Bill to provide for compulsory insurance of crops against losses caused due to natural calamities and for matters connected therewith.

I will also like to inform the House that clauses 6 and 7 of the Bill which were to be printed in thick type have not been so printed.

MR. DEPUTY SPEAKER: The question is:

“That leave be granted to introduce a Bill to provide for compulsory insurance of crops against losses caused due to natural calamities and for matters connected therewith.”

The motion was adopted.

SHRI M.V.V.S. MURTHY: I introduce the Bill.

15.41½ hrs.

CONSTITUTION (AMENDMENT) BILL*

(Amendment of Article 16)

[English]

SHRI R. ANBARASU (Madras Central): I beg to move for leave to introduce

[Shri R. Anbarasu]

15.42½ hrs.

a Bill further to amend the Constitution of India.

CONSTITUENT ASSEMBLY BILL*

[English]

MR. DUPUTY SPEAKER: The question is:

SHRI K. RAMAMURTHY (Krishnagiri): I beg to move for leave to introduce a Bill to provide for convening of a Constituent Assembly of India.

"That leave be granted to introduce a Bill further to amend the Constitution of India."

MR. DEPUTY SPEAKER: The question is:

The motion was adopted.

SHRI R. ANBARASU: I introduce the Bill.

"That leave be granted to introduce a Bill to provide for convening of a Constituent Assembly of India."

The motion was adopted.

15.42 hrs.

SHRI K. RAMAMURTHY: I introduce the Bill.

DECLARATION OF ASSETS BY
CIVIL SERVANTS BILL*

15.43 hrs.

[English]

CONSTITUTION (AMENDMENT) BILL*

(Amendment of Article 16)

SHRI K. RAMAMURTHY (Krishnagiri): I beg to move for leave to introduce a Bill to provide for the declaration and public scrutiny of assets of civil servants.

[English]

MR. DEPUTY SPEAKER: The question is:

SHRI K. RAMAMURTHY (Krishnagiri): I beg to move for leave to introduce a Bill further to amend the Constitution of India.

"That leave be granted to introduce a Bill to provide for the declaration and public scrutiny of assets of civil servants."

MR. DEPUTY SPEAKER: The question is:

The motion was adopted.

"That leave be granted to introduce a Bill further to amend the Constitution of India."

The motion was adopted.

SHRI K. RAMAMURTHY: I introduce the Bill.

SHRI K. RAMAMURTHY: I introduce the Bill.

15.44 hrs.

[Translation]

FIXATION OF LIMIT ON BORROWINGS BILL

[English]

MR. DEPUTY SPEAKER: The House shall now take up further discussion on Fixation of Limit on Borrowings Bill.

The time allowed is two hours. The time taken is one minute. Shri George Fernandes to continue his speech.

[Translation]

SHRI GEORGE FERNANDES (Muzaffarpur): Mr. Deputy Speaker, Sir, the Bill being presented here today for discussion should, to my mind, have been passed in this House atleast 40-45 years earlier. I feel pained to think that this Bill is being presented here as a private Member's Bill as if there were a lottery business and we were waiting for a lucky draw. It is provided in Article 292 of the Constitution of India that:

[English]

"292. The executive power of the Union extends to borrowing upon the security of the Consolidated Fund of India within such limits, if any, as may from time to time be fixed by Parliament by law and to the giving of guarantees within such limits, if any, as may be so fixed."

This article 292 is actually based on what we call the Government of India Act, 1935 and which the Britain had passed in their Parliament on 2nd August, 1935. I would also like to read out the provisions of that Articles so that our to-day's subject of discussion is clarified.

[English]

"The executive authority of the dominion extends to borrowing upon the security of the revenues of the dominion within such limits, if any, as may from time to time be fixed by the Act of the dominion legislature and to the giving of guarantees within such limits, if any, as may be so fixed."

[Translation]

Only 2-3 words have been changed in the two Articles. Both these articles are the same. The word 'Dominion' is substitution by 'Union', 'Authority' by 'Power', and the 'Revenues of the Dominion' by the words 'consolidated Fund'. Rest of the contents are the same. These three words had to be substituted because now the country is free. It is no more a dominion now. Therefore the word 'Union' has been used. The original Article presented in the Constitution Assembly provided for the 'Revenues of the Dominion' which has been substituted by the word 'Consolidated Fund' and the word 'Authority' has been replaced by the 'Power of the Executive'.

First of all I would like to draw your attention towards the discussion held while this Article was being enshrined in the Constitution. If we do not understand the purport of the discussion then we will

[Shri George Fernandes]

not be able to appreciate the significance of Article 292. Till we appreciate the responsibility entrusted to the Parliament by our constitution framers in the matter of loans, we will not be able to steer the discussion towards any conclusion.

At the time of the discussion in the Constitution Assembly, this Article was numbered as 268, but later on at the time of giving final shape to the Constitution it was renumbered as 292. After this Article had been introduced Anantshayaram Aiyangar was the first to put forth his view point. He had submitted.

[English]

"My intention in speaking on this matter is to draw the attention of the House now and later to make sure that Parliament will devote greater attention to this matter. So far as borrowing is concerned, they may be short, or long term, imposing heavy obligations upon not only the present generation, but future generations also, sufficient attention is not being paid to the manner in which borrowing can take place.

He further says:

"Parliament when it makes provisions should be very chary in granting permission to all and sundry loans being floated irrespective of the capacity of the people to subscribe to, etc...These and the purposes for which the borrowings take place will all be regulated by Parliament under Article 268."

That is the present Article 292.

[Translation]

After him, Prof. Shibban Lal Saxena put forth his viewpoint and I would like to quote him also.

[English]

"In this Article I again want to voice my feeling against arming the executive with powers to borrow upon the security of the revenues of India. Of course, limits are to be prescribed by Parliament by law."

[Translation]

He submitted that the Parliament will enact laws for the country and that this power should not at all rest with the Executive.

[English]

"But beyond that Parliament does nothing. That is, beyond enacting a law Parliament does nothing. I hope, in such matters where the security of the State may be pawned, there must be some voice for Parliament. It must not merely be that Parliament shall fix the limit, but that in other matters the executive shall have all the power. At least after taking a decision the executive must take Parliament into confidence. After all, the Ministry will have always the majority in the legislature and whatever they may do they may be able to carry through the House. That being so, I do not know why we should feel shy to bring these things to Parliament. I, therefore, think that such sweeping powers as are proposed in this Article should not be given to the executive."

[*Translation*]

After him Shri H.V. Kamath putforth his viewpoint. The main point putforth by him was—

[*English*]

“Borrowings can easily be one of those rocks upon which the ship of state may founder and in modern times and in the modern word, economics has assumed such tremendous importance and when loans are floated and subscribed, very frequently by every State, by every country in the world, I feel that the executive of the Indian Union should not be vested with the power to decide upon borrowings within the limits, of course, fixed by Parliament, no matter what the purpose of the borrowing may be. I feel that the purpose for which the loan is raised under this article must be laid before Parliament and the approval of Parliament must be sought and obtained for the purpose of the loan. But under this article 268 Parliament has empowered merely to fix the limits. I suppose it means the pecuniary limits, monetary limits within the limits of so many crores and that sort of thing.”

Further, he said:

“Nowhere does the article envisage the purpose for which the loan is raised or borrowed or guaranteed be given.”

Further, he appealed:

“I hope that not merely the financial limits but also the purpose of every

loan will come before Parliament for its approval and action taken by the President in according to the policy laid down by Parliament with particular regard to our international relations or our internal policies.”

[*Translation*]

Mr. Deputy Speaker, Sir, I will not quote from other Members' speeches because there was unanimity on the point that delegation of power to the Executive could be dangerous. However, if it is to be delegated then the Parliament should first give its approval not only for fixing the ceiling but also for deciding the utilisation of loan money. Only with the prior approval of the Parliament, permission for borrowing money should be given.

I would like to quote a few sentences of Dr. B.R. Ambedkar. Dr. Ambedkar used to get each and every Article approved from the Constitution Assembly and also used to reply to the discussion held in the Constituent Assembly. Since a long discussion was held on this Article in the Constituent Assembly, here I would like to quote Dr. B.R. Ambedkar. He stated that:

[*English*]

“It is admitted that it is the Executive alone which can pledge the credit of the country for borrowing purposes, for borrowing is an Executive act in one aspect of the case. But, in this Article, it is not proposed that the power of the Executive to borrow, is to be unfettered by any law, that is to be made by Parliament. This Article specifically says that the borrowing power of the Executive shall be

[Shri George Fernandes]

subject to such limitations as Parliament may by law prescribe."

Further, he says:

"If Parliament does not make a law, it is certainly the fault of the Parliament and I should have through it very difficult to imagine that any future Parliament which will not pay sufficient or serious attention to this matter and enact a law.

Under the Article 268, I even concede that there might be an Annual Debt Act made by Parliament prescribing or limiting the power of the Executive as to how much they can borrow within that year. I, therefore, do not see what more is wanted by those who have expressed their dissent from the provisions of Article 268.

