

(c) to (e) The Central Government evolves Plans and formulates export policy to promote the export of various items/products for the entire country, including Gujarat taking into account the potentialities, specialisation in export production and infrastructural aspects of each part of the country.

#### **Legislation to Prevent Corruption by Legislators**

1749. SHRI K.C. KONDAIAH : Will the Minister of LAW AND JUSTICE be pleased to state :

(a) whether the Government are contemplating to bring forward legislation to prevent corruption by legislators in the country;

(b) if so, the salient feature thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF LAW AND JUSTICE (SHRI RAMAKANT D. KHALAP) : (a) to (c) Apart from the Lok Pal Bill, 1996 which has already been introduced in Lok Sabha on 13.9.1996 to provide for the establishment of the institution of Lok Pal to enquire into allegations to corruption against public functionaries which includes Members of Parliament there is no proposal to bring forward any other legislation in this regard.

#### **BIFR to Look Four Private Sector Companies**

1750. SHRIMATI LAKSHMI PANABAKA : Will the Minister of FINANCE be pleased to state:

(a) whether four private sector companies have succeeded in making their net-worth positive and have thus ceased to be sick industrial units;

(b) the total number of sick units which were undertaken for rehabilitation;

(c) if so, the number out of them have been rehabilitated so far;

(d) the total number of sick industrial units sanctioned for rehabilitation by the BIFR; and

(e) to what extent their performance has been better?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) to (e) The Board for Industrial and Financial Reconstruction (BIFR) has reported that as on 30.6.1997, 1945 sick industrial companies were registered with it under the provision of Sick Industrial Companies (Special Provisions) Act, 1985. 593 rehabilitation schemes have been sanctioned by the BIFR/Appellate Authority for Industrial and Financial Reconstruction for revival of the sick industrial companies. Out of the above, 181 companies which include 176 companies in the private sector and 5 companies in the public sector, have been discharged from the purview of BIFR consequent on implementation of rehabilitation schemes. The implementation of

the rehabilitation schemes of the remaining companies is monitored periodically by the BIFR.

[Translation]

#### **Use of Hindi**

1751. SHRI JAGDAMBI PRASAD YADAV : Will the Minister of COMMERCE be pleased to state :

(a) whether the Hindi Consultative Committee of his Ministry has been constituted;

(b) if so, the number of its meetings held during 1996-97 and 1997-98;

(c) whether any time limit has been fixed for the reconstitution of Hindi Consultative Committee or convening its meeting;

(d) if so, the details thereof;

(e) the reasons behind writing all the files of the Ministry in Roman/English and the reasons that modern equipments, computers are used merely in Roman/English; and

(f) the steps taken to do all works in Hindi in the golden Jubilee year?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH) : (a) Yes, Sir.

(b) After convening the meeting of the Committee on 27.3.1996 only one meeting could be held during 1996-97 (on 22.1.1997) due to General Election of Lok Sabha and nominations of newly elected M.Ps to the Samiti, no meeting could be held during 1997-98 as yet.

(c) and (d) Hindi Salahkar Samiti of the Ministry of Commerce was constituted on July 27, 1994 and its tenure was upto July 26, 1997. Necessary action is being taken to reconstitute the Committee.

(e) It is not correct to say that notings on all files are being done in English. At present use of Hindi is being done on 1100 files in various sections in the Ministry. A part from this, computers and electronic typewriters are, as far as possible, put into use in Hindi also.

(f) A number of attractive incentive schemes have been introduced in the Ministry for doing work in Hindi so as to enhance the use of Hindi in the Golden Jubilee Year. Personnel in the Ministry are being motivated to do their work in Hindi by organising Hindi workshop etc.

[English]

#### **Expert Group on Non-Banking Financial Companies**

1752. SHRI SURESH PRABHU :  
SHRI RAM NAIK :

Will the Minister of FINANCE be pleased to state :

(a) whether the Reserve Bank of India (RBI) appointed an Expert Group to study and report on the supervision for Non-Banking Financial Companies (NBFCs);

(b) if so, when the said Group was appointed and the name of its chairman and other members;

(c) the terms of reference of the study;

(d) whether the said Group has submitted its report;

(e) if so, the salient features of the recommendations along with the time bound programme to implement the recommendations; and

(f) if not, the time by which the Group is expected to submit its report ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) to (f) In order to design an effective supervisory frame-work, Reserve Bank of India (RBI) had constituted an Expert Group under the Chairmanship of Shri R.R. Khanna, Member of Advisory Council of the Board for Financial Supervision (BFS), by an order dated April 21, 1995. The composition of the Expert Group is as under :

1. Shri P.R. Khanna Chairman	Senior Partner, Khanna & Annadhanam, Chartered Accountants, New Delhi.
2. Shri J. Goswami Member	Chief General Manager, DFC, RBI, Central Office, Calcutta
3. Shri K.M. Elavia Member	Kalyaniwalla & Mistry, Chartered Accountants, Mumbai.
4. Shri G.S.R.K. Rao Member	Executive Director, Credit Rating Information Services of Inida Ltd., Mumbai.
5. Shri G.K. Raman Member	Managing Director, Sundram Finance Ltd., Chennai.
6. Shri S.D. Nadkar Member	Managing Director, Anagram Finance Ltd., Ahmedabad.
7. Shri V.S. Srinivasan	Managing Director, 20th Century Kinetic Finance Ltd., Pune.
8. Shri T. Bandyopadhyay Member Secretary	Addl. Chief General Manager, DFC, RBI, CC Cell, Mumbai.
9. Shri A.M.M. Sharma Special Invitee	Chief Genral Manager, DFC RBI, CO, Mumbai.
10. Shri P.R. Gopala Rao Special Invitee	Addl. Chief General Manager DCS, RBI, Central Office Cell, Mumbai.
11. Shri S. Bandyopadhyay Special Invitee	Addl. Chief General Manager (Since retired) DFC, RBI, Central Office Cell, Mumbai.

The terms of Reference of the Group were as under :

(i) Defining the supervisory jurisdiction of Non-banking financial companies (NBFC) in terms of entities and supervisory responsibilities and powers.

(ii) Defining the objectives, scope and strategy of prudential supervision of NBFCs.

(iii) Recommending a framework for on-site examination of NBFCs (Including periodicity, coverage and methodology)

(iv) Designing an off-site monitoring system.

(v) Developing a system of supervisory ratings and making it the basis for modulating supervisory attention and resources.

(vi) Suggesting how external audits can be made a resource for prudential Supervision.

(vii) post examination and off-site review/follows up for making it result and action oriented.

(viii) Any other related areas including recommendations for training and computerisation.

The Group has submitted its report and the important recommendations are as under :

- Reliance mainly on off-site surveillance for supervision of unregistered NBFCs in view of their large numbers;

- Development of a suitable off-site surveillance system for the above purpose;

- Shifting all focus on on-site inspection from the present liability side examination to asset side examination;

- Preparation of a supervisory watch list of companies to modulating on-site examination;

- Very large companies (those with assest size of Rs. 500 crore and above) to be supervised on banking supervisory model;

- Company profile with various ratios to be developed for comparison with the Peer/ industry groups; and

- Finally statutory auditors should be obliged to report to RBI any infringement of regulatory guidelines.

In pursuance of the recommendations of this Committee a comprehensive inspection manual has been prepared by RBI dealing, inter-alia, with on-site inspection or large size Non-Banking Financial Companies (NBFCs) with emphasis on ascertaining quality of assets. RBI have also reiterated development of off-site surveillance mechanism to monitor financial health of NBFCs.