

and petroleum products in the international market, Rupee-Dollar exchange rate variation, increase in the Rail freight and changes in the Customs and Excise duty announced in the Finance Bill for 1996-97. The cumulative outstandings of the oil companies from pool account are estimated to be Rs. 15,500 crores as on 31.3.97 and projected to be Rs. 24,500 crores by 31.3.98 if remedial measures are not taken.

The mounting outstanding have resulted in oil companies experiencing severe cash crunch necessitating them to resort to huge borrowings which are estimated to be Rs. 23,000 crores by 31.3.97.

The position of the oil pool account is being monitored on a continuous basis and Government is exploring various options to contain the deficit in the oil pool account.

Petroleum Products

*555. SHRI MULLAPPALLY RAMACHANDRAN:

SHRIMATI VASUNDHARA RAJE:

Will the PRIME MINISTER be pleased to state:

(a) whether the Oil and Natural Gas Corporation and Oil India Limited propose to launch a major programme to step up deep water exploration to discover new hydrocarbons reserves to off-set the adverse impact on oil production due to declining production from existing oil and gas fields;

(b) if so, whether a two day International Conference on deep water exploration technology was held in March, 1997;

(c) the main recommendation made at the conference;

(d) whether any areas have been identified;

(e) if so, the time by which the work is likely to be undertaken in these areas;

(f) the initial total expenditure likely to be involved on these projects;

(g) the areas likely to be covered during 1997; and

(h) the number of foreign and Indian companies likely to be involved in this task ?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BAALU):
(a) Yes, Sir. ONGC has taken up a programme for deep-water exploration.

(b) Yes, Sir.

(c) The Conference took stock of the various technological options now available for substantially reducing the cost of deep water exploration.

(d), (e) and (g) Two locations in the Kerala-Konkan offshore and one location each in Cauvery and Krishna-

Godavari offshore have been identified. Drilling is likely to commence in Kerala-Konkan offshore in December, 1997.

(f) The estimated expenditure in 1997-98 in drilling and upgradation of the drillship is Rs. 82 Crs.

(h) ONGC may hire the services of internationally reputed deep-water drilling companies.

Shortfall in Revenue Collection

*556 SHRI SOMJIBHAI DAMOR: Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that there is shortfall in the revenue collection in respect of Excise & Customs during last year;

(b) whether it is also a fact that there is an increase in the smuggling activities;

(c) whether malpractices in transfer/postings of senior/top level officers in the Excise & Customs are mainly responsible for this State of affairs;

(d) whether performance-based posting policy will be enforced to reduce favouritism; and

(e) if so, details thereof ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) So far as revenue collection is concerned, according to provisional figures both Central Excise Revenue and Customs Revenue collected during 1996-97 have been higher than that in 1995-96. However, there is some shortfall in respect of Customs duties in comparison to the revised Budget Estimates that was fixed for 1996-97.

(b) There is no report to suggest that there is any increase in smuggling activities.

(c) to (e) The postings/transfers of senior/top level officers in the Department both in Excise and Customs side are made having due regard to the prescribed policy guidelines for postings/transfers of officers at various levels and after taking into account the administrative exigencies as well as suitability of officers for certain specific assignments.

Target Group of RRBs

*557. SHRI KRISHAN LAL SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether the Regional Rural Banks, were set up primarily to cater the target groups in rural areas;

(b) whether the Government have now diverted from its original stand and has directed the Regional Rural Banks to finance 60 percent of their total lending to non-target groups; and

(c) if so, the reasons therefor ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c) Regional Rural Banks (RRBs) were set up with the following broad objectives :-

- (i) To take banking services to the door steps of rural masses particularly in hitherto unbanked far flung rural areas.
- (ii) to make available institutional credit to the weaker sections of the society;
- (iii) To mobilise rural savings and channelise them for supporting productive activities in rural areas;
- (iv) to create a supplementary channel for flow of credit from the central money market to the rural areas;
- (v) to generate employment opportunities in rural areas; and
- (vi) to bring down the cost of purveying credit in rural areas.

Sustained viability of their operations is necessary if the RRBs are to meet these objectives. In the context of the need for ensuring viability of RRBs and ensuring the flow of adequate and sustainable credit to the rural sector, Government/Reserve Bank of India (RBI) have taken a number of steps to improve viability of the operations of RRBs which, inter-alia, include deregulation of interest rates, application of prudential accounting norms in a phased manner, preparation of bank specific development action plans, widening the range of services and to finance non-target groups to the extent of 60% of their fresh lendings with their service area.

Further, RBI have recently stipulated that, beginning from 1st April, 1997, the advances of RRBs to priority sector borrowers should constitute 40% of their outstanding advances, as in the case of commercial banks. Within the over-all target of 40%, the advances granted to weaker sections of the society should constitute 25% of the priority sector advances (10% of total outstanding advances). RBI have reported that this will further make the lending operations of RRBs vibrant in addition to ensuring uniformity in approach on lending alongwith commercial banks. These policy changes seek to provide a level playing field to RRBs to enable them to perform their functions in a viable and sustainable manner.

Ways and Means Advances

*558 SHRI ANNASAHIB M.K. PATIL:

DR. C. SILVERA:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government are considering drastic restructuring/changes in the present system of ways and means advances (WMA) drawn by the State Governments;
- (b) if so, the details of the proposals under consideration suggested by RBI in this regard;
- (c) the details of decisions taken/proposed by the Government in the matter; and

- (d) the details of other steps proposed to put a cap on Government's debt ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) No, Sir.

(b) and (c) Do not arise.

(d) State Govts. are allowed to borrow within the limits given in the Annual Plans through the instruments of market borrowings and negotiated loans. They also have to seek Govt. of India's approval under Article 293 for incurring any debt. Govt. of India endeavours to contain the level of debt by lowering the fiscal deficit through efforts to raise non debt receipts and control of expenditure.

Hydroelectric Power Projects

*559. SHRI SAT MAHAJAN : Will the PRIME MINISTER be pleased to state:

(a) the number and names of hydro-electric power projects in the country, State-wise;

(b) whether there are some hindrances in the execution of some of the power projects;

(c) if so, the details thereof, project-wise;

(d) the steps being taken to remove the hindrances; and

(e) the present position of the execution of Nathpa-Jhakri and Chamera-II Power Projects in Himachal Pradesh ?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (DR. S. VENUGOPALACHARI) : (a) to (c) There are, at present, 74 hydro-electric power projects (above 3 MW) under execution in the country. Project-wise details and the reasons for delay in the execution of the projects are given in the enclosed statement.

Amongst the factors which have adversely affected the execution of hydel projects are fund constraints, environmental and rehabilitation aspects, law and order problems, geological problems, etc.

(d) Following steps have been taken to remove the hindrances in execution of some of the hydro projects:

The Net Budgetary Support (NBS) for hydel projects being executed by the Central Sector Corporations has been substantially increased from Rs. 533 crores in 1996-97 to Rs. 866 crores in 1997-98. In addition, Rs. 617 crores have been assured and will be provided in the Budget of 1997-98 for Central sector hydel projects namely, Tehri, Dulhasti, Uri, Rangit and Kopili. The Government also announced in January 1995 a package of incentives for hydro projects to be commissioned on or after 1.1.1997 to encourage greater private sector participation in hydel projects.

The Ministry of Power had constituted a Committee under the Chairmanship of Shri M.K. Sambamurti on 26th