It is of course a different matter for consideration, whether we should have a further provision limiting the power of the Parliament to pledge the credit of the country. It seems to me that even that matter may be left to Parliament because it will be free for the Parliament to say that borrowing shall not be done on the pledging of certain resources of the country.

I do not see how this Article prevents Parliament from putting upon itself the limitations with regard to the guarantees that may be given by Parliament for the ensurement of these loans or borrowings. I, therefore, think that from all points of view, this Article 268, as it stands, is sufficient to cover all contingencies and I have no doubt

about it that as my friend, Mr. Ananthasayanam Iyengar said, "we hope that Parliament will take this matter seriously and keep on enacting laws so as to limit the borrowing authority of the Union."

Last sentence of his reply was:

"I go further and say that I not only hope but I expect that Parliament will discharge its duties under this Article."

[*Translation*]

The prime contributor in framing this Article 292 and the Constitution makers, whom we call the Founding Fathers of this republic of ours, were of the opinion that restrictions may be put on the Executive and the Government, so that in future
16.00 hrs. difficulties are not faced. However, the Parliament has been empowered and not only empowered but a responsibility has also been entrusted upon it that from the very first day, the Parliament will discharge this duty. He not only expressed his confidence, but also submitted that.

[*English*]

"I expect that Parliament will discharge its duties under this Article."

[*Translation*]

They are confident that the Parliament will discharge its responsibility. I am sorry to submit that even after 44 years of independence, under this Article no law has been enacted by the Parliament and in fact this power has been delegated to the Government who is not prepared to appreciate the point that check on borrowings and loans could be imposed.

Sir, during informal talks, just before the start of the proceedings, the hon. Minister of Finance told us that if a ceiling on borrowings is imposed, then the position of the country will become worse. It is being believed that there is no escape from borrowings, because if some other path is treaded along then situation will become worse. I am unable to appreciate the point of the Government which has also been stressed upon the hon. Minister of Finance during the presentation of the Budget. He has also presented the Economic Survey for 1993-94 in which he stresses:

[English]

"Increasing reserve to borrowings over the years has led to a continuous growth in the total outstanding debt of the Centre. This was due to a combination of revenue deficit and poor returns on assests financed by capital receipts. Internal liabilities have declined consistently over the adjustment period etc."

[Translation]

Further the Government is expressing its difficulty that with the increase in debt liability, interest burden is also increasing and the interest liability comprises the major portion of repayment. The situation has come to such a pass that in the current year's Budget provision for interest payment is of Rs. 46,000 crore. Sir, during the last 10-12 years, the Government has pushed the country into debt trap and all this can be easily visualised. I hope, while replying to the discussion on this Bill the hon. Minister of Finance will not take a shelter behind the excuse that such and such was done by your Government and we have done this much to undo that! He does it

generally as a strategy during discussions on financial matters. My party's Government was in office for only 11 months and this document is of the present Government and not of the previous Government. Figures of loans and borrowings of 1980-81 and 1993-94 amply demonstrate the extent of increase in debt.

Sir, in 1980-81 the borrowings by the Government stood at Rs. 48,451 crore which have increased to Rs. 3,93,988 crore in 1993-94. This figure has gone up further due to subsequent borrowings during the current year. These figures pertain to internal borrowings only and about the external debt, it is useless to peruse this Table. In the Report, under the heading 'Standing Liabilities of the Government', it is mentioned.

[English]

"Historical debt figures represent borrowings by Central Government from external sources and are based upon historical rates of exchange."

[Translation]

Therefore, we would not like to read it from here, but from the Table regarding the external debt. External debt stands at \$90,386 million i.e. Rs. 2,80,000 crore, while in 1980-81 it was around Rs. 11,298 crore. Despite all this the hon. Minister of Finance starts saying 'your Government' and 'our Government'! This means he does not want to see things in right perspective. Nobody cares for the country even if it goes to the dogs. Some people are of the opinion that there is no need to find the solutions because tomorrow they won't be there in the world and their children will settle outside. All this I am saying out of anger

[Shri George Fernandes]

and anguish. If the House does not seriously ponder over the issue and fails to fix any ceiling on debt, then future of the country will not be safe. Loans will be taken today and spent in whatever manner it is deemed fit, but the burden will be passed on to posterity. It will not only the posterity that will just be burdened with debt repayment, dire consequences will be faced by the entire country also. This Bill to fix ceiling on debt has been moved to seriously discuss the consequences of borrowings. Issues should not remain confined to discussion stage alone.

While replying to the point raised by Shri Indrajitji regarding black money, the hon. Minister of Finance in the morning stated that the reason for it is the ongoing system of licensing and permit. Black money generation started under the Permit Raj. The person who has been associated with the Government in various capacities and showers praises and eulogies on every opportunity be it Budget speech or any other occasion, in one sentence has pulled the sug off your feet. I do not know whether he understands the gravity of the point raised by him or not, but he is always very cautious about speaking anything.

It is very surprising to hear from him that black money generation started under the licensing system of the Government. However, how all this started and continued ? Three sections are responsible for it, i.e. the licence seekers, bureaucracy and the political masters viz the Ministers but he mentioned that only industrialists, traders and bureaucracy have corrupted the politicians. I do agree that his submissions could be correct but it does not solve the problems. The hon. Minister never raises the issue of bor-

rowings. He claimed that we have gone one step ahead of Margaret Thecher. The Government stated that fixation of 15 per cent ceiling on borrowings will stop all developmental activities in the country and depression will cripple the economy. This was stated during parleys with the Government and is also reflected in the morning speech. The Government assumes office to safeguard the Constitution and not to usher in extravagance in the society by licensing system and other means of governance. This responsibility is called hard option. No Government is prepared to discharge this responsibility. The Government only favours soft option of borrowings. Hard option is to detect corruption. All the persons of that regime in which all this had been going on should be prosecuted. I know what all I am suggesting will never be done. I know that situation will further deteriorate in India. However, it is necessary to find out solutions in the House itself, otherwise what will the outsiders think ? On this, depend many a thing. Three years ago Shri Vasant Sathe wrote a book regarding average generation of black money in India. According to Shri Sathe each year on an average between Rs. 50 crore to Rs. 70 crore black money is being generated in the country. We cannot accept the assertion that all this has been done under the policy of liberalisation. Nothing should be stated in the House without substantiating that. If proof is produced then we will not make any comments. We know that capitalists are responsible for corruption and black money in the country. However, at present many multinational capitalism is coming to India. Looking at the game plan being played in India one shudders even to visualise the consequences. Handing over the reins to the capitalists, who believe in trading in everything, is the nefarious way of Governing the country. However, we won't like to see this during our

lifetime. However, if anything of this sort happens then the country will slip into hands of thieves and corrupt. I have got one apprehension that inflow of foreign capital will be to the tune of 100 times more than Indian capital. If we invest one rupee then foreigners will invest hundred rupees. Foreigners' culture, lifestyle etc. have always attracted the Indians. Therefore, swaying Indians towards them is a simple task for the multinational Companies. If only soft options are preferred, then why does the opinion of Shri Vasant Sathe, former Minister in the Late Shrimati Indira Gandhi's and perhaps in late Rajiv Gandhi's Government also cannot be accepted? Leave aside my opinion that through the hawala racket the money is going to be transferred outside the country. Black money is siphoned off outside the country and again it comes back as foreign loan, on which interest too is paid. The money which should legally find way into Government's coffers is not coming to the Government in the form of taxes with the result, the country is being pushed into the debt trap. Extent of debt could be gauged from the statement of 'Liabilities of the Central Government' given on page 42 in which it is shown that the foreign and internal debt is of the magnitude of Rs. 5,32,753 crore. All these liabilities need to be repaid back by the Government. Let us also refer to the statement of assets in which data on capital investment and loss sustained by the Central Government is given. It is an important thing that how the country has been made bankrupt by these people. I am presenting the proof in this regard. It has been written in it that capital outlay and loans advanced by the Central Government are to the tune of Rs. 3,55,536 crore. Capital outlay of the Central Government is shown as Rs. 1,94,000 crore. Loans given to the State Governments, Union Territories and Public Sector

Enterprises are to the tune of Rs. 1,61,499 crore. Total comes to Rs. 3,55,536 crore. Thus total liabilities are of Rs. 5,32,753 crore and assets as per the statement given on page 43 are worth Rs. 3,55,536 crore.

The total amount of excess of liabilities over capital outlay and loans advances comes to Rs. 1,77,216 crores. Had you been a sick industry you would have been included in BIFR. Have the Government exhausted the capital completely? Had the Government been a Public Limited Enterprise, Private Company, Public Limited Corporation or a Private Limited Corporation, it would have been declared as a sick industry.

16.20 hrs.

