

in the Financial Express of June 4, 1996;

(c) if so, the details of persons responsible for destroying the above evidences;

(d) the details of various modus-operandi used in the fraud alongwith the details of officers responsible for negligences in sanctioning the fraudulent and bogus housing loans;

(e) whether an investigation has been carried out by a independent investigation agency; and

(f) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (e) It has been reported that the investigation relating to the Housing Loan Accounts has since been completed. One Administrative Officer (since retired), one Senior Assistant and two Assistants were found responsible for the fraud. The senior assistant has already been suspended. Charge Sheets are under preparation. A number of irregularities have been noticed in the issue of loans such as—releasing more amounts than the loan sanctioned; releasing direct payments to builders without the knowledge of the employee; releasing loan instalments in the name of relatives; releasing loans to those who did not apply for a loan; manipulation of Housing Loan Accounts etc. Since action against the Employees/Ex-employees can be taken by the Company under the existing Conduct/Pension Rules, the Company felt that it was not necessary to hand over the investigation to an independent agency.

Import of Machinery

2808. SHRI JITENDRA NATH DAS: Will the Minister of COAL be pleased to state:

(a) the amount spent in import of machineries/appliances by the Coal India Ltd. and its subsidiaries during each of the last three years;

(b) the foreign exchange involved therein;

(c) whether these imported machineries were available in the country; and

(d) if so, the reasons for such imports?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH): (a) Coal India Limited (CIL) and its subsidiaries incurred the following expenditure for import of machinery and appliances during the last three years:

Year	Landed Cost (In Rupees)
1994-95	6,16,29,555
1995-96	19,44,33,336
1996-97	10,48,35,930

(b) Foreign Exchange involved is as under:

Japanese Yen	34,42,16,000
DM	72,48,606
US Dollars	25,55,450
French Francs	6,17,200

(c) and (d) All machinery/appliances are being purchased following the prescribed tender procedure. L-1 suppliers are considered, be these Indian or Foreign companies, unless their past performance, in term of delivery schedule and quality are bad. Single source supplies are also avoided so as to ensure reliability of supply as per schedule and need. Domestic manufacturers and orders are considered on this principle.

Stock Exchange

2809. SHRI SUSHIL CHANDRA: Will the Minister of FINANCE be pleased to state:

(a) whether the stock Exchange index has gone up in all the stock exchanges of India these days;

(b) whether this rise in the index is due to heavy purchase of shares of Indian companies by the foreign companies and other institutions and other reasons for the rise in the index despite the prevailing depression in the Indian industrial and trade sector;

(c) whether the increasing participation of the foreign companies and investors or NRIs in Indian capital market is due to high rates of interest in India; and

(d) whether regarding induction of foreign funds into the Indian capital market there is general feeling that these foreign funds after convertibility in rupees are likely to be withdrawn from the Indian capital market and if so, the steps taken by the Union Government to check this move by the foreign Companies?:

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Yes, Sir. The indices of major Stock Exchanges have gone up between 1.1.97 and 31.7.97.

(b) Movement of share prices are generally attributable to the expectations of investors regarding the performance of the corporate sector and the economy, perceptions of investors about economic policies of the Government, developments in the international capital markets and speculative activity.

(c) The increasing participation of the foreign companies and investors or NRIs in Indian capital market could be attributed to a host of congenial factors which include strong macro-economic fundamentals, sound external sector as reflected in manageable current account deficit and increasing foreign exchange reserves, liberalisation of the foreign investment policy, improvements in the working of Indian capital markets and many factors in countries from which investment is coming.

(d) At present, foreign investment inflows in the form of investment in stock exchanges in India by Foreign Institutional Investors (FIIs), the amount raised by Indian companies through Global Depository Receipts (GDRs)/ American Depository Receipts (ADRs), the investment in shares and debentures of Indian companies by foreign investors and most of the investment in shares and debentures of Indian companies by Non-resident Indians are fully repatriable. The experience with foreign participation in Indian Capital market in the period 1993-96 shows that outflow of foreign portfolio funds either as disinvestment or dividend, has been insignificant.

Excise Duty on Oil Industries

2810. SHRI YELLAIAH NANDI:

DR. T. SUBBARAMI REDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether the decision for additional burden of excise duty imposed on major players in the field of oil have landed them on the great trouble;

(b) if so, whether these industrialists have urged the Ministry to withdraw these excise duties;

(c) whether some of the companies like Indian Oil, Castrol India, Tide water, Mobile and others will have to end up bearing an additional annual burden of Rs. 200 crores, Rs. 50 crores and Rs. 20 crores respectively;

(d) whether a large number of firms are working on projects to get rid of the additional burden;

(e) whether the Finance Ministry has considered their suggestions; and

(f) if so, the steps being considered?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) In the budget for 1997-98, no change in the customs or excise duty rates on petroleum products has been effected. In the budget for 1996-97, customs duty on petroleum crude had been reduced from 35% to 25% and the excise duty on petroleum products, other than kerosene and LPG, had been increased from 10% to 15% the Ministry of Finance is not aware as to whether the increase in excise duty has landed the major players in the field of oil in any great trouble.

(b) to (f) In view of the (a) above, do not arise.

Service Charges by STC & MMTC

2811. SHRI SULTAN SALAHUDDIN OWAISI:

DR. LAXMINARAIN PANDEY:

Will the Minister of COMMERCE be pleased to state:

(a) whether STC and MMTC are charging service

charges for importing different items,

(b) if so, the details thereof;

(c) whether there is a great anomaly in service charges of different items, especially in wheat and fertilizers;

(d) if so, the main reasons therefor; and

(e) the steps taken to remove the anomalies?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) to (e) Yes, Sir. Administrative Staff College of India (ASI), Hyderabad had examined the aspect for payment of service charges and overheads of commodities handled by STC. Based on the recommendations made by ASI, Hyderabad which were accepted, the Government had been making payment of overheads to STC in proportion to sales in addition to interest on capital employed plus 0.5% of CIF value as service charge in respect of import of edible oils. However, in regard to import of sugar during 1994-95, the Ministry of Finance decided for payment of 1.20% of CIF value as service charges which was paid by FCI. The same rate of service charge as for sugar has been mutually agreed to between FCI and STC for wheat imports as the present imports of wheat have been entrusted to STC only. The service charge of Rs.17 PMT is being paid to STC and MMTC for urea imports as fixed by the Government.

In respect of metals, MMTC recovers pre-determined service charges as percentage of sales price for import and Committed sale on 'high seas' basis. For sales of metals from stock ex-godown, service charges are realised by MMTC on the basis of the prevailing market forces.

Private Investment in Core Sector

2812. SHRI MAHESH KUMAR M. KANODIA: Will the Minister of INDUSTRY be pleased to state:

(a) whether private investments in core sector projects in the country have been much below the Government's expectations despite several policy initiatives were taken to improve the same since 1991;

(b) if so, the details thereof;

(c) the reasons identified therefor; and

(d) the fresh measures proposed to be taken by the Government in this regard?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) and (b) The data on private investment in "Core Sector" is not centrally maintained. However, the overall Gross Domestic Capital formation of the public sector was Rs.69,426 Crores in 1993-94, Rs.83,709 Crores in 1994-95 and Rs.89,589 Crores in 1995-96.

(c) and (d) Do not arise.