[Mr. NITISH KUMAR *in the Chair*]

If a debtor files a case against the Government it would be declared bankrupt and the Court would appoint a receiver. I am saying it with all seriousness, that this is the actual position. The total interest on the loans likely to be paid by the Government this year is Rs. 46,000 crores whereas the total amount of tax revenue and non-tax revenue comes to Rs. 86,000 crores. Where will this situation take the country, to? How will the Government tackle it? Today, when I am moving the Motion in the House, somebody is reminded of 'Thatcherite Politics'. The Government should not take loan for meeting its routine expenditure. Rather it should build up the assets to repay the loan. From the fact that the hon. Members are forced to raise these matters in the House, it can be well imagined where we have reached today. I would seek clear reply to all these points from the Government in the context of the bill.

[Shri George Fernandes]

Firstly, how was it that the Government took such a large amount of debt? So far as I think, it was due to the new developmental process initiated by the Government after 1980 which encouraged extravagances in Government sector. The Janata Dal Government remained in power for more than two years, it was succeeded by another party which remained in power for 4-5 months. Thereafter, as soon as Shrimati Indira Gandhi became the Prime Minister of the country, the process of extravagance started. The statistics reveal that when the World Bank and other financial institutions gradually reduced the amount of trilateral loans to Government on soft terms in 1980, Government started taking loans from private banks, non-residents and other people at higher interest. The result was that the average total interest on loan reached 6.1 per cent in 1982 in comparison to that of 2.4% in 1980.

Secondly, the banks give loan for a maximum period of 3-5 years whereas the duration for loan taken from multinational lending organisations extends to about 25 to 30 or 40 years. The long-term loan is interest free and there is no binding to return the money till the completion of the project for which loan was sought. This type of loan can be taken at the rate of 0.5 per cent interest. At the maximum, the World Bank and other such institutions provide loan at the rate of two per cent or two and a half per cent. But the Government instead preferred the second option.

In 1981, the Government took loan from IMF. This was the beginning of the debt trap. On the one hand, the process of increase in interest started and on the

other hand, amount of the loan instalments were also increased. The total loan at maturity was 40.8 in 1980, 32.6 in 1982 and 24.4 in 1989. This was the outcome of making extravagances which naturally created this situation of debt trap.

Mr. Chairman, Sir secondly the country suffered loss in trade which was recovered through the hard earned money remitted to their homes by the Indians settled in Gulf or other countries of the World. On the one hand, the loss in trade increased and on the other hand, investment by foreigners in the country reduced. One of the underlying factors of it was that when there was large scale exchange of black money big people in those countries started getting the foreign currency there and in exchange paid Indian currency here. Thus, there was a steep rise in the Hawala trade in 1980-81 and the result was that the Government had to resort to commercial borrowings, it had to seek loans from foreign banks at higher interest. Mr Chairman, Sir, in this context, I would like to refer to the figures of the years from 1980 to 1989 again. In 1980 the borrowings were to the tune of 18.7 billion dollars whereas in 1984 it came to 26.5 billion dollars and in 1989 to 56.3 billion dollars. Therefore this was another significant reason.

Mr. Chairman, Sir, the Government invited the deposit of NRIs and it also encouraged private loans. Indian companies were asked to take loans from foreign institutions in the name of manufacturing something new or setting up a factory or importing a machinery or by underinvoicing or over invoicing. But when the process of seeking loan from foreign countries started, the result was that the total amount regarding Nonresident Indian deposits and private credit taken from commercial banks increased to 22.8 billion

dollars in 1982 in comparison to 2.3 billion dollars in 1980.

Mr. Chairman, Sir, the third reason was that relaxations were given to foreign entrepreneurs to set up big industries in India and to encourage India companies to seek loans from abroad. But these matters are not such on which relaxation should be given, because if loans are provided to the industries which require huge capital and they export the goods manufactured by them at their own in foreign countries, then there may be scope for the recovery of such loans whereas the loans were provided to industries which sold goods prepared in the factories within the country itself. Therefore, the capital which was utilized to purchase sophisticated equipments from foreign countries was allowed to be wasted in manufacturing the items of luxury, due to which the country suffered a lot.

Mr. Chairman, Sir, you may recall that a Motion was moved in 1979 proposing to host Asian Games 1982. At that time, some of us were in the Government. We had opposed the Motion on the ground that there was no meaning in seeking foreign loan just for making arrangements for hosting Asian Games in the country and that we would not allow the country to make such extravagances. But the Government did not pay any heed to it. Our Government was voted out. When the new Government took over, they patronaged sports also. The Jawahar Lal Nehru Stadium is an evidence to it what way it is being utilised, is something I do not know. It is perhaps used for arranging the programmes organised for Michael Jackson or other popular foreign artists and they day and night cricket matches. In other words, the stadium is now used only for providing luxuries.

I would like to submit to the Government that it may please produce the document, if any, revealing the foreign capital of thousands of crores of rupees which had to be borne in the name of arrangements made for Asian Games at that time. The way the Government has started providing luxuries to upper middle class of the country after 1980, has proved very harmful to us. The instances to this effect after 1980, has proved very harmful to us. The instances to this effect may be minor but they certainly prove the charge of extravagances.

Whenever the hon. Prime Minister is to go abroad, two aeroplanes of Air India are kept ready for the purpose. If he is to go on 15th, the two aeroplanes are reserved from the 1st of the month. They are decorated for this exclusive purpose. I am unable to understand whether some extraordinary change takes place in a person when he assumes the charge of a high post. Are his needs so important that two aeroplanes are reserved only for him? One aircraft is there to take him, while the other is kept ready to meet any emergent situation if some technical fault arises in the first aeroplane. If the Prime Minister's tour is for 15 days, at least two Boeing Jumbo jets of Air India are kept ready for at least one month. These things may be referred to as minor things. But these are not minor issues, otherwise 'why every drop counts' ads are maintained at petrol pumps? Are similar records maintained with regard to rikshaw pullers? But when we take up the matter of aeroplanes, it becomes a minor issue. If it is so, an aircraft of Air Force can also be reserved for him in which all the extra facilities are also available. Why the public money is wasted in this manner? Has anybody ever assessed as to how much of the foreign exchange is wasted for this purpose? We have to import each

[Shri George Fernandes]

aircraft, every part of it is imported and we have to pay for all of it. It has become very essential for us to check such extravagances.

Shri Vimal Jalan, who was the foreign Secretary to the Government of India had written a book "India's Economic Crisis". At present, he is either in the World Bank or in some other foreign concern. Prior to it, he was the Chairman of the Economic Advisory Council.

[English]

I would like to refer to the last point that I raised:

"Finally, the middle classes were the major beneficiaries of the industrial and commercial boom in the second half of the eighties. These sections which included educated professionals in the public and private sectors were influential in determining the course of public policy. Their influence was, for example, reflected in substantial and periodic increases in the exemption limits for income-tax and a further narrowing of the base of the direct taxes.

Excise duties on consumer durables, electronics and automobiles, etc. were also kept at a relatively low level, which encouraged the setting up of new units with a high import content, and high rates of effective protection."

[Translation]

This is an extract of a book authored in 1991 by the former Finance Secretary

of Government of India and Chairman of Council of Economic Advisor.

They have put forth an economic structure of India of their own while categorising the people here. They categorised the middle class people of India afresh as lavish tourists. I do not know whether you have gone through the news appeared in 'The Indian Express' last week in which Chitra Subramanyam wrote that the Indian tourists spend money not less than the foreign tourists in their journeys. How can they afford to be such an extravagant. I do not oppose Indians visiting foreign countries as tourists, but the way in which affluent or middle class people of India spend money lavishly on their foreign tours like the richest tourists of the rich countries is highly objectionable because it causes a cumbersome financial burden on the shoulders of the poor people of India. The outline of Foreign debt carved out by them will not affect the affluent. This burden will ultimately fall on the shoulders of all of us. Our country has a severe crisis before it.

In course of his speech from any forum the Minister of Finance, Dr. Manmohan Singh always assures that there is nothing like a crisis as it is apprehended by people. He adds that our financial condition is not so bad. He gives us such assurances very frequently. But Shri Vimal Jalan who held the important posts like Finance Secretary of the Government of India, the Chief Economic Advisor of the Government and other posts which Dr. Manmohan Singh, held asserts his opinion very sincerely:

[English]

"In some respects the present situation in India has some similarities

with the situation which prevailed in several heavily indebted Latin American countries at the beginning of the eighties. The crisis has been brought about by an excessive dependence of the economy on 'new money' from commercial sources which are not forthcoming. India's total debt and debt-servicing burden in relation to the size of its economy is, at present, substantially lower than that of the heavily indebted Latin American countries at the beginning of the 1980s. However, as a proportion of exports, the ratios are similar. Further, India has a large trade deficit. Latin American countries, such as Mexico, Brazil and Venezuela, on the other hand, had a trade surplus, even though the current account was in deficit on account of interest payments. The fiscal crisis in India is also similar in nature to that of several heavily indebted countries in Latin America."

[Translation]

The very person who was the key advisor to the Government till some days back has written in this book that the views expressed therein were his own. In the introduction to the book, he writes:

[English]

"The views expressed here are mine, and not those of the Government, nor of the Economic Advisory Council with which I am presently associated."

The Government believes that the crisis does not exist. It was dated 15th May, 1991 when he was still the

Economic Advisor to the Government of India.

[Translation]

We cannot understand such negligence, on the part of the Government. We, therefore, demand to limit the debt. I would not like to linger on my speech. But I would like to bring one thing to your notice.

MR. CHARIMAN: How much more time do you want?

SHRI GEORGE FERNANDES: Sir, I would conclude within five to seven minutes. Since we are seeking loans from foreign countries and our Government is acting in a subservient manner to America, I would like to speak about it in brief. I am laying the document of the Government of India here. If you go through the statistics regarding external loans in the Budget 1994-95, You will find that the Government has taken loans both from multilateral and bi-lateral sources amounting to 9,996 thousand crore rupees. The amount we are returning to foreign countries is 5,8388 thousand crore rupees. Thus the actual funds that remains in our hands is a bit more than 3 thousand crore rupees. We get such an amount as foreign loan. Referring to a country like Japan, we find that we are getting 3075 crore rupees from it and the instalment of repayment along with the interest amounts to 518 crore rupees. We are getting no money from America this year. Last year also, we did not get any loan from it. We do not have the figures of the year 1992-93. We did not have any loan during the year 1993-94 and 1994-95. But we are paying 392 crore rupees this year to America. We paid this same amount to America last year also.

[Shri George Fernandes]

[English]

There is outflow, but there is no inflow from America.

[Translation]

The same is the condition of the World Bank. This year, we are getting 2413 crore rupees from the world bank but we are paying it Rs. 2444 crore. The amount we are paying is more than what we will receive this year. The IDA and the ADB are international agencies and we are getting some funds from both of them. Barring Japan, we are not going to get loan from any other country. The meagre amount to the tune of 5 to 12 crore rupees does not matter here. We are rather returning the money to other countries. Our practice of being subservient to America has made us dependent on it. America has now become indispensable for us. I want to bring to your notice this very point that our dependence on America has virtually led us to selling the future of the country to the U.S.

Hon'ble Chairman, Sir, as you have stated that time is short, I would like to tell the last thing. If we want to make our country free from foreign loan, we need not discover the reasons for seeking loan from foreign countries. There are umpteen reports presented to the Government in this regard. What is needed now is to take action thereon. I would like to bring some points into your notice. First we should not have any compulsion to seek foreign loan. Secondly, the outflow of money to foreign countries should be checked strictly and certain stern action should be taken in this regard. Thirdly, our national civic life should be led to the

direction which eschews lavishness. It is a unsavoury imitation of foreign lifestyle that people follow for lavishness and wealth only.

I would like to repeat the issue raised by Chitra Subramanyam that the middle class people in India or elsewhere today want to boast of their lavishness and ill gotten gains but the country has to be deviated from this ill path and observe austerity measures keeping in view the norms of the entire country. I, therefore, submit to the august House to think over this Bill which suggest, that the Government should never seek loan more than the 15 per cent of its gross domestic product. I would like to repeat that this Bill is meant for discharging the Constitutional duties vested in the Parliament. The hon. Minister of Finance or the Government may bring amendment, if any, to it and I will not oppose it. But such a Bill must be introduced. If the Government is reluctant to admit a Bill introduced by the opposition, it should explain what measures does it propose to discharge its constitutional liability in this regard.

Sir, I present this Bill before the august House requesting it to adopt it and shoulder its responsibility property.

16.47 hrs.

[English]

FAMILY PLANNING BILL*

SHRI ANKUSHRAO RAOSAHEB TOPE (Jalna): Sir, I beg to move for leave to introduce a Bill to provide for measures to control population and to promote small family concept.

* Published in the Gazette of India, Extraordinary, Part-II, Section 2, dated 6.5.94.

MR. DEPUTY-SPEAKER: The question is: [Translation]

"That leave be granted to introduce a Bill to provide for measures to control population and to promote small family concept."

The motion was adopted.

SHRI ANKUSHRAO RAOSAHEB TOPE: Sir, I introduce the Bill.

16.48 hrs.

FIXATION OF LIMIT ON
BORROWINGS BILL - *Contd.*

[Translation]

KUMARI MAMATA BANERJEE (Calcutta South): Sir, I support the Bill introduced by hon. George Fernandes for one point and that is for the suggestion regarding austerity measures to be taken by the Government for not taking any loan, but on the same time, I oppose the Bill for its statement of objects and reasons.

[English]

"Article 292 of the Constitutions provided for legislation by Parliament to put a brake on reckless borrowing by the executive. This Bill seeks to put a restriction on domestic and external borrowings by the Government of India in exercise of the powers under article 292 of the Constitution."

I oppose it and would like to tell that there is a system to be followed by the Ruling Party. Ruling Party has to face more practical problems but persons who are not in the Government have lot of things to say. But one thing should be kept in mind that it is not necessary that a political party, which is in power at present, may remain in power in future also. The party in power cannot change the policy of the Government totally but it can bring some changes in the schemes. Therefore, I would like to say that economic condition of our country does not allow us to pass a Bill for not taking any foreign loan.

We have to see that what will be its impact on our economy and its consequent effects on the policies of the Government. It is a fact that no one wants to take loan, it is taken in need only. Moreover, alongwith that the money-lender also assures himself about the credibility of the borrower before giving loan. One has to mainpulate before taking any small or big loan from a bank and this is a loan to be taken from another country. So, I do not agree to the point that country should stop taking loan but austerity measures are essential so that the coming generation may not be burdened.

Mr. Chairman, Sir, it is a fact that the Finance Minister has managed the balance of payment position through structural devices and economic reforms. The foreign exchange reserves have reached upto 15 billion dollars from 1 billion dollar. But George Fernandes has pointed out rightly that these days the country has got a loan of 85-90 billion dollars. So we have to see that the

[Kumari Mamata Banerjee]

country is going on a constructive path. We should adopt a system and formulate a policy to strengthen the economy of the country so that country might become economically independent in near future.

It is correct that the country has a huge debt.

[English]

"The managers of the Indian economy can be given the credit of having successfully tackled the problem of short-term debt management, to that extent facilitating the problems of BOP management in the medium-term. The short-term debt has been brought down from about \$ 8.54 billion at the end of March, 1991 to a little less than \$ 6.25 billion at the end of March, 1993, the percentage share in the total debt stock has shrunk from 10.4 per cent to 7.3 per cent. There have been declines in both the major components of short-term debt, namely bank deposits—both NRI and FC (B&O)—and other trade-related short-term debts."

[Translation]

But along with that it is also correct that several other countries i.e. mainly Indonesia, Brazil and Mexico have also borrowed with us but our burden of loan is a little bit more than them.

[English]

"There are countries worse than India is no consolation. India spent

\$ 7.4 billion in 1991 as debt service payments, Mexico \$14 billion, Brazil and Indonesia about \$10.8 billion each. A lower repayment liability for India was partly due to a larger component of concessional portion of total debt at 42 per cent compared to 28 per cent for Indonesia, 13 per cent for Thailand, 12 per cent for South Korea, less than 3 per cent for Brazil and just 1 per cent for Mexico. As concessional loans are shrinking rapidly, it will be necessary for India to liquidate debt as fast as possible. The policy-makers should be chary of going in for short-term debts specially for protecting reserves. Also, borrowed funds should be used for productive purposes only. Efficient use of a loan is the only answer to the type of problem India is facing."

[Translation]

Sir, it is a fact and I accept it but it is also a fact that Congress Party has not always been in power, congress has worked very hard for the welfare of the country before and after the Independence. But there have been two short-term Governments of other political parties also. One coalition Government was formed by the Janta party with help of Jansangh, CPM and Lok Dal and second was a Coalition Government formed by BJP, Janata Dal and CPM whether these Governments have not left any impact on the country?

I know that it is not a political move, but we should know what is it actually? Earlier Governments could have improved the economic condition of the country and they would have got my congratulations if it would have been done. Whether it was a Government of

Morarji Bhai or V.P. Singh banning of loan should have been introduced when opposition party was in power. But now you cannot say it. Several things appear very light in saying. I agree to the point raised by Shri George Fernandes regarding practical problems. It has also been pointed out that lot of money is spent on extra reserved flights and security during the Prime Minister's foreign tours. These things relate to Government's policy. Security of every Chief Minister does not create problem but some of them have to keep a fleet of 8-10 security vans. Earlier Chief Minister of my State had only one car, but at present he has four security vans including one for lady police and one for dog squad. Sometimes we find that a fleet of 8 or 10 vehicles goes with one person. What type of austerity measures are these? We all know that 'Charity begins at Home'.

Rajiv Gandhi was not given security on the ground of austerity measures and for that, he had to sacrifice his life. At that time people used to say that Rajiv Gandhi would sell the country but he had told the country by sacrificing his life that "Pyasi Jami Thi Lahu Mein, Usko Mila Diya, Mujh Par Vatan Ka Karj Tha Veh Maine Chuka Diya". At that time people gave slogan that Rajiv Gandhi would sell the country but he was assassinated. Austerity measures should be for each and every one, if these are to be made effective. I have seen standard of living of several Members. So I would like to say that first we should see ourselves, otherwise none will implement these things. *(Interruptions)* I wish that electoral reforms should be introduced. Chief Minister of Bihar has bought palaces in Calcutta and Delhi... *(Interruptions)*

MR. CHAIRMAN: Charges should not be levelled against a person who is not present here to defend himself.

KUMARI MAMATA BANERJEE: Sir, I have said it because George ji has levelled a charge against the Prime Minister who is also not present here.

MR. CHAIRMAN: He has not levelled a charge of corruptions against the Prime Minister.

KUMARI MAMATA BANERJEE: I agree to the point raised by hon. George regarding black money and corruption. Black-listed persons should not be given loan to set up industries.

17.00 hrs.

Today in the morning, a question was raised regarding those industrialists who take loan from banks under the name of one company and close down it after some time or change its name and take another loan thus a lot of money of the country is misappropriated. I would like to make a suggestion that the industrialists who take loan under the name of one company and close-down it without paying the loan and start some other business, should be black-listed. Any person who does not pay the funds due for PF, ESI, or gratuity or does not pay back the loan taken from the banks, should not be given loan again. A large number of industrialists will make proper utilisation of bank-loans if this restriction is imposed. They connive with bank officials; I am not talking about all the officials but some are involved in this work. It is playing havoc with the economy of our country. Industries are becoming sick. Reserve Bank of India had conducted a survey which revealed that for sickness of industries workers are responsible upto 2 per cent only. For the remaining part management and Government policies are responsible for this sickness. The Government should en-

[Kumari Mamata Banerjee]

sure that industrialists do not cheat the banks and the country after getting loan.

Today, there are so many Chit Fund Companies operating in our country. Nobody knows their modus operandi. The number of non-banking financial companies have increased very much but they do not follow the guidelines issued by the Reserve Bank of India. In case any Chit Fund company gives an advertisement regarding opening of an investment company, it is the duty of the Government to inform the public about its merits and demerits. But in the absence of any awareness among the people, the Chit Fund companies functioning in my State have managed to collect more than Rs. 1000 crore from the rikshaw-pullers and about 30 lakh from poor farmers. Now, after 15 years, the State Government have arrested one or two persons in this regard. Moreover, the legal proceedings will take about 10 years but those persons, whose money is deposited in these companies, will not be able to get their money back. If any company is found misappropriating public money, it should be black-listed by the Government. Further, the Reserve Bank of India should also be directed to find out the total number of such companies operating in each State and the number of companies out of them, involved in cheating the public. The Government can even direct the authorities to attach the properties of such companies get the people's money back. Therefore, the Union Government, with the help of State Government must find a way out to make arrangements for giving the money back to the public, otherwise the things would go out of order.

The subsidy being given by the Government on agriculture is necessary

for the farmers. Today, the economy of our country is in doledrums. Before, we decide to go in for a loan, we would have to see how much we would be able to repay in the coming years. We should go in for that much of loan which is unavoidable for this country and which would be utilized under certain important programmes like electricity an environment protection. There are a large number of programmes where both, the Union Government and the State Governments are required to bear the expenses. Nowadays, a large portion of the funds of the State Governments goes in making payment of salaries of their employees. In the case of my State, if Peerless Company does not come forward to assist the State Government, it will not be able to make payment of salaries to its employees. Even the State Government has been declared a defaulter of diverting the amount of provident fund. It has been found guilty of defaulting Rs. 192 crore. Moreover, a few public sector undertakings of the State Government, the State Government itself an some public sector undertakings of the Central Government have also been found defaulters in the matter of provident fund. I am of the opinion that had the Union Government paid attention towards such avoidable Acts the situation would have been different today. If anyone comes to know that he is suffering from cancer or some other dreaded disease and starts right treatment from the very beginning, the disease can be cured. If it is not done, the disease would take a dangerous turn where no medicine will work. Had the Government taken this problem seriously and framed a suitable policy, the things would have been different today.

We should understand the problems by rising above political considerations and try to find a constructive

solution collectively. We appreciate the efforts of Shri George Fernandes who has made us aware by bringing in this Bill. Simultaneously, I would say that the Government must find a way out. However, according to the policy of the today's Government, if the pace with which the work is going on various projects is disturbed by the steps taken on the lines of this Bill, the developmental activity will come to a standstill and we would be left with no alternative. Recently, our Government has introduced a new economic policy. After signing the Dunkel proposals our export to foreign countries is likely to increase. We would like to make available a free market to our coming generation. Keeping these points in view, I would request Shri George Sahib to reconsider his decision to push in this Bill. I agree with the spirit of this Bill that we should avoid wastage, we should not ignore the present economic situation of the country. We can save the country ourselves. But nobody can tolerate it if we get the loan by mortgaging the gold. It should not happen. It could be disastrous for our country and our economic policy. Mr. Chariman, Sir, with these words I thank you for giving me an opportunity to speak.

17.08 hrs.

[SHRI P.C. CHACKO *in the Chair*]

SHRI GUMAN MAL LODHA (Pali):

Mr. Chariman, Sir, I strongly support the Fixation of Limit on Borrowings Bill moved by Shri George Fernandes. I would like to submit that a confusion is arising that there is a provision in this Bill under which the Government of India would be completely prohibited from resorting to borrowings from foreign countries. There is no such thing in the Bill. Shri George Fernandes Saheb has proposed, in a

very constructive manner, to put a ceiling on borrowings. This Bill proposes that the limit for borrowings should not be more than 15 per cent of the GDP. We should not cross this 'Laxaman Rekha' and put the debt burden on our country in a haphazard manner. I think, the House, should pass this Bill unanimously.

Sir, our Finance Minister is acting like a character, named Micawber in a novel named "David Copperfield" written by Charls Dickens who borrows a lot of money and spends the same in drinking and merry making. When the character could not repay the debt, the lender filed a suit against him and he was sent to jail by the Court. While in jail, he used to beg before the Jailor and other prisoners and ask them to lend him money, as it was a question of his life and death. Seeing this, the Jailor asked him that he has been sentenced to jail because he could not repay the debt and he was repeating the same act here. How would he be able to repay the debt? Micawber said—something will turn up and he would repay the debt. Our hon. Finance Minister is also acting on the same lines. He has been resorting to borrowings to such an extent that it is becoming difficult even to pay the interest.

Mr. Chariman, Sir, our Finance Minister is following the footsteps to 'Charwak' who believed in the principle of "borrow money and spend on merry making. He did not drink milk or water because he had no money for this. On the other hand, he used to drink ghee by borrowing money for it. His motto was - 'borrow money and drink ghee.' Similar was an other character in English Literature namely philosopher, Shri Korien. I would like to submit that the Bill moved by Shri George Fernandes Saheb does not ask for copping the borrowing alto-

[Shri Guman Mal Lodha]

gether it proposes certain restrictions on external borrowings. He has given many facts and I would not like to repeat them. However, I would like to go into the present situation.

Sir, 49 tons of gold was mortgaged against a loan. The hon. Finance Minister has said that during the last 40-45 years, not only they but others have also taken loan. Now, the situation has reached a point where without loan, no development work can start. For a brief period, a Government headed by Shri Chandra Shekhar also assumed office. That Government also took loan but I don't hold it responsible because it is a result of our long time extravagance during the last 30-35 years and wrong economic policies adopted by the Governments of that period. It was a last straw on camel's back when the Government led by Chandra Shekharji had to go in for a loan. He cannot be blamed for it. However, if we think over it fundamentally, we will be constrained to see that to what extent we are indebted to foreign countries. Sir, now I take the present budget itself. It is stated therein that in the next year, we would require about Rs. 46000 crore to pay the interest itself on the loan obtained by us. It is further stated that the Government would go in for a loan amounting to Rs. 48,950 crore in the next year. Sir, in this way, we would only be left with a loan of Rs. 3000 crore because the balance amount of this loan would go in paying the interest. It is worth pondering that how it would be useful to the development of this country.

Mr. Chairman, Sir, when Dr. Manmohan Singh assumed the office of the Finance Minister three years back, the total debt burden on India was to the

tune of Rs. 3 lakh 30 thousand crore but now it has increased upto Rs. 6 lakh 61 thousand crore. Every year, provision of Rs. 70,000 crore as loan is made and the result is that we have to pay Rs. 50,000 crore as interest out of this loan. Today, when a child is born in India, he becomes a debtor of Rs. 6,620 crore. The hon. Finance Minister writes a promissory note that a new born would have to pay the debt amount. This amount goes on increasing every year. Therefore, we should think over it seriously.

The Constitution framers had foreseen that such a situation may arise in the country when India's prestige would be put at stake. That is why they made a provision under Article 292 of the Constitution which empowers Parliament to enact such a legislation by which a ceiling could be put on the borrowings resorted to by the Government.

I would like to submit that in 1980-81, the debt on India was 23.50 million dollars and by 1992-93 it increased to 85.40 million dollars. Thus, it is increasing continuously. The external liabilities of the Government in 1990-91 were to the tune of Rs. 61,495 crore. Similarly, internal debt on the Government of India in 1990-91 was Rs. 2,82,791 crore. It increased to Rs. 3,17,414 crore in 1991-92 and again to Rs. 3,54,964 crore in 1992-93. We should analyse this increasing trend of debt.

Shri George Fernandes has said that one of its reasons is extravagance on the part of the Government. But, I would like to tell you one more reason and it is that we do not utilise the amount of loan properly. Similarly, we also do not exploit the resources available in our country properly.

In the morning, I had submitted to the hon. Finance Minister that he himself was telling that financial institutions and banks have 54 per cent bad debts. I asked him to tell the names of such top five industrialists who have not repaid loans worth Rs. 8000 crore and thus have put a burden on the poor farmers of India. Now, they have decided to open private banks with that amount and the Government is giving them permission for it.

Another reason is that the tax realisation is less. I would like to quote the figures given in the Parliament. In 1989-90, the tax amounting to Rs.4,356 crore remained unrealised. In 1990-91 an amount of Rs. 3,936.42 crore remained unrealised. Similarly, Rs. 4,219 crore in 1991-92 and Rs. 5,149 crore in 1992-93 remained unrealised.

I would like to submit that on the one hand, the taxes are not being fully realised and the resources of income available in the country are not being utilized properly and on the other hand, we are increasing the external debt burden. Thus, we will spend our income in repaying the debt only. The point worth pondering is that we should get the loan for the development of our country. There is no restriction on it. But, we should avoid loan for wasteful expending. You give loans to big moneylenders and capitalists but it remain unrecovered which ultimately goes into bad debt account. This is playing with the sentiments of this country.

A large part of the population of this country lives below poverty line and it is unable to make both ends meet. This is a great injustice to them. A labourer earns the minimum wage of Rs. 8-12 per day as has been fixed by you. He cannot bring up his family with this meagre

income. On the other hand, crores of Rupees go in paying interest on loans. It is a matter of great concern. This year, we will have to pay 30.3 per cent of the total loan as interest.

[English]

"This ratio has been going up steadily in recent years from 14.26 in 1985-86 to 18.05 per cent in 1988-89, 20.42 per cent in 1990-91, 23.87 per cent in 1991-92, 25.31 per cent in 1992-93 and, finally, to 26.06 per cent in 1993-94 and 30.32 per cent in 1994-95.

Simple projections show that if interest payments and overall expenditures continue to grow as they have between 1985-86 and 1994-95—at compounded annual rates of 20.01 per cent and 11.7 per cent respectively—the share of interest payments would climb to 46.1 per cent by 1999-2000. In other words, of every rupee the Centre spends by the turn of the century, 46 paise would be deployed towards servicing interest on past debts. In absolute terms, this means a rise in interest burden from Rs. 46,000 crore in 1994-95 to Rs. 1,25,887 crore in 1999-2000."

[Translation]

Sir, we should think over this heart rending situation. If you do not ponder over it and go on borrowing, the country will become bankrupt. The citizens of India look towards Parliament with great hope. The parliament must protect the rights of the citizens of India. Therefore, it is our duty to look into this problem.

Shri George Fernandes has referred to a number of Articles of the

[Shri Guman Mal Lodha]

constitution. No doubt there should be full security cover for the Prime Minister, the Home Minister and the Chief Ministers. When Verma Commission Report was presented in this House, I had made a reference of it. Our Prime Minister late Shri Rajiv Gandhi was assassinated due to lack of security arrangements. It was a very unfortunate incident. It was written in Verma Commission Report that the leaders of the State wanted to bring more and more people in the public meeting of Shri Rajiv Gandhi, whereas the security men were of the view that his life may be in danger. But, the leader of the State ignored this and slowly the number of people swelled. The result was that we had to lose him. In this context, I would like to say that every citizen, including the Prime Minister, Ministers and Parliamentarians should be given due protection. Further, there should be provision of social security also.

Sir, the Government has been closing down the industries on the pretext of their sickness. As a result, unemployment is increasing. We must keep this in mind that in the coming days, there will be an unimaginable number of the unemployed. If this happens, our posterity will curse us and say that their ancestors were so much mindless who went on taking loans and made the country bankrupt. I would like to submit that we should mobilize all the resources available with us. We should increase production, give a boost to industrial and agricultural sectors. On the one hand, we do not mobilize agricultural resources and on the other hand, we resort to import of one hundred crore tonnes cow-dung. Those very animals, which give us dung or fertilisers are slaughtered in this country. Even our Agriculture Department is giving permission to set up

mechanised abattoirs in the name of meat processing. It is of the opinion that in this way export of meat would increase. But, it will result in decrease in our live-stock and again, we will have to resort to import of 100 crores tonnes cow-dung from Holland. There is a plan to dry this imported cow-dung... (*Interruptions*) There are other items also which are being imported and I do not want to name them. I would like to know from the cow-dung importers whether they have lost their thinking power....

[English]

SHRI NITISH KUMAR (Barh): That is being imported for that purpose.

SHRI GUMAN MAL LODHA: For fertilising the mind; for providing grey matter in the mind.

[Translation]

I would like to submit that we should reconsider our export and import policy. In my opinion, it is totally a non-controversial Bill. There is nothing in the Bill which could attract opposition from the Members. The Members sitting on treasury benches may oppose it for the sake of opposition only but it would be irrelevant for any future Government because through this Bill effort is being made to revive that Section of the Constitution which has not been invoked in the past. Dr. Ambedkar had said that Article 356 of the Constitution shall remain uninvoked but you have invoked it hundreds of times. You dislodged Kerala Government by invoking this Article and as we have been hearing today, a plot to dislodge Sikkim Government is also being hatched. I came to know of it only today morning from Shri Jaswant Singh and Shri George Fernandes. This Article

proved useful to you and in your opinion, it is essential for the country. The circumstances under which this Bill has been introduced, the Members of the treasury benches should receive it heartily and say in one voice that this Bill is a right step to save the country from becoming bankrupt. It is in the interest of a prosperous future and good for the progress of the country. It is unfortunate that the hon. Finance Minister is not present in the House. I would like to tell him that when we talk of progress, he thinks it otherwise; when we talk of making deposits, he takes as a signed to go for borrowings, he thinks that we are putting obstacles in the way of progress. That is why I had said that he is suffering from illusions. In this connection, one poet has said:

"Hasrat Mein Har Cheese Ulti Nazar Ati Hai,
Laila Nazar Ata Hai, Majanu Nazar Ati Hai."

Therefore, I would request Shri Manmohan Singhji that still we have time to save this country from indiscriminate liberalization. Don't sell away this country through GATT. Do not get trapped in debt and don't become Micawber. Let us march ahead together by curbing indiscriminate borrowings and putting the country on the path of progress. To achieve this goal, we should unanimously pass the Bill moved by Shri George Saheb. Thank you.

SHRI NITISH KUMAR: Mr. Chairman, Sir, the time may be increased by two hours more.

[English]

MR. CHAIRMAN: Time is upto 5.43 p.m. We will do it then.

17.30 hrs.

MESSAGE FROM RAJYA
SABHA—Contd.

[English]

SECRETARY-GENERAL: Sir, I have to report the following messages received from the Secretary-General of Rajya Sabha:

- (i) 'I am directed to inform the Lok Sabha that the Rajya Sabha at its sitting held on Thursday, the 28th April, 1994, adopted the following motion in regard to the Committee on Public Accounts:—

"That this House concurs in the recommendation of the Lok Sabha that the Rajya Sabha do agree to nominate seven Members from Rajya Sabha to associate with the Committee on Public Accounts of the Lok Sabha for the term ending on the 30th April, 1995 and do proceed to elect in such manner as the Chairman may direct, seven Members from among the Members of the House to serve on the said Committee."

2. I am further to inform the Lok Sabha that in pursuance of the above motion, the following Members of the Rajya Sabha have been duly elected to the said Committee:

1. Shri S.S. Ahluwalia
2. Shri Somappa R. Bommai
3. Shri Triloki Nath Chaturvedi

[Secretary-General]

4. Miss Saroj Kahparde
5. Shri Murasoli Maran
6. Shrimati Jayanthi Natarajan
7. Shri G.G. Swell'

(ii) 'I am directed to inform the Lok Sabha that the Rajya Sabha at its sitting held on Thursday, the 28th April, 1994, adopted the following motion in regard to the Committee on Public Undertakings:—

"That this House concurs in the recommendations of the Lok Sabha that the Rajya Sabha do agree to nominate seven Members from Rajya Sabha to associate with the Committee on Public Undertakings of the Lok Sabha for the term ending on the 30th April, 1995, and do proceed to elect in such manner as the Chairman may direct, seven Members from among the Members of the House to serve on the said Committee."

2. I am further to inform the Lok Sabha that in pursuance of the above motion, the following Members of the Rajya Sabha have been duly elected to the said Committee:—

1. Shri Jagesh Desai
2. Shri R.K. Dhawan
3. Dr. Murlī Manohar Joshi
4. Shri Dipankar Mukherjee

5. Shri Suresh Pachouri
6. Shri Pravat Kumar Samantaray
7. Shri G. Swaminathan'

(iii) 'I am directed to inform the Lok Sabha that the Rajya Sabha at its sitting held on Thursday, the 28th April, 1994, adopted the following motion in regard to the Committee on the Welfare of Scheduled Castes and Scheduled Tribes:—

"That this House resolves that the Rajya Sabha do join the Committee of both the Houses on the Welfare of Scheduled Castes and Scheduled Tribes for the term ending on the 30th April, 1995, and do proceed to elect, in accordance with the system of proportional representation by means of the single transferable vote, ten Members from among the Members of the House to serve on the said Committee."

2. I am further to inform the Lok Sabha that in pursuance of the above motion, the following Members of the Rajya Sabha have been duly elected to the said Committee:—

1. Shri Raj Babbar
2. Shri Ram Deo Bhandari
3. Shri Gaya Singh
4. Shri Hiphel
5. Shri Satya Prakash Malaviya
6. Miss Mayawati

7. Shri V. Narayanaswamy
8. Shri Kameshwar Paswan
9. Shri Ram Ratan Ram
10. Shri S.S. Surjewala'

17.32 hrs.

FIXATION OF LIMIT ON BORROWINGS BILL - *Contd.*

[English]

SHRI K.T. VANDAYAR (Thanjavur):
Mr. Chariman, Sir, I rise to speak on the Fixation of Limit on Borrowings Bill moved by Shri George Fernandes. The Bill deals with the external borrowings which would be taken by the central Government from foreign funding agencies like international Monetary Fund, World Bank, Asian Development Bank etc., and also about the internal borrowings which the Government would resort by way of floating bonds, Treasury Receipts etc.

Sir, I agree with the spirit of the Bill that the borrowings should be within the limit. But it is difficult to put a ceiling by legislation since the discretion should be left to the Executive as the Executive is responsible to manage the affairs of the State and to manage funding and financing in a prudent way which would strengthen the Indian economy and to see that it grows stronger and stronger.

Three or four years back, before our Government headed by Narasimha Raoji took over, there was a problem in the banking sector and loan repayment was not coming forward. There was also an impression that the loan taken need

not be repaid since those loans would be waived or written off. With the result, the banks were not able to recover the loaned amount adequately from the various sectors. To make the matter worse, the Janata Dal Government announced writing off of loans taken by various people from the banks which has given a jolt to the mechanism of the banking industry. This has set a wrong precedent. After our Government came to power, the Finance Minister, Dr. Manmohan Singh has inspired confidence in the banking industry and now the banking industry is doing its work well and is able to recover the loan amount also without much difficulty since it has been made clear to one and all that once the loan is taken on interest it has to be repaid and no premium will be given for the defaulters. After all, where from the money comes for the banks. It is from the borrowings and from the deposits and from the capital amount. The money is put in rotation or circulation. When the loan is sanctioned, it is natural that the money loaned should be ploughed back in due course by way of repayment. Then only, the circulation will continue. If there is a stop somewhere, then the whole mechanism fails. So, this is one of the reasons, why the banking sector was not able to recover the amount fully from the loanees. Once the money is blocked, the Government finds it difficult to make further advances or sanction loans to the various sectors. Once this system is streamlined, to some extent, the burden on internal borrowing would be reduced.

The Bill introduced by Shri George Fernandes proposes to impose a restriction of 15 per cent of GDP as the limit for borrowings by the Centre. Now, he knows very well that the Finance Minister has already cleared some of the loans taken from the IMF even before the due date. Our Government is managing the

[Shri K.T. Vandayar]

debt-equity ratio very well. The rate of growth of debt has sharply decelerated in the year 1993-94 and is expected to come down in the current financial year. As he has mentioned in the reply to the debate on the Finance Bill, when there had been increase in external debt at the rate of about three billion dollars in 1991-92, and 1992-93, in 1993-94, it has been less than one billion dollars. We have already made comfortable foreign exchange reserves from one billion dollars to fifteen billion dollars. So, the credit goes to the Finance Minister who has managed the whole thing in a prudent way.

Now, our position in the international banking system has come to such an extent that the international Monetary Fund and the World Bank are prepared to give loans without any difficulty. It does not mean that our Government will take loans recklessly and fritter them away.

Ours is a responsible Government and we have consolidated all the gains in the last three years. Our foreign exchange reserves are in a very comfortable position. The exports are going up. More foreign investments are coming into our country. Loan is a necessity for persons right from petty shop keepers to the giant traders. The Government also is compelled and has the necessity to borrow. The Government should stress to the nation that by borrowing, we would not become bankrupt, if we are prudent.

Therefore, the apprehension of Shri George Fernandes that one day we would go bankrupt or we would be in a very bad position and we would not be in a position to service the loans is

misplaced. So, I request that this Bill be withdrawn. Of course, we appreciate the spirit behind this Bill. But still we have to have certain amount of thinking that by borrowing we will not become impoverished.

With these words, I conclude.

MR. CHAIRMAN: The time allotted to this Bill is over.

I would like to know the sense of the House. There are six more speakers. If the House agrees, we will extend it by one hour.

SEVERAL HON. MEMBERS: Yes.

SHRI SYED SHAHABUDDIN (Kishanganj): Mr. Chairman, Sir, the Bill before us moved by the hon. Mr. George Fernandes is one of those rare Bills on which there should be a national consensus because he is doing no more than to awaken us to our obligation under the Constitution which has remained unfulfilled for the last 45 years.

Sir, the gravamen of the charge against successive Government is without such a limit, we have been borrowing recklessly and we have been frittering it away—at least a part of it—on prestigious projects and wasteful items of expenditure. I do not think anybody has the case that there should be no limit on it; that the Government of the day should be free to raise the borrowings to the sky.

I think, each one of us who has a sense of history realises that the days of colonialism might be past but they can return. Let us remember the predicament of Egypt when the British took over Egypt to pay off the debt that the Egyptian State has incurred. Let us remember our

own history when bit by bit, our territory was taken over by the British, by the Army of a foreign company operating on our soil, on the pretext of recovering the debts.

Now that we have bound ourselves hand, body and soul to the chariot wheels of GATT 1994 with all its inherent measures for cross-retaliation and what not, I can see the country falling into a predicament. It is not only our country but any country in the Third World that if once it falls into a debt trap it shall become well nigh impossible for the country to come out of the trap.

Its entire economy will be mortgaged. Its entire sovereignty will be compromised. Its entire future will be at stake once it crosses the limits of borrowing whose servicing it finds unmanageable.

What is our status today? To the best of my knowledge, subject to correction by the hon. Minister of state for Finance who is present here, the total debt burden on the country today is almost of the order of our GDP. Our GDP this year might reach the level of Rs. 700,000 crores to Rs. 8,00,000 crores and our total borrowing is around Rs. 5,00,000 crores. That is not a very happy picture. It is roughly two-thirds of the annual GDP. It is a frightening situation. Long long years ago, we crossed the safe limits of service charges. I do recall a time when I was in the Foreign Service when we were saying that we were still below 20 per cent of the total export earnings. I am speaking of that because it is considered universally, even by the World Bank to be a safe standard for external borrowing and today we have reached a position of around 35 per cent or 38 per cent.

Therefore, I feel that a time has come when the country must apply its collective mind. Let us forget who is in power and who is not and who did what and who did not do, but together save the country from this situation. Today we must save the situation collectively and save the generations to come from the beating that they are likely to receive.

Therefore, I think this is one of those rare Bills on which there should be no division in principle itself and we must all agree that a time has come when a constitutional mandate must be fulfilled and a limit set.

There is one point where I would like to make a slight distinction. There is internal borrowing and there is external borrowing. I personally feel that there should be two separate limits. Internal borrowing might be keyed to the gross domestic product. It is an internal situation. Maybe 10 per cent of the GDP for the national loan or national debt but what is more important is the limit to the foreign debt where I think we must accept the old classical standard that the debt must not exceed a limit whose servicing will cost us more than 20 per cent of our current export earnings. That is to say, roughly speaking, it should not exceed two years export earnings which is what it will come to. That is almost the safe margin that we can think of. When I speak of the export earnings, I speak about the earnings not only from exports of goods but also invisible earnings from the export of services. The total value of the two years export of goods and services should be the same limit for our foreign borrowings and when we speak of service charges, we speak of both the principal which has become due for payment and the interest that we are to pay on the rest of the debt that we have taken. This is just a refinement

[Shri Syed Shahabuddin]

of the situation that has been projected by Mr. George Fernandes.

I also feel that the Bill should have a clause making it mandatory for the Government to take the House into confidence at least once in a year and not only present us a list of borrowings as it stands at the end of the year but to explain the rationale as to why it became necessary to incur a specific debt during a year. That sort of a statement giving brief reasons for every fresh debt incurred during the year should be presented to the House. That should be a part of this Bill. I would propose to the hon. mover to include this because that alone will give us a situational possibility of reviewing, as a Parliament, as a sovereign Body representing the nation, the progress of our debts and not leave it just to the whims and fancies of the Government in power.

The third point that I would like to make is that many debts that we are incurring are earmarked for specific States. Debts are incurred on the guarantees of the Central Government, if not by the Central Government itself and yet they are earmarked - particularly those debts which we take from the international financial institutions - for a specific project in a part of the country. That is causing a certain amount of heart-bruening; that is also causing a certain amount of disparity in the level of development in different States of our country. Therefore, I feel that actually whether it is for a field like education, roads, environment, infrastructure, modernisation of transport or whatever it be whatever we receive from the outside apart from whatever we can spare all that should go into a common kitty and that should be available for the entire country on

some equitable basis. It should not be such that the marginal areas, the peripheral areas of our country be left out. I think, if the foreign loan is being incurred in the name of the entire country, is being spent only for some selected, for some favoured States. It is a matter of management in order that they may help the Government of the day to explain to the people that it has become necessary to take the foreign debt for a specific purpose whose benefits are going to flow to the entire country.

I am not against taking loan as a matter of principle. There is no ideology involved in it. If we are creditworthy, we must use our credit also to the extent as we can within the safe limits for the development of our country. But this must be done in a proper manner; the entire country must be taken into confidence and the people must be told of the scheme, the benefits that arise from it. For any specific national purpose that covers the entire nation, let us have our own inputs, let us estimate what are the things that are necessary what needs to be taken from outside; let all that go into a common pool and let there be a scheme for its equitable utilisation for the entire country, and not for specific States.

I would like to mention one more thing. I was in Vancouver at the time of the Commonwealth Prime Minister's Conference. I was not a member of the delegation. I just happened to be there. That afternoon, there arrived two Prime Ministers. The Prime Minister of India arrived in a specially chartered Air India plane. I was told that he arrived not in one plane but there were two planes and one was kept at the airport for meeting any emergencies. Mr. Chairman, you would be surprised to know that the British Prime Minister flew in in a com-

mercial flight. It is amazing to me. Why is it that we consider that living in lavish style, matching the standards of comfort and the living standards of the foreign nation which are much more powerful, much wealthier than us, is a matter of glory for us? The world is judging us. The world continues to judge us by our poverty, by our inadequate infrastructure, by our backwardness, by our illiteracy and by the fact that you name any disease, we have the largest number of patients in our country - whether it is cancer, TB, blindness or whatever we have it. Somehow we cut a very happy figure in the world if we travel in style in a separate plane, if we live in style, if we entertain in a style. I do not know how many crores of rupees we have spent on the recent tamasha which was called the G-15 summit which was not attended by a majority of delegates. But be that as it may. Over the years I have seen a deliberate move towards a lavish style of living. I have seen in this very town of Delhi - as a student - Pandit ji going around in an Ambassador car not followed by any entourage, one man sitting beside the driver, he alone in the back reading a newspaper. That is what impressed us and that is what would impress any foreign observer of the Indian scene in the Indian situation one cannot possibly contemplate a show of lavishness or a show of glory merely for the purpose of show off.

We will be judged on the basis of austerity, on the basis of how much of our expenditure is for the people, for the direct benefit of the people, how much of it goes to the grass-root level. That is how, I think, we have to make a slight mental adjustment, a slight psychological adjustment having brought this out, I would say that we have developed an elitist culture. Permit me to say, the elite of the world have no nationality. I would

go to the extent of saying that the elite of any country, almost, lack patriotism. They form a class and a nationality by themselves. The way we are moving, the way we are managing our economy, we speak of 150 million people who form a market towards which the entire world is looking with greedy eyes. That is, behind all this globalisation, that is behind all this foreign investment. This market of 150 million people. And look, how right was Lohia! He spoke of 15 versus 85 and these 150 million or so are 15 per cent people of India. It is these 15 per cent people of India who are today benefiting from the political culture, the administrative culture from the financial culture, the development culture that we have developed in our country to the detriment and to the deprivation of the rest of the people. They are not content with anything less than global standards. Even the life that they lead in India is of the standard that somebody would have lived at a comparable level of society, in London or in Washington or in Paris. Their life-style is exactly the same. I would suggest that there should be a national effort to curb this element, not to cater to the fancies, to the desires, to the aspirations to what I would call, the anti-patriotic, anti-people, anti-national aspirations of this class to whose benefit we are mortgaging the entire future of our country.

There is much talk of the international economic order. We are contributing in our own way. We are hailing the new prophets and we are singing hallelujah to the new regime, the global regime. Let us put in something there for the deprived and the wretched of the earth. Let us today insist that in that world economic order, every country whose per-capita income is more than the average per capita income of the world shall pay a tax to a world fund,

[Shri Syed Shahabuddin]

to a world fund, to a world development fund. This is not a new idea. It has been broached. But it depends for its realisation on the collective international wisdom and collective international political will of the people of the world, if the world is indeed indivisible. If peace is indivisible, if prosperity is indivisible, if economy is indivisible, if world resources as the common heritage of all mankind are indivisible if science and technology knows no frontiers, if capital, technology and skills must move freely across the world and if we dream of a bravely world in which everything shall be equalised then just as within a municipal society, within a national society, the fortunate few are asked to pay a part of their income for the development of the rest of the society, similarly, those nations which are affluent today and those which are demanding many things from us, should be made to pay a World Tax for the World Development Fund. Let it be only one per cent of the GDP, if nothing more.

I would suggest one thing more. Let these international financial institutions also come to an understanding. I was very happy to know today when the Finance Minister, in the course of the debate informed us that the Reserve Bank of India had sent out a circular saying that once the total interest paid on a given loan equals the principal amount, then there should be no *zabardasti*. I wish he had said that he would remit the loan. But be it as it may, I would say on the basis of what is happening in South America where I happened to serve as a representative of India, where the Andean countries, the Andean Group demanded that the moment the total interest paid by a country on a loan, on a foreign loan equalled the

principal, then after that the chapter should be closed.

I think this also requires an initiative by a Government of India in the Group of 77, in the Comity of the Third World, in the United Nations and in the Non-Aligned Movement, if this foreign debt is not going to swallow us. Therefore Sir, on the one hand I would make these suggestions to the Minister and at the same time, with the refinements that I have suggested, I support the Bill placed before this House by hon. Shri George Fernandes.

I thank you very much for giving me an opportunity to speak.

[*Translation*]

SHRI SANTOSH KUMAR GANGWAR (Bareilly): Mr. Chairman, Sir. I rise to support the Bill moved by a senior hon. Member Shri Fernandes. He has already pointed out many things in this context and I also agree that the prevalent situation in our country is not a result of our policies of recent past. If we look from the beginning, the planning process had started in the 50's. The Government of that period had presented a model before the countrymen which showed the direction towards which we would be proceeding.

I consider it appropriate to say that the rulers of our country, immediately after independence, forgot those issues which made this country slave. What were the reasons because of which we tolerated the slavery of English for so many years? It was an English Company which established its roots in our economy and made us slave. We have already borne the brunt of that slavery and the present situation is before all of

us. If we go to a village and tell the people that we are reeling under debt burden, they would not be able to understand. The policies of the last forty years show that our rulers have considered the principle of 'Charvak' worth emulating. His motto was – 'borrow money and eat'. Similarly, these people were of the view that they will take the loans and let the posterity bear the brunt of it.

Mr. Chairman, Sir, it is alright that globalisation is taking place in our country but as the hon. Member Shri George Fernandes has said this process is not limited to present only. We should have followed the principles of our pre-independence era. It is unfortunate that we have ignored the theory of indigenisation propounded by Dr. Lohia, Pt. Deen Dyal and Mahatma Gandhi. On this issue, their objective and thinking was very clear. They had a vision to make India an ideal country. It was realised when many big industries were set up but due to faulty economic policies of the Government, these were not successful. Many big projects were launched but they could not be completed. Today, we have the example of Tehri project before us. If we see the targets fixed for its

completion, we find that this project is proving very expensive. The money spent on it so far has gone waste. We do not know its fate. In spite of all this, the people sitting in power have not cared to ponder over it.

Pt. Deen Dyal Upadhyaya had made two things very clear that unless we irrigate every field and find job for every person, the things will not work. He had also said that the limit of income should also be fixed which mean that there should be a limit for the maximum as well as the minimum income.

[English]

MR. CHAIRMAN: Mr. Gangwar, you may continue your speech next time. The House stands adjourned to meet again on Monday, May 9, 1994.

18.00 hrs.

*The Lok Sabha then adjourned till
Eleven of the Clock on Monday,
May 9, 1994/Vaisakha 19, 1916
(Saka)*